

**PRESS RELEASE**

**OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

**28th February 2024**

**New Delhi**

**Text of Inaugural Speech of Shri G C Murmu, Hon'ble C&AG of India**

**International Conference on Strengthening of Grassroots Democracy  
(28-29 February-1 March 2024)**

Distinguished Delegates, Ladies and Gentlemen,

Namaskar! Good morning and a very warm welcome to Incredible India and to its historic capital city, Delhi. It is with immense satisfaction and a strong sense of purpose, that I inaugurate this very first International Conference on Strengthening of Grassroots Democracy and Accountability. In the words of Mahatma Gandhi, the Father of the Nation, "Grassroots democracy is the most vital form of governance, where communities actively participate in shaping their own destinies."

2. Grassroots democracy is the cornerstone of a vibrant and inclusive society. It is at this level that the aspirations, concerns, and needs of the people are most acutely felt and addressed. It is here that local level planning of developmental programmes should be undertaken ensuring increased participation in activities. In fact, the committees at this level are the first respondents to calamities, pandemics as local governments are the most important link in the governance spectrum. These bodies are also vital for implementation of SDGs, etc. For this 'vital form of governance' to thrive, it is imperative that the ideals of transparency and accountability are inextricably intertwined with it, ensuring the voices of the people are heeded at the very foundation of governance. Although auditing of local bodies are carried out differently, audit operations at local levels, in many countries, are carried out by SAIs of the country. As Supreme Audit Institutions, we can contribute through robust audit mechanisms within our respective mandates to foster oversight and accountability at the local government level.

3. This conference seeks to improve the lives of ordinary citizens. Underlying every audit finding, every recommendation is the potential for positive, tangible difference in the lives of people - an imperative for the advancement of society. We have come together to share our ideas, experiences and knowledge, in this realm. Our exchanges

and collaborations, will undoubtedly serve as a force multiplier in strengthening local governance, thus amplifying the voice of the citizenry and strengthening grassroots democracy.

4. The 59th ASOSAI Governing Board Meeting held in Korea in September 2023 approved the proposal to form a special committee to conduct a feasibility study for establishing an ASOSAI Working Group on Regional and Municipal audit. Accordingly, the Special Committee consisting of ASOSAI members, led by SAI Russia, will examine and determine the objectives, composition, scope of work, risks, work plan for the proposed Working Group. As the incoming chair of ASOSAI from 2024-27, SAI India recognises this proposed Working Group as a stimulus for spurring development of regional/municipal audit in the Asian Region.

5. As we commence our deliberations, I draw your attention to the core principles underpinning the very essence of our welfare societies—transparency, inclusivity and accountability. At the grassroots level, where governance meets the everyday lives of citizens, these principles are not mere ideals but the bedrock upon which the edifice of good governance stands.

6. India has large number of urban and rural local bodies, particularly at rural level 2,62,000 such bodies exist. This third tier of governance is dealing with many schemes/projects concerning SDGs. Union Finance Commissions are providing direct devolution of around 4.2% of the total divisible pool.

7. It is in this context, that SAI India is committed to strengthening the audit of local governments. From our experience, we find the functioning of Local Governments different from that of the Federal and Provincial Governments in India, in terms of their dependence for functions, funds and functionaries on the two higher tiers. This reality calls for an “out of the box” audit approach. Recognizing that governance challenges at the grassroots may be unique to contiguous geographic areas, SAI India has embarked on audit of Local Governments focusing on districts – administrative divisions encompassing multiple villages and cities. As the third tier of the government touches peoples’ lives like no other does, the primary focus of District Centric Audit is on service delivery - the last mile connecting government with its people. For instance, services like supply of potable and clean water, sanitation, and management of solid waste are few such crucial services which are provided by Local Governments. The objective of our audit is to assess how well Local Governments are discharging the functions which have been devolved as per the Constitution and Legislations. This paradigm of local audit is

dynamic and evolving. The initial framework and guidance are being modified and updated through consultations with stakeholders and feedback from audit teams.

8. Audit impact must be factored in our framework, with follow-up audits and implementation of recommendations as an integral part of local governance audits. This warrants establishing mechanisms for monitoring compliance and effectiveness, with periodic reviews and evaluations.

9. As we dwell upon Accountability frameworks of Local Governments around the globe and Audit interventions to improve Local Governance, I urge you to explore innovation and technology as catalysts for change. In an increasingly interconnected world, audit methodologies must evolve to keep pace with the complexities of modern governance. By harnessing the power of data analytics, artificial intelligence, and digital platforms, we can enhance the effectiveness and efficiency of our audit processes, ultimately delivering greater value to society.

10. We also need to explore institutionalizing international standards for local governance audits within our respective national legal and regulatory frameworks. This can involve incorporating relevant provisions into legislation, regulations, and guidelines governing local governance and audit practices.

11. Undoubtedly, this relatively nascent field of Local Government Audit calls for considerable capacity building. To meet this need, SAI India has recently established iCAL, our International Centre for Audit of Local Governance. This will serve as a Centre of Excellence for capacity building of Local Government Auditors, both at the National and the International levels. It will also act as a knowledge centre and think tank addressing governance issues at grass roots level across nations.

12. SAI India has also partnered with the Institute of Chartered Accountants of India, to develop a set of online courses, pitched at the required level of knowledge and skills for maintaining the accounts of different categories of Local Governments. Thereby, creating a pool of certified accountants whose services can be used by Local Governments in maintaining complete and standardised accounts.

13. Regular exchanges between SAIs to share experiences, lessons learned, and best practices in local governance auditing through regional forums, conferences, and virtual platforms, will go a long way in strengthening grass root democracy.

14. These measures will help us all strengthen our local governance audit systems and contribute to more effective and accountable local governance processes. Ladies and Gentlemen, as we engage in these discussions, let us keep in mind that the work we do here goes beyond the confines of this conference hall. It ripples out into the communities we serve, leaving an indelible mark on the democratic fabric of our societies.

15. I extend my heartfelt gratitude to each one of you for your commitment to this crucial cause. Let our deliberations be fruitful, our collaborations enduring, and our collective efforts a testament to the enduring strength of grassroots democracy. By fostering transparency, upholding integrity, embracing innovation, and putting the needs of the people first, we can build a future where governance truly serves the common good.

Thank you.

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