

Instructions of Government of India

**F.No. 6(5)-B (R) / 99 Ministry of Finance Department of Economic Affairs Budget
Division New Delhi 13th June, 2006**

Subject: - Performance Audit by Comptroller and Auditor General of India

Clarification has been sought whether Performance Audit falls within the scope of audit by C&AG under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

2. The Government has considered the matter. Under Section 23 of the DPC Act, 1971, the Comptroller and Auditor General of India has the powers to make regulations for carrying into effect the provisions of the Act in so far as they relate to scope and extent of audit. In pursuance of these provisions C&AG has been conducting performance audits in addition to financial audits and compliance audits based on guidelines / principles / regulations framed for the purpose. All audit reports of the C&AG are placed before the Parliament and State Legislatures, as the case may be as constitutionally mandated.
3. It is, therefore, clarified that performance audit, which is concerned with the audit of economy, efficiency and effectiveness in the receipt and application of public funds is deemed to be within the scope of audit by Comptroller and Auditor General of India for which Performance Auditing Guidelines drawn up by the Comptroller and Auditor General of India already exist.
4. All the Ministries / Departments are accordingly expected to facilitate the conduct of audits including performance audit by providing access to all the documents required by C&AG in connection with such audits. In this regard attention of all the ministries is invited to O.M. F.No.1(43)-B/78 dated 23rd September 1978 issued from the Ministry of Finance, clarifying the procedure in respect of submission of official documents for audit without any apprehension and with due care with respect to custody and handling of classified files in accordance with standing instructions.
5. The respective subordinate offices and other entities that come under the purview of the CAG audit may also be advised accordingly.

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To,

1. Secretaries to Government of India (All Ministries / Departments)
2. Chief Secretaries of State and Union Territory Governments
3. Financial Advisors (All Ministries / Departments of Government of India)
4. Copy for information and record to:
 - The Cabinet Secretariat and
 - The Office of the Comptroller and Auditor General of India