



INTOSAI · WGFA · 2026

From Audit Recommendation to Public Value

Creating Public Value Through Effective Follow-up Audit

Knowledge Sharing Session · Agenda 4

2nd Annual Meeting of the INTOSAI Working Group on Follow-up Audit (WGFA)

Kolkata, India | 18 August 2026

Presented by SAI India

Ms Sudha Rajan, Director General of Audit

What We Cover Today

01 **Audit Impact**

03 **Follow-up Mechanisms**

05 **Case Studies**

07 **Key Takeaways**

02 **SAI India Framework**

04 **Follow up Audit &
Methodology**

06 **Good Practices**

Impact in Numbers — 2025-26

What India's audit-to-action pipeline delivered

249

Audit Reports approved by the CAG

US\$446 mn

Recoveries effected (₹42.51 bn)

231

Government orders, circulars or notifications issued

74

Amendments to Acts, Rules, Regulations or Manuals

253

Changes in Accounting Policies, Classifications or Procedures

Follow-up Framework — SAI India

Mandate-Driven Provisions

Regulations on Audit & Accounts 2020

- Audit offices & auditable entity to monitor action taken & maintain follow-up.
- Executive to prepare Action Taken Note (ATN) on audit paragraphs & furnish to Legislative Committees.
- Audit Committees established to monitor & ensure compliance and settlement of pending audit observations.

Legislative Oversight

Parliamentary & State Legislature Committees

Legislative Committees:

- monitor ATN submissions
- select reports for in-depth examination
- present Reports to the Legislature

SAI India:

- assists in selection of subjects
- attendance in sittings
- vetting of Action Taken Notes/Replies

Follow-up Mechanisms

Regular Follow-up

- ATNs on CAG Audit Reports, presented to the Legislature, monitored proactively
- Stakeholder Engagement
- Audit Committee Meetings: Executive-led and Audit-led

Follow-up Audits

- Independent activity that increases value added by audit process - strengthens impact of audit
- Increases probability of implementation of audit recommendations
- Performance Audit Guidelines
- Guidance Notes

Regular Follow-up Mechanism

Continuous · universal — every audit report moves through this cycle

- Each audit report requires Action Taken Note (ATN) from Executive
- ATN vetted by Audit, through iterative process, before submission to Legislative Committees
- Legislative Committee takes oral evidence from Executive on selected audit reports
- Legislative Committee recommends action to Executive
- Executive files Action Taken Replies (ATR) on these recommendations, which after vetting by Audit, submitted to Legislative Committee

APMS: The Digital Backbone of Follow-up

Audit Para Monitoring System

- APMS brings Executive, Audit and Legislative Committees onto one common platform —complete digital trail
- Online submission of ATN/ATR by Executive & vetting by Audit
- Para-wise, stage-wise tracking
- One view for all stakeholders

1

Ministries / Departments

Take corrective action; submit
ATNs/ATRs

2

Audit

Vets ATNs/ATRs

3

PAC

Considers vetted ATN/ATR; takes up
discussion

Case Study 1:

PA on EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME(1/2)

Background

- Ex-Servicemen Contributory Health Scheme present in 353 districts
- Scheme caters to more than 5.7mn ex-servicemen beneficiaries
- Beneficiaries reside in far flung & geographically scattered areas

Engagement With Beneficiaries At Planning Stage

- As Observer of Advisory Committee Meeting
- Meeting with Regional Level Representatives of Ex-Servicemen
- Questionnaire sent through Zila Sainik Boards seeking feedback from ECHS Beneficiaries:
- Indirect Means

EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (2/2)

Impact

- Audit recommendations aligned with concerns of beneficiaries; directly addressed difficulties in accessing proper medicare
- Based on engagement , Ministry made corrective action even before Exit Conference
- Audit able to directly respond to challenges of citizens and support beneficial change



Case Study 2

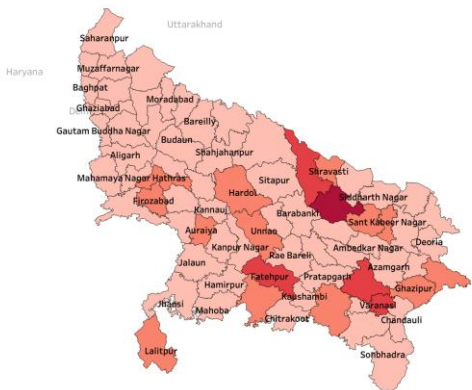
Mukhyamantri Kanya Sumangala Yojana(1/3)

