

Foreigners seek CAG methods

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THE much-maligned (after the Bofors report) institution of the Comptroller and Auditor-General of India and its methods are sought after at least in foreign countries.

The latest proof of it is the six-week international training on audit of receipts (tax revenues) which was inaugurated by the Comptroller and Auditor General of India (CAG), Mr T. N. Chaturvedi.

Some 38 lucky participants from 25 countries have managed to ellist for this programme, and, for the first time since the programme began in 1984, there are participants from Pakistan, Brunei, Cameroon, Yeman Arab Republic and the United Arab Emirates.

The nominations for the programme were oversubscribed and there was intense pressure on the CAG to accept more participants for the

training, which is part of India's efforts to promote technical co-operation among developing countries.

Inaugurating the programme, Mr Chaturvedi pointed out that the objective of audit is not finding fault with tax assessments for the sake of taking credit, but to strive to improve the systems as a whole. Audit of receipts is a branch of audit confined to audit of tax and non-tax revenues.

In this regard, Mr Chaturvedi recalled the recommendations of a 1988 meeting of Asian organisation of supreme audit institutions where it was recognised that audit of taxes should be mainly systems-based and the scope should extend to cover the examinations of efficiency, economy and effectiveness.

Besides, the objectives of the tax audit should be to discover loopholes, lacunae and deficiencies not only in tax administration but also in tax laws. "Keep this in mind and try to adopt audit techniques and methodology as would be the most appropriate to the conditions existing in your countries," he told the foreign participants.

An area which requires attention is the emphasis on voluntary compliance with tax laws by the assesseees and large-scale computerisation due to increasing workload facing tax departments all over the world.

So the focus of receipt audit, naturally has to be on assessing the efficacy of the systems of selection of scrutinising case, machinery to ensure voluntary compliance, extent of efficiency of the assessment system, levy and collection, Mr Chaturvedi said.

Another area, currently neglected by the auditors, but which requires sufficient attention, is the accounting of the demands, collections and refunds.

Audit should ensure that not only assessments are made in time, but that claims on tax payers are pursued with diligence, and are not abandoned without adequate justification, he observed.

The current programme which will go on till November 6, is one of the three international training courses conducted by the CAG annually.

So far, over 450 auditors from 38 developing countries have participated in these programmes on areas like audit of receipt, public enterprises, public utilities and social services. An unique aspect of the current programme will the presentation of country-wise status reports on audit by the participants raising public revenues and developing its sources to progressively improve the yield forms a very important facet of governmental activity and has become quite a specialised branch of public finance.