STUDY NOTES · BASIC CONCEPT

How do the Comptroller and Auditor General (CAG) and Parliamentary Committees ensure accountability in Indian Railways?

Defence & Security

25 Dec 2020

Role of CAG and Parliamentary Committees in Ensuring Accountability in Indian Railways

I. Role of the Comptroller and Auditor General (CAG)

Constitutional Position

- — Supreme audit institution of India
- — Ensures transparency, financial discipline, and accountability
- — Audits Indian Railways (IR), a commercial department under the Ministry of Railways

BECOME IAS
AI-Powered UPSC Preparation by ZINKPOT

Scope of Oversight

- — Covers a vast railway system with over 63,000 route km
- — Examines large-scale revenue, expenditure, assets, and infrastructure
- — Ensures legality, propriety, economy, and efficiency in operations

1. Certification of Accounts

- — Certifies Appropriation Accounts and Finance Accounts
- — Examines Balance Sheets (commercial and strategic)
- — Verifies that parliamentary funds are used only for approved purposes
- — Zonal PDAs certify individual railway accounts
- — Deputy CAG provides consolidated approval
- — Detects discrepancies in revenue and expenditure

2. Audit of Transactions

- — Audits earnings, catering, works, stores, workshops, and IT systems
- — Uses risk-based audit planning and statistical sampling
- — Focuses on high-value and high-risk transactions
- — Identifies inefficiencies such as revenue leakage and idle assets
- — Conducts theme-based audits and combined PSU audits

3. Performance Audits

- — Evaluates economy, efficiency, and effectiveness of railway operations
- — Covers freight, passenger services, safety, maintenance, and HR
- — Includes pilot studies and stakeholder consultations
- — Provides recommendations for systemic improvement

Reporting Mechanism

- — Audit findings compiled into multi-volume reports
- — Reports submitted to the President and tabled in Parliament
- — Highlights financial mismanagement, safety lapses, and governance issues

Overall Contribution of CAG

- — Acts as an independent watchdog over railway finances
- — Provides Parliament with evidence to hold the executive accountable

BECOME IAS
AI Powered UPSC Preparation by ZINKPOT

II. Role of Parliamentary Committees

General Oversight Role

- — Act as watchdogs of the executive
- — Scrutinise budgets, policies, and audit reports
- — Recommend reforms to improve efficiency and accountability

1. Public Accounts Committee (PAC)

- — Examines CAG audit reports on Indian Railways
- — Reviews appropriation and financial irregularities
- — Questions senior railway officials
- — Seeks explanations for losses, delays, and safety lapses
- — Demands Action Taken Reports (ATRs)

2. Standing Committee on Railways

- — Reviews demands for grants, bills, and policies
- — Evaluates administrative and operational performance
- — Focuses on safety, passenger amenities, and financial health
- — Recommends corrective and structural reforms

3. Railway Convention Committee (RCC)

- — Ad hoc committee appointed every five years

- — Reviews railway finances and policy matters
- — Recommends economic and organizational reforms
- — Coordinates between Parliament and Ministry of Railways

III. Combined Impact

- — CAG identifies financial and systemic shortcomings
- — Parliamentary Committees question, scrutinise, and enforce accountability
- — Together they strengthen transparency and democratic oversight
- — Ensure Indian Railways remains accountable to Parliament and citizens

Conclusion

- — CAG provides independent audit and factual assessment
- — Parliamentary Committees ensure democratic control and corrective action
- — Together, they form the backbone of accountability in Indian Railways

BECOME IAS
AI-Powered UPSC Preparation by ZINKPOT