MKSY Hybrid Audit

Welfare of girl children through **conditional financial** assistance at key life and education milestones

75 ALL U.P. DISTRICTS
REMOTELY AUDITED

19 DISTRICTS
FIELD AUDITED



19 DISTRICTS FLAGGED
FOR **FIELD AUDIT** BASIS
INTENSE DATA
ANALYTICS

25 LAKH TOTAL UNIQUE PAYMENTS SINCE INCEPTION OF SCHEME

17 % TRANSACTIONS FLAGGED **REMOTELY** FOR AUDIT

4.25%
US\$ 3.14 mn
TRANSACTIONS
CONFIRMED AS
VIOLATIONS
REMOTELY

12.25%
US\$ 11.21 mn
TRANSACTIONS
FLAGGED **HIGH**
RISK FOR FIELD
AUDITS

>72% ACCURACY
FRAUDULENT PAYMENTS

UPON TEST CHECK AUDIT OF 13%
TRANSACTIONS IN FIELD AUDIT IN
19 DISTRICTS

TIMELINE: END TO END AUDITED IN 3 MONTHS

AUG 2025 ● Entry meetings held with District Probation Officers. Full payment database for April 2019 to July 2025 taken from Directorate.

WEEKS 1–2 ● All 2.6 mn transactions analysed. High-risk claims listed and 19 districts selected on level of risk.

AUG–SEP 2025 ● Field audit in 19 districts. 7,165 applications checked against school, bank and family records.

45 DAYS — DATA ANALYSIS + FIELD AUDIT DONE

SEP 2025 ● Case-wise list of every irregular payment and **Audit Recommendations** given to the Additional Chief Secretary.

OCT 2025 ● Exit Meeting with Department

NOV 2025 ● Scheme payments stopped, portal re-designed based on audit’s recommendations

DEC 2025 ● Government replies and adopts further measures.

THREE MONTHS — FIRST DATA REQUEST TO A CHANGED SYSTEM

JUL 2026 ● Follow-up review in Lucknow and Kanpur.

Mukhyamantri Kanya Sumangala Yojana(2/3)

ISSUES AND ROOT CAUSE ANALYSIS

- Duplicate payments to same beneficiary
- Payments to ineligible age groups
- Age eligibility rules not coded in portal
- Same bank account — multiple beneficiaries
- Large scale upload of fake documents

Poorly Designed IT Portal

Eligibility rules never programmed. Age limits, stage gates — all absent.
Portal released without validation logic.

No Field-Level Verification

Field officers approved applications without physical verification.

Absent Data Governance

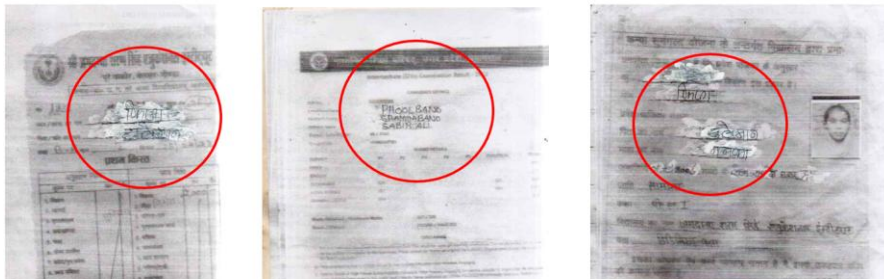
No deduplication. No cross-referencing with Aadhaar or birth records at disbursement.

