

CAG to Audit Major Railway Projects, Green Initiatives and E-Procurement

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CAG Latest News

- The Comptroller and Auditor General of India (CAG) will audit four key Indian Railways programmes — including suburban train services, the e-procurement platform, and multimodal transport and logistics initiatives — with reports to be presented during the Monsoon Session of Parliament in 2026.
- In a parallel move, the CAG has approved the creation of two centralised audit cadres within the Indian Audit and Accounts Department — the Central Revenue Audit (CRA) Cadre and the Central Expenditure Audit (CEA) Cadre — to strengthen expertise and enhance audit quality. The new cadres will become operational from January 1, 2026.

Comptroller and Auditor General of India

- CAG of India is the supreme audit authority of the country, responsible for ensuring accountability and transparency in the use of public funds.

- The CAG audits receipts and expenditure of the Central and State Governments, public sector undertakings (PSUs), and autonomous bodies, presenting reports to the President or Governor, which are then laid before Parliament or State Legislatures.
- The CAG is often called the “Guardian of the Public Purse.”

Constitutional Provision

- The CAG’s office is established under Article 148 of the Constitution of India.
- Articles 149–151 outline the duties, powers, and reporting responsibilities of the CAG.

Functions and Powers

- Audits all receipts and expenditure of the Union and States.
- Examines financial propriety, efficiency, and performance in government operations.
- Audits government-owned corporations, autonomous bodies, and projects funded by public money.
- Submits reports to Parliament and State Legislatures through the Public Accounts Committee (PAC).

Notable Works Across the Globe

- The CAG of India is a member of international audit bodies such as:
 - INTOSAI (International Organization of Supreme Audit Institutions)
 - ASOSAI (Asian Organization of Supreme Audit Institutions)
- UN Board of Auditors, where India has audited key UN entities like:
 - World Health Organization (WHO)
 - Food and Agriculture Organization (FAO)
 - UNESCO
 - International Atomic Energy Agency (IAEA)
 - United Nations Headquarters (New York)

CAG to Audit Key Railway Programmes Ahead of 2026 Parliament Session

- The Comptroller and Auditor General of India (CAG) will audit four major Indian Railways programmes —
 - Suburban train services,
 - E-procurement platform,
 - Multi-Modal Transport and Logistics Initiatives, and
 - Sustainable Rail Transport (ESG and Green Energy).
- The reports will be presented in the Monsoon Session of Parliament in 2026.

Focus on Multi-Modal Transport and Logistics Initiatives

- The audit will focus on “First Mile–Last Mile” connectivity, Origin-Destination (O-D) pairs, and integration with logistics hubs.

- This review gains importance under the **National Rail Plan (NRP) 2030**, which aims to make Indian Railways “future-ready”.
 - The NRP 2030 aims to develop a “future-ready” railway system by creating capacity ahead of demand to meet growth up to 2050.
 - Its primary goal is to **increase the Railways’ freight modal share to 45%** through improved operational capacity, infrastructure expansion, and commercial policy reforms.
- The Railway Audit Wing will conduct the audit in FY 2025–26, covering the Eastern and Western Dedicated Freight Corridors and the Golden Quadrilateral network.
- The Indian Institute of Management (IIM) Mumbai has been engaged as a knowledge partner for the audit.

IT Audit of Railways’ E-Procurement System

- The CAG will conduct an information technology audit of the Indian Railways E-Procurement System, which manages all procurement activities across the railway network.
- The objective is to assess efficiency, transparency, and data security in the digital procurement process.

Audit on Sustainable Rail Transport and Green Energy

- Another key focus will be an audit on “**Sustainable Rail Transport: ESGs and Green Energy**” to evaluate Indian Railways’ progress toward net-zero carbon emissions by 2030.
- This aligns with India’s climate commitments and global sustainability goals, aiming to assess Railways’ role in promoting environment-friendly transport.

Broader Objective

- Through these audits, the CAG aims to provide data-backed insights to help Indian Railways improve operational efficiency, sustainability, and accountability, while ensuring alignment with the country’s infrastructure and climate goals.

CAG to Form Two Specialised Cadres for Centralised Audit Oversight

- CAD has approved the creation of two new specialised audit cadres within the Indian Audit and Accounts Department (IA&AD) — the Central Revenue Audit (CRA) and Central Expenditure Audit (CEA) cadres.
- Effective January 1, 2026, the **reform aims to centralise and professionalise audit operations**, enhancing the quality and efficiency of audits of Central Government finances.
- Currently, audits of Central receipts and expenditure are conducted by multiple dispersed state offices, causing fragmentation.
- The new system will consolidate over 4,000 audit professionals under central control, enabling better manpower management, reduced dependence on redeployments, and stronger audit coherence nationwide.

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