



PUBLIC ACCOUNTS COMMITTEE



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The Committee on Public Accounts is constituted by Parliament each year for examination of accounts showing the appropriation of sums granted by Parliament for expenditure of Government of India, the annual Finance Accounts of Government of India, and such other Accounts laid before Parliament as the Committee may deem fit, such as accounts of autonomous and semi-autonomous bodies (except those of Public Undertakings and Government Companies which come under the purview of the Committee on Public Undertakings).

Constitution of the Committee

The Committee consists of not more than 22 Members; comprising 15 Members elected by Lok Sabha every year from amongst its Members according to the principle of proportional representation by means of single transferable vote and not more than 7 Members of Rajya Sabha elected by that House in like manner are associated with the Committee. The Chairperson is appointed by the Speaker from amongst its Members of Lok Sabha. The Speaker, for the first time, appointed a Member of the Opposition as the Chairperson of the Committee for 1967-68. This practice has been continuing since then. A Minister is not eligible to be elected as a Member of the Committee. If a Member, after her or his election to the Committee is appointed a Minister, she or he ceases to be a Member of the Committee from the date of such appointment.

Change in set-up

The Committee is one of the oldest Parliamentary Committees in India. From its inception in the year 1921 till early 1950, the Finance-Member was appointed as the Chairperson of the Committee and its Secretarial functions were looked after by the Finance Department (later Ministry of Finance). With the coming into force of the Constitution of India on 26 January, 1950, the Committee became a Parliamentary Committee under the control of the Speaker. Its Secretarial functions were transferred to the Parliament Secretariat (now Lok Sabha Secretariat).

Functions of the Committee

The examination of the Appropriation Accounts relating to the Railways, Defence Services, Postal Services and other Civil Ministries of the Government of India and Reports of the Comptroller and Auditor-General of India thereon as also the Reports of the Comptroller and Auditor-General on Revenue Receipts mainly form the basis of the deliberations of the Committee. The Committee may, also take up subjects relating to public finances for detailed examination, which are not specifically included in the Audit Reports. In scrutinizing the Appropriation Accounts and the Reports of the Comptroller and Auditor-General thereon, it is the duty of the Committee to satisfy itself:

- (a) that the money 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 the competent authority.

One of the duties of the Committee is to ascertain that money granted by Parliament has been spent by Government within the scope of the demand. It considers the justification for spending more or less than the amount originally sanctioned. If any money has been spent on a service in excess of the amount granted by the House for the purpose, the Committee examines with reference to the facts of each case, the circumstances leading to such an excess and makes such recommendations as it may deem fit.

The functions of the Committee extend, however, “beyond, the formality of expenditure to its wisdom, faithfulness and economy”. The Committee thus examines cases involving losses, nugatory expenditure and financial irregularities.

While scrutinizing the Reports of the Comptroller and Auditor-General on Revenue Receipts, the Committee examines various aspects of Government’s tax administration. The Committee, thus, examines cases involving under-assessments, tax-evasion, non-levy of duties, misclassifications, etc., identifies the loopholes in the taxation laws and procedures and makes recommendations in order to check leakage of revenue.

Working of the Committee

The representatives of the Ministries/Departments appear before the Committee when examining the Accounts and Audit Reports relating to them. The Committee proceeds by way of examining of witnesses. The Comptroller and Auditor General (C&AG) is the “friend, philosopher and guide” of the Committee. The C&AG attends the sittings of the Committee and assists it in its deliberations.

The Committee may appoint one or more Sub-Committees/Sub-Groups to examine any particular matter. At the beginning of its term, the Committee appoints a few Working Groups/Sub-Committees to facilitate the examination of the various Accounts and Audit Reports and Sub-Committee to consider the action taken by the Government on the recommendations made by the Committee in its earlier Reports. If it appears to the Committee that it is necessary for the purpose of its examination that an on-the-spot study should be made, the Committee may, either in its entirety or by dividing itself into Study Groups, decide to undertake tours to make an on-the-spot study of any project or establishment. All discussions held during tour by the Committee/Study Groups with the representatives of the establishment, Ministries/Departments, non-official organizations, Labour Unions, etc. are treated as confidential and no one having access to the discussion, directly or indirectly is to communicate to the Press or any unauthorized person, any information about matters taken up during the discussions.

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