Key Takeaway

Many payments could have been avoided with a robust design of scheme portal

FAKE DOCUMENTS UPLOADED AND YET APPLICATIONS WERE APPROVED BY BDO/SDM AND DISTRICT COMMITTEES

- Beneficiaries were found to be uploading documents like college enrolments using Whitener
- In most test checked cases, the BDOs/SDMs had approved the applications even though they were fake



FAKE AND MORPHED DOCUMENTS UPLOADED AND YET APPLICATIONS WERE APPROVED

- Beneficiaries were found to be uploading same documents by digitally editing names
- In most test checked cases, the BDOs/SDMs had approved the applications even though they were fake



Use of Fake Bank Account Names and Numbers

FAKE BANK ACCOUNT NAMES BEING USED AND STATE PFMS FAILING TO DETECT IT

- Beneficiaries were found to be entering fake bank account names in application
- In most test checked cases, families weren't aware of their names being used, and actual beneficiaries were males unrelated to the family

MKSY Application Number	Name of Girl Child	Mobile	Account No	Account Name	Actual Account Name (Bank Verification)
WR255300007691/2553G0000313/BUP GN02326333	Meera devi/Ram lai(Mother)	6390990669	055610075300	c Holder- RUKMINI	CHANDRA SHEKHAR
WR255300007692/2553G0000315/BUP GN02326333	Meera devi/Sangita (Mother)	6390990669	055610075300	c Holder- RUKMINI	CHANDRA SHEKHAR
WR255300006911/2553G0000281/BUPG NO2326335	Shanti /Neelam lata (Mother)	6390990669	055610133836	c Holder- SHARDA DEVI	RAJ KASAUDHAN
WR255300006912/2553G0000283/BUP GN02326335	Shanti /Ramavati (Mother)	6390990669	055610133836	c Holder- SHARDA DEVI	RAJ KASAUDHAN
WR245300164501/2453G00002915/BUPG NO2304855	Parana /Priya kumari (Mother)	6390990669	055610138388	c Holder- Parana	VISHAL PRAJAPATI
WR245300164502/2453G00002916/BUP GN02304855	Parana /Meena devi(Mother)	6390990669	055610138388	c Holder- Parana	VISHAL PRAJAPATI
WR245300157222/2453G00002602/BUP GN02304668	Ramkali /Parvati (Mother)	6390990669	057210220162	c Holder- ramkali	LAL JI
WR245300157221/2453G00002600/BUPG NO2304668	Ramkali /Manorama (Mother)	6390990669	057210220162	c Holder- ramkali	LAL JI

IMPACT OF AUDIT(3/3)

Based on Audit’s recommendation, scheme re-designed

- 1. *Payments stopped* from October 2025 till February 2026
- 2. *District Approvals fell 56 per cent after audit*, confirming high-leakage existed

Recommendations of Audit

STAGE ORDER ANALYTICS

An earlier stage cannot be filed once a later stage is claimed.

TIME GAP ANALYTICS

Minimum gap is now required between two stages.

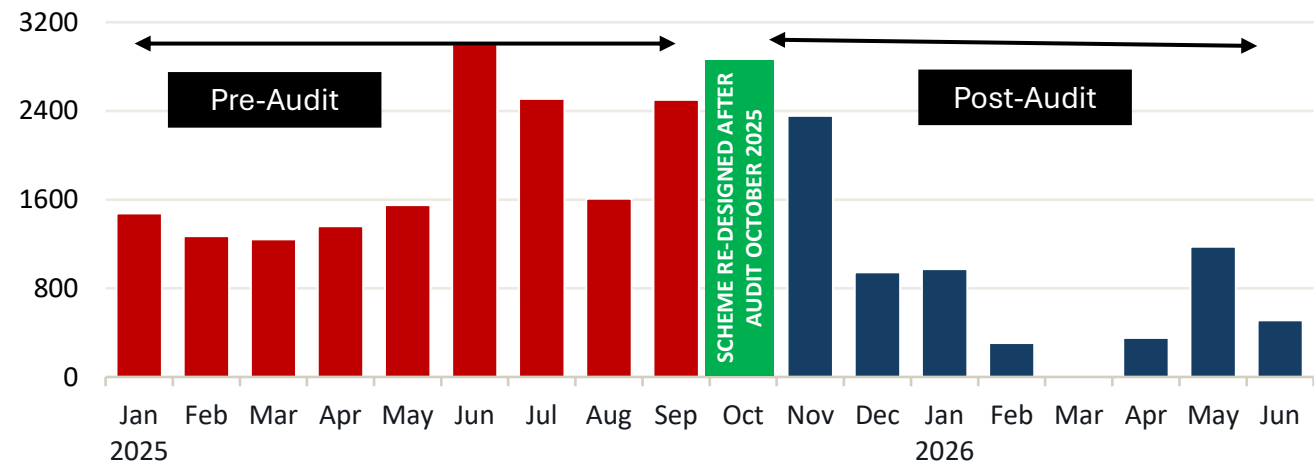
ONE CLAIM A YEAR CHECK

An applicant can file only one application in a financial year.

