

CAG's New Audit Priorities in India's Path Toward Viksit Bharat 2047

November 17, 2025 • vajiramandravi.com



CAG's New Audit Priorities Latest News

- On Audit Diwas (16 November), Comptroller and Auditor General of India (CAG) K. Sanjay Murthy **outlined an expanded set of national audit priorities.**
- Audit Diwas commemorates the appointment of **India's first Auditor-General in 1860**, marking the institution's 166th year.
- The shift aligns with the national vision of **Viksit Bharat 2047** and **evolving governance challenges.**

Key Audit Focus Areas Announced by the CAG

- **Urban governance audit - Reinvigorated audits of Urban Local Governments (ULBs):**
 - **Rationale:** Over 50% of India's population will be urban by 2047.
 - **Coverage:** 101 major cities will be covered under the theme "Ease of Living".

- **Parameters to be assessed:** Infrastructure availability, environmental sustainability, service delivery efficiency, local economic growth.
- **Impact:** Audit insights to affect over 40 crore urban citizens and **guide urban policy reforms.**
- **MSME sector audit - Ease of Doing Business for MSMEs:**
 - **Significance of MSMEs:** MSMEs contribute significantly to employment generation, exports, regional economic growth.
 - **Focus of audit:** Paperless, faceless processes; ease of interface with government systems; efficiency of grievance-redressal mechanisms.
 - **Objective:** Identify procedural bottlenecks and strengthen MSME competitiveness.
- **Foundational literacy and numeracy (FLN) audit:**
 - **Human capital** development is considered essential for the developed nation goal.
 - **Pan-India assessment** of early-grade learning outcomes, implementation of Foundational Literacy and Numeracy Mission.
 - **Importance:** Strong FLN outcomes are sine-qua-non for Viksit Bharat 2047 and align with NEP 2020.
- **Audit of multimodal logistics and Indian railways (under PM Gati Shakti framework):**
 - **A comprehensive cross-sectoral review** of port connectivity, railways and freight corridors, logistics terminals, and inter-agency coordination.
 - **Aim:** To evaluate readiness for seamless multimodal transport and reduction of logistics costs.
 - **Includes extensive consultations** with the Ministry of Railways, port authorities, private freight operators.

Digital Transformation Initiatives of the CAG

- **CAG-Connect portal:** It provides a **real-time digital ecosystem** linking 10 lakh auditee entities with audit offices. It ensures traceability, transparency, and efficient audit workflows
- **Development of CAG-LLM (Large Language Model):** An indigenous AI-driven LLM designed to –
 - Unlock institutional knowledge from decades of audits.
 - Process over 20,000 inspection reports annually.
 - Enable smarter, data-driven audits.
- **Capacity building and future-ready audit workforce:** Partnership with IIT Madras for training in data science, Artificial Intelligence (AI), cybersecurity, IT auditing. Till now around 250 officers are trained, and the target is to train 5,000 officers in 5 years.

Significance of Auditing Highlighted by the Vice-President

- Vice-President C P Radhakrishnan, who inaugurated the Audit Diwas celebrations, highlighted CAG's role in **promoting transparency, accountability and good governance** in the management of public resources.
- He commended the institution's significant strides in **transforming audit processes** to act as a facilitator of good governance and to strengthen executive accountability.
- He emphasised that audit was no longer a retrospective exercise but a **forward-looking instrument** of reform, foresight, and innovation.

- He expressed confidence in the CAG's role as a trusted partner in the Government's pursuit of holistic development across the **economic, social, technological, environmental, and institutional spheres**.

Challenges

- **Data gaps** and poor digital readiness among ULBs and MSME departments.
- **Coordination issues** in multimodal logistics across multiple agencies.
- **Ensuring cybersecurity** and privacy with digital audit tools.
- **Integration of AI systems** like CAG-LLM into traditional audit workflows.
- **Standardising frameworks** for measuring Ease of Living and Ease of Doing Business across states.

Way Forward

- **Strengthen digital capabilities** of states, ULBs, and MSME agencies.
- **Institutionalise** AI-supported auditing and data analytics.
- **Expand audits** to include climate resilience, smart city projects, and social sector delivery.
- **Enhance stakeholder consultations** for the multimodal transport audit.
- **Promote inter-ministerial coordination** for PM Gati Shakti evaluations.
- **Build workforce** capacity through continuous training and certification.

Conclusion

- The CAG's **renewed audit priorities** reflect a major shift towards proactive, real-time, future-ready auditing.
- By leveraging technology, strengthening institutional capacity, the CAG aims to significantly enhance transparency, accountability, and governance effectiveness in India's path toward **Viksit Bharat 2047**.

Source: IE

Source: <https://vajiramandravi.com/current-affairs/cags-new-audit-priorities-in-indias-path-toward-viksit-bharat-2047/>

© Vajiram & Ravi. For personal use only.