

PUBLIC ACCOUNTS COMMITTEE

18-03-2020

Introduction

In a parliamentary democracy like ours, the Committee system assumes great importance. Administrative accountability to the legislature becomes the sine qua non of such a parliamentary system. The check that Parliament exercises over the executive stems from the basic principle that Parliament embodies the will of the people and it must, therefore, be able to supervise the manner in which public policy laid down by Parliament is carried out. However, the phenomenal proliferation of governmental activities has made the task of legislatures very complex and diversified. By its very nature, Parliament, as a body cannot have an effective control over the government and the whole gamut of its activities. Administrative accountability to the legislature through Committees has been the hallmark of our political system. The Committee on Public Accounts enjoys the place of pride in our Committee System.

Genesis of the Committee

The Committee on Public Accounts underwent a radical change with the coming into force of the Constitution of India on 26 January, 1950, when the Committee became a Parliamentary Committee functioning under the control of the Speaker with a non-official Chairman appointed by the Speaker from among the Members of Lok Sabha elected to the Committee. The Minister of Finance ceased to be a Member of the Committee *vide* Rule 309(i) of the Rules of Procedure and Conduct of Business in Lok Sabha.

Constitution of the Committee

The Public Accounts Committee is now constituted every year under Rule 308 of the Rules of Procedure and Conduct of Business in Lok Sabha. The Public Accounts Committee consists of not more than 22 members comprising of 15 members elected by Lok Sabha every year from amongst its members and not more than 7 members of Rajya Sabha elected by that House in like manner.

The Chairman of the Committee is appointed by the Speaker from amongst the members of the Committee from Lok Sabha.

Scope and Functions

The functions of the Committee, as enshrined in Rule 308(1) of the Rules of Procedure and Conduct of Business in Lok Sabha, include examination of accounts showing the appropriation of sums granted by Parliament for the expenditure of the Government of India, the annual finance accounts of the Government and such other accounts laid before the House as the Committee may think fit. In scrutinising the Appropriation Accounts of the Government of India and the Report of the Comptroller & Auditor General of India thereon, the Committee has to satisfy:

- (a) that the moneys shown in the accounts as having been disbursed were legally available for, and applicable to, the service or purpose to which they have been applied or charged;
- (b) that the expenditure conforms to the authority which governs it; and
- (c) that every re-appropriation has been made in accordance with the provisions made in this behalf under rules framed by competent authority.

It shall also be the duty of the Committee –

- (a) to examine the statement of accounts showing the ` income and expenditure of state corporations, trading and manufacturing schemes, concerns and projects together with the balance sheets and statements of profit and loss accounts which the President may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading or manufacturing scheme or concern or project and the report of the Comptroller and Auditor General thereon.
- (b) to examine the statement of accounts showing the income and expenditure of autonomous and semi autonomous bodies, the audit of which may be conducted by the Comptroller and Auditor General of India either under the directions of the President or by a statute of Parliament; and
- (c) to consider the report of the Comptroller and Auditor General in cases where the President may have required him to conduct an audit of any receipts or to examine the accounts of stores and stocks.

If any money has been spent on any service during a financial year in excess of the amount granted by the House for that purpose the Committee shall examine with reference to the facts of each case the circumstances leading to such an excess and make such recommendation as it may deem fit.

Nature and Scope of Examination.

An important function of the Committee is to ascertain that money granted by Parliament has been spent by Government "within the scope of the demand." The implications of this phrase are that (i) money recorded as spent against the grant must not be more than the amount granted, (ii) the expenditure brought to account against a particular grant must be of such a nature as to warrant its record against the grant and against no other, and (iii) the grants should be spent on purposes which are set out in the detailed demand and they cannot be spent on "any new service not contemplated in the demand." The functions of the Committee extend "beyond the formality of expenditure to its wisdom, faithfulness and economy". The Committee

thus examines cases involving losses, nugatory expenditure and financial irregularities. When any case of proved negligence resulting in loss or extravagance is brought to the notice of the Committee, it calls upon the Ministry/Department concerned to explain what action, disciplinary or otherwise, it had taken to prevent a recurrence. In such a case it can also record its opinion in the form of disapproval or pass strictures against the extravagance or lack of proper control by the Ministry or Department concerned. Another important function of the Committee is the discussion on points of financial discipline and principle. The detailed examination of questions involving principle and system is a leading and recognized function of the Committee. The Committee is not concerned with questions of policy in the broad sense. As a rule, it expresses no opinion on points of general policy, but it is within its jurisdiction to point out whether there has been extravagance or waste in carrying out that policy.

Significance and Importance of Committee's Work

Lok Sabha, having voted large sums of the taxpayers' money does, in the interest of the taxpayers, expect in due course a detailed account of how the moneys have been spent. It must satisfy itself that the moneys so voted were directed to the intended purposes and were spent prudently and economically. The Comptroller and Auditor General examines the yearly accounts of the Government and after scrutiny certifies the accounts, subject to such reservations as he chooses to make, and submits his reports to the President who causes them to be laid before Parliament. It is difficult, if not impossible, for Lok Sabha to examine in detail the accounts, which are complex and technical. Further it cannot spare the time required for such examination. It is for these reasons that Lok Sabha has constituted the Committee on Public Accounts and entrusted it with the detailed examination of those accounts. Another important function of the Committee is the discussion on points of financial discipline and principle. The detailed examination of questions involving principle and system is a leading and recognised function of the Committee.