REPEATING NAMES CHECK

Two beneficiaries with the same name cannot share one login.

Applications **approved** by the District Approval Committee, Lucknow = **56% drop**



1,652 → 735
average approved per committee meeting, **before and after CAG Audit**

FOLLOW-UP AUDIT DONE IN JULY 2026

0 duplicate payments stage or gap violations

ACTION IN AYODHYA

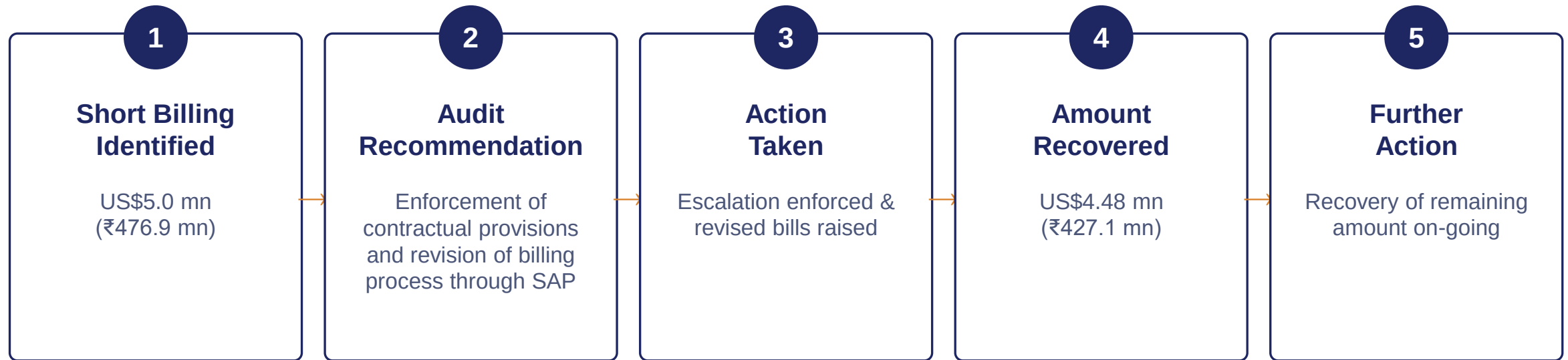
Employee terminated. FIR lodged. Recovery started in several districts.

Applications **paid** by the Directorate for Lucknow District

Payment Month	Amount Paid
Jul-25	\$161807 (₹15.4mn)
Aug-25	\$70237 (₹ 6.7mn)
Sep-25	\$ 28627 (₹2.7mn)
Oct-25	0
Nov-25	0
Dec-25	0
Jan-26	0
Feb-26	\$ 92251 (₹8.8mn)
Mar-26	\$ 107534 (₹10.2mn)
Apr-26	0
May-26	0
Jun-26	\$ 123433 (₹11.8mn)

