

THE COMPTROLLER  
& AUDITOR GENERAL  
OF INDIA

A THEMATIC HISTORY

1990–2007

(VOL. I)

Vijay Kumar

Foreword: V.N. Kaul

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## Foreword

History matters because it shapes the way we view the present and helps in determining options for the future. The Comptroller and Auditor General of India has a long history dating back to 1860. The Indian Audit and Accounts Department also has a distinguished history going back to pre-independence times. It is a history worth recording, updating and learning from. Unfortunately up to 1980s the only source of recorded history of the Comptroller and Auditor General of India and Indian Audit and Accounts Department was a publication brought out by the Indian Institute of Public Administration by the name of 'Indian Audit and Accounts Department' written by Shri MS Ramayyar. Then, in 1990s, my predecessor Shri T.N. Chaturvedi commissioned a history of this department which was written by Shri R.K. Chandrasekharan, former Deputy Comptroller and Auditor General. This history by the name of 'The Comptroller and Auditor General of India: Analytical History' was published in four volumes in 1990. The value and usefulness of that publication is recognized widely both within and outside the department. However, as almost 18 years have passed since the publication of the history by Shri Chandrasekharan, I felt that it was time to commission another update of departmental history because at this stage it is possible to draw upon the knowledge of those who were directly responsible for strategic decisions taken between 1990 and 2007 and institutional memory is still fresh.

The period 1989 to 2007 has been a period of important developments and great change in the areas of accounting and audit both internationally and in India. The convergence between government and private sector accounting systems has been a major development in the last two decades. The development of performance auditing has been another. INTOSAI has emerged as a model international institution for exchange of experience amongst Supreme Audit Institutions and it has accelerated mutual exchange

of experience and best practices around the world. The Indian accounting profession has matured and Government of India has decided to move from a cash based system to an accrual based system of accounts. This is a precursor to accrual budgeting and outcome oriented budgeting practices in line with the most developed countries in the world. The practice of auditing has not remained untouched with increasing complexity of performance auditing and introduction of IT and other new forms of audit.

Choosing the right person for undertaking the onerous task of writing the history of the department in such times was not an easy task. I consulted the Institute of Public Auditors of India because of its long association with the department and its contacts with persons with wide experience in the department. I had a discussion with the President of the Institute and decided to select Shri Vijay Kumar, former Deputy Comptroller and Auditor General, as author of this history. Shri Vijay Kumar is a distinguished member of the Indian Audit and Accounts Service with an outstanding record and an intimate knowledge of this department and its working. His interest and aptitude for research is well known. I have glanced through some of the chapters and am delighted to say that Shri Vijay Kumar has very successfully summarized the history of these 18 years in a very succinct and interesting manner. He has produced a very informative work which I am confident will be of great use not only to practitioners of Government audit and accounts, but also to students and researchers in the field of public audit as well as to the general public.

I am particularly impressed by the inclusion of copies of some of the important references, memos, etc issued over the last 18 years in this department. Availability of these documents at one place facilitates referral and usage and enhances the value of this history.

Though this history was commissioned by the department, I have tried to ensure that the author has full autonomy and independence to highlight matters that he considers important. While I have encouraged as much consultation as possible between the departmental officers and the author, the opinions, observations and conclusions in the book are his own and do not reflect the views of the Comptroller and Auditor General of India or the Indian Audit and Accounts Department.

The period covered by this volume coincides with the completion of my tenure. As I lay down office as Comptroller and Auditor General of India, I can look back on my years in the department

with great satisfaction and happiness at having been at the helm of affairs at a time when significant changes have and are taking place. I am full of hope for the future of public audit because of the trust we enjoy not only of the Parliament and the Executive but also of the press and the public at large. Above all, the confidence of the Public Accounts Committee and Committee on Public Undertakings has been my bulwark against any challenges that we have had to face to the independence of this institution. In India the strong defence of the principle of independence of the Comptroller and Auditor General by Indian Parliament and State Legislatures and their support to provision of adequate resources for audit have been crucial to the production of audit reports which are widely acknowledged to be fact based, non-partisan and reliable. The credit for this is also to be shared with the leaders of our democracy both in Government and in the Opposition and the officers and staff of this department

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Vijayendra N. Kaul  
Comptroller and Auditor  
General of India