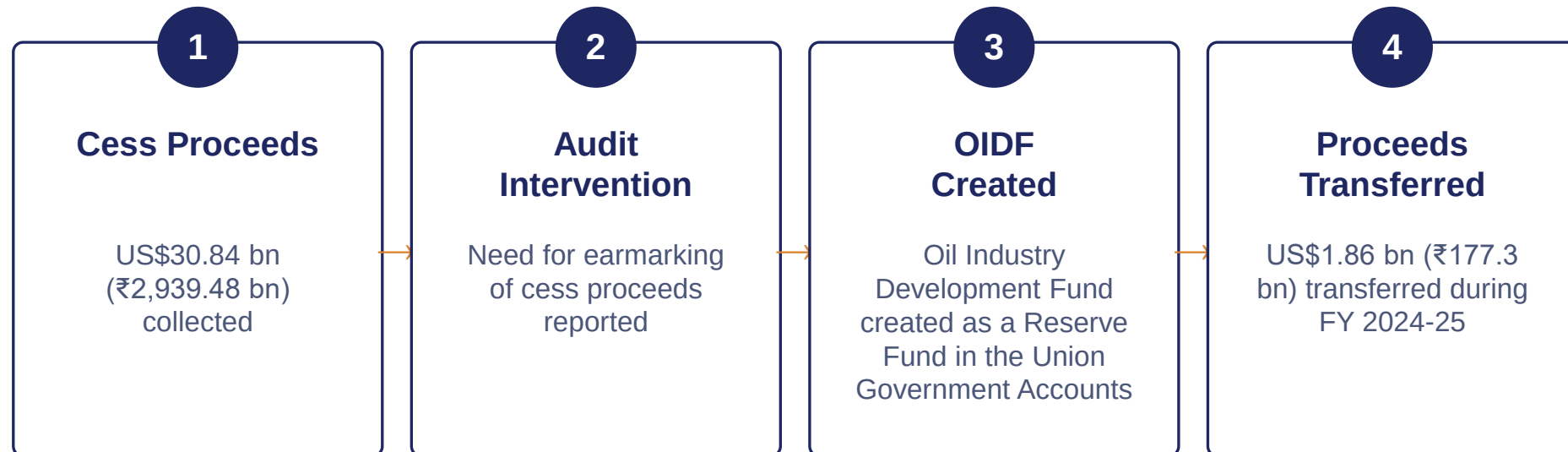
Case Study 3: Loss of Revenue Due to Incorrect Billing

- Central Public Sector Undertaking in telecom sector under-billed private telecom company for infrastructure sharing — annual escalation clause not applied
- Due to iterative follow up process, recovery increased from US\$ 1.6 mn (₹150 mn) to US\$4.48 mn (₹427 mn) within one year



Case Study 4: Creation of the Oil Industry Development Fund (OIDF)

- Cess (tax collected for a specific purpose) collected on crude oil — US\$30.84 billion (₹2,939.48 bn) till 2023-24 — was not being kept in dedicated fund.
- Audit reported and followed up on need for creation of dedicated fund for cess proceeds in Government Accounts
- Based on Audit inputs, Legislative Committee also recommended to Executive.



Case Study 1: Follow-up Audit of IFMS

Integrated Financial Management System — Information Technology Audit

Original Audit

- IFMS roll-out audited across States
- Findings flagged: planning, BPR, change management, system controls, integration with other systems

Why the Follow-up Audit

- Verify implementation of audit recommendations
- Assess strengthening of validation controls and system checks
- Prevent recurrence of reported deficiencies
- Enhanced Scope: Works Accounts, e-Procurement
- Uniform Framework: Centralized Audit Design Matrix

Case Study 2: Follow-up Audit of Revision and Implementation of Market Value Guidelines (1/3)

Background

- Market Value Guidelines prescribe minimum land /building values
- Basis for Government taxes and fee on property transfers
- Periodic revision protects revenue and reflects market conditions

- Performance Audit conducted in 2016
- 6 recommendations made to the Government of Andhra Pradesh
- Implementation status checked in follow-up audit, 2024-25
- Recommendations categorised into 3 categories by degree of implementation

Case Study 2: Follow-up Audit of Revision and Implementation of Market Value Guidelines (2/3)

Results reported in Compliance Audit Report No. 6 of 2025

1

Fully Implemented

- Strengthen scrutiny of documents involving manual entries

2

Partially Implemented

- Ensure Revision Committees obtain all relevant data before revising market values.
- Modify Computer-aided Administration of Registration Department (CARD) system to generate analytical reports & support trend analysis during market value revision
- Enhance CARD by capturing complete particulars and reducing manual intervention in valuation

Case Study 2: Follow-up Audit of Revision and Implementation of Market Value Guidelines (3/3)

Category 3 of 3 — Insignificant Progress

3

Insignificant Progress

- Establish formal mechanism with documented procedures for periodic revision of market values
- Analyse variation between approved market values and prevailing market prices and take corrective action to minimise gap

Good Practices & Innovations (1/2)

CAG Connect Portal

- Secure OIOS-integrated portal-enable end-to-end digital communication with audited entities
- Real-time access to audit products, digital replies with attachments, and automated follow-up tracking.
- Over 0.19 mn auditable entity accounts created

Public Accounts Committee: Sub-committees

- For comprehensive and timely examination of audit reports sub-committees constituted
- 6 subcommittees – dedicated subjects (Finance, Railways etc)
- 48 meetings of the PAC and its sub-committees (2025-26)

Good Practices & Innovations (2/2)

Audit Impact Assessment

- Identify & categorise audit impact
- Pursue audit findings through management letters & Departmental Appreciation Note
- Highlight systemic issues in scheme implementation
- Track financial recoveries
- Monitor changes in policies, regulations & rules

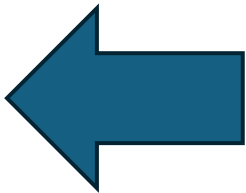
KEY TAKEAWAYS

Recommendations Become Public Value

- Follow-up is mandated — Regulations on Audit & Accounts 2020, with Legislative Committee oversight
- Two tracks — the ATN-ATR lifecycle for every report, and independent Follow-up Audits for select deep-dives
- Institutionalized through good practices — online tracking of recommendations through APMS, CAG Connect Portal, PAC Sub-committees, Audit Impact Assessment

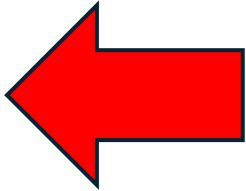
Thank You

ATN Vetting — Detailed Timeline



Activity for ATN vetting	Responsible Entity	Duration	Cumulative Duration
Report upload on APMS portal	Audit	5 Days	05 Days
First Journey of vetting	Executive	30 Days	35 Days
	Audit	30 Days	65 Days
Second Journey of vetting	Executive	20 Days	85 Days
	Audit	15 Days	100 Days
Third Journey of vetting	Executive	10 Days	110 Days
	Audit	05 Days	115 Days
Final ATN to PAC Branch	Executive	05 Days	120 Days

ATR Vetting — Detailed Timeline



Activity for ATR vetting	Responsible Entity	Duration	Cumulative Duration
PAC report upload on APMS portal	PAC Branch	10 Days	10 Days
Draft ATR submission	Executive	120 Days	130 Days
Vetting of ATR by Audit	Audit	30 Days	160 Days
Submission of final ATR	Executive	20 Days	180 Days

APMS

≡

e - APMS Controller General of Accounts (महालेखा नियंत्रक)





HRITURAJ SINGH
Nodal Officer (Audit (C&AG) Section) ▾

DASHBOARD

MASTERS >

ACTION >

APPROVAL >

MEETING DETAILS >

USERS >

REPORTS >

AUDIT/GRANT/PAC PARA VIEW >

PULL BACK >

HELP

Dashboard

Comptroller and Auditor General of India

Due date i.e 30th June for uploading Saving/Excess Expenditure Figures for Explanatory note has lapsed. Mini

C&AG paras

EXPL Notes

PAC paras

Report Year

Select ▾

Ministry/Department

Select ▾

Report Type

Select ▾

Report No.

Select ▾

Search

Pending Paras लंबित पैरा

(k) Paras for which ATNs are due before vetting	32
(l) Paras for which ATNs are not due before vetting (with in 4 months)	9
Total Paras (k + l)	41
(m) Pending After Vetting (Within 4 months)	0
(n) Pending After Vetting (Beyond 4 months)	5
Total Pending After Vetting (m + n = e to j)	5
Unsettled Paras	
Non-Selected C&AG Paras	40
Selected by PAC(PAC Report Not Yet Laid in Parliament)	6
Settled Paras	
Final ATNs/Final Corrg. Submitted to Loksabha (PAC Branch)	629
Laid in Parliament	7
Selected by PAC(PAC Report Not Yet Laid in Parliament)	70

Pending ATNs Status लंबित ATNs की स्थिति

(a) ATNs Not uploaded even once	22
(b) Draft ATNs Uploaded By Ministry	3
(c) ATN Returned by Audit to Ministry	13
(d) Revised ATNs Uploaded By Ministry	3
(e) Vetting Comments By Audit	3
(f) Final ATNs Uploaded By Ministry	2
(g) Final ATN returned by Audit for revision	0
(h) Revised Final ATN uploaded by ministry	0
(i) Final ATN Approved By Audit	0
(j) ATN Returned by Monitoring cell to Ministry	0

Compendium संग्रह

Training cum intraction program for users of APMS portal

Time Frame (ATN, ATR, EN)

PPT Of Quarterly Training Presentation.

ATNs/vetting comments in Pdf and Word format.

Meeting with Nodal Officers on 9th April 2024

ATR FORMAT (PAC)

EN FORMAT

Performance Audit Format(CAG)

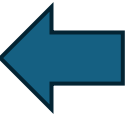
ATN format

D.O. Letters

View All

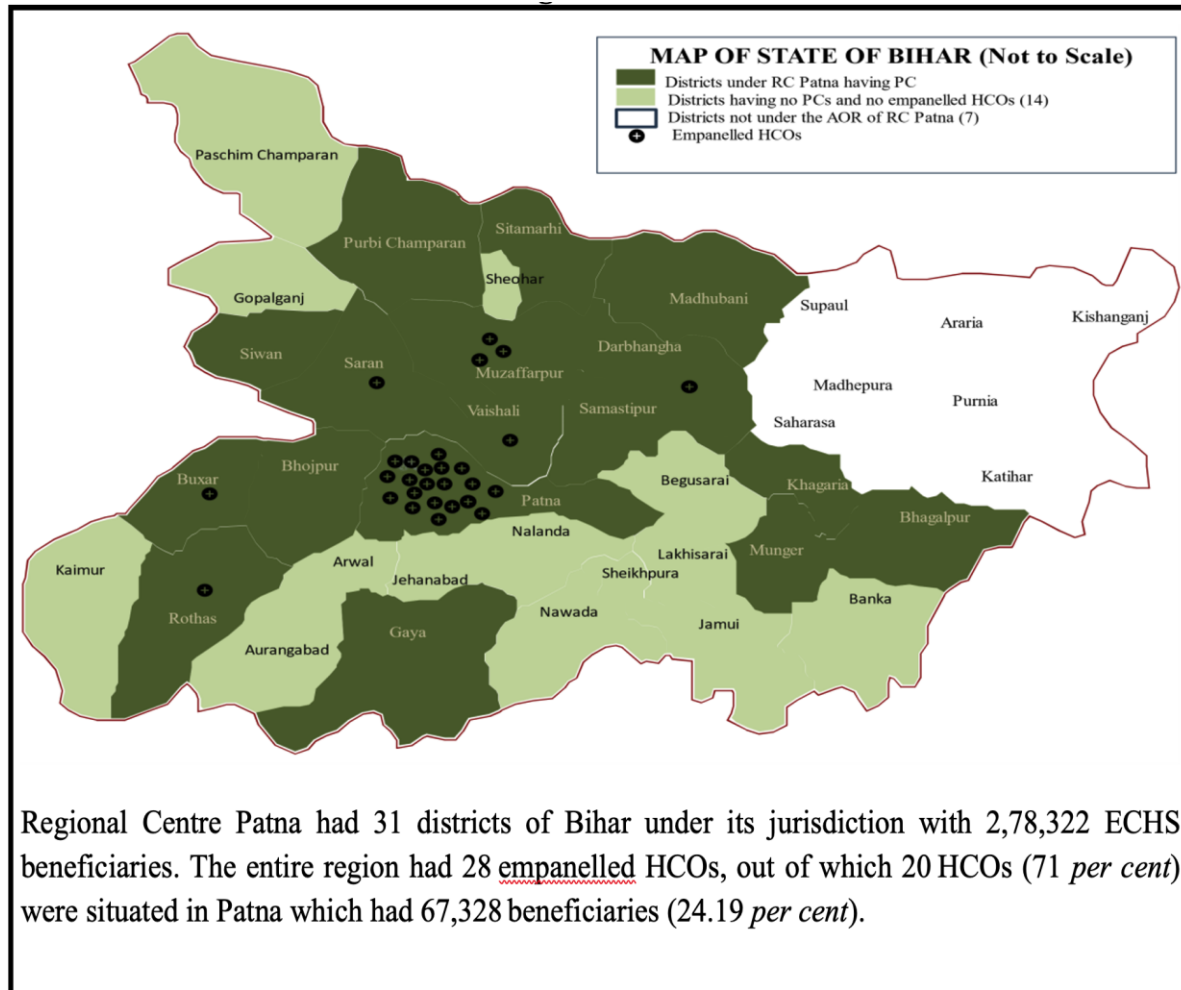
FROM AUDIT RECOMMENDATION TO PUBLIC VALUE

APPENDIX 3



Impact

Before



After Recommendations

