

COMMITTEE ON PUBLIC ACCOUNTS

Composition

The Public Accounts Committee consists of fifteen members elected by Lok Sabha every year from amongst its members according to the principle of proportional representation by means of single transferable vote. Seven members of Rajya Sabha elected by that House in like manner are associated with the Committee. This system of election ensures that each Party/Group is represented on the Committee in proportion to its respective strength in the two Houses.

Process of Election

2. In April, each year, a motion is moved in Lok Sabha by the Minister of Parliamentary Affairs or Chairperson of the Committee, if in office, calling upon members of the House to elect from amongst themselves 15 members to the Public Accounts Committee. After the motion is adopted, a programme, fixing the dates for filing the nominations/withdrawal of candidatures and the election, if necessary, is notified in Lok Sabha Bulletin—Part II. On receipt of nominations, a list of persons who have filed nomination papers is put up on the Notice Boards.

In case the number of members nominated is equal to the number of members to be elected, then, after expiry of time for withdrawal of candidatures, the members nominated are declared elected and the result published in Bulletin—Part II. If the number of members nominated after withdrawals is more than number of members to be elected, election is held on the stipulated date and result of election published in Bulletin—Part II.

Association of Members of Rajya Sabha

3. Another motion is moved in Lok Sabha recommending to Rajya Sabha to nominate seven members of that House for being associated with the Committee. After adoption, the motion is transmitted to Rajya Sabha through a Message. Rajya Sabha holds election of members to the Committee and the names of members elected are communicated to Lok Sabha.

Appointment of Chairperson

4. The Chairperson of the Committee is appointed by the Speaker from amongst the members of Lok Sabha elected to the Committee.

As a convention, starting from the Public Accounts Committee of 1967-68, a member of the Committee belonging to the main opposition party/group in the House is appointed as the Chairperson of the Committee.

Minister not to be Member of Committee

5. A Minister is not eligible to be elected as a member of the Committee and if a member, after election to the Committee, is appointed as a Minister, she/he ceases to be a member of the Committee from the date of such appointment.

Term of Office

6. The term of office of members of the Committee does not exceed one year at a time.

Association of Members with Government Committees

7. A member, on election to the Committee, has to communicate to the office of the Committee, the particulars regarding the various Committees appointed by Government with which she/he is associated, for being placed before the Speaker. Where the Speaker considers it inappropriate that a member should continue to serve on the Government Committee, the member is required to resign membership of the Committee constituted by Government. Where the Speaker permits a member to continue to hold membership of Government Committee, she/he may require that the report of the Government Committee shall be placed before the Committee on Public Accounts for such comments as the latter Committee may deem fit to make, before it is presented to Government. Whenever the Chairperson or any member of the Committee on Public Accounts is invited

to accept membership of any Committee constituted by Government, the matter is likewise to be placed before the Speaker before the appointment is accepted.

Functions of the Committee

8. The Public Accounts Committee examines the accounts showing the appropriation of the sums granted by Parliament to meet the expenditure of the Government of India, the Annual Finance Accounts of the Government of India and such other accounts laid before the House as the Committee may think fit. Apart from the Reports of the Comptroller and Auditor General of India on Appropriation Accounts of the Union Government, the Committee also examines the various Audit Reports of the Comptroller and Auditor General on revenue receipts, expenditure by various Ministries/ Departments of Government and accounts of autonomous bodies. The Committee, however, does not examine the accounts relating to such public undertakings as are allotted to the Committee on public undertakings.

9. While scrutinising the Appropriation Accounts of the Government of India and the Reports of the Comptroller and Auditor General thereon, it is the duty of the Committee to satisfy itself —

- 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;

- that the expenditure conforms to the authority which governs it; and
- that every re-appropriation has been made in accordance with the provisions made in this behalf under rules framed by competent authority.

10. 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 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.

11. While scrutinising the Reports of 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, mis-classifications etc., identifies loopholes in the taxation laws and procedures and makes recommendations in order to check leakage of revenue.

Regularisation of Excess Expenditure

12. If any money has been spent on any service during the financial year in excess of the amount granted by the House for the purpose, the Committee examines

the same with reference to the facts of each case, the circumstances leading to such an excess and make such recommendations as it may deem fit. Such excesses are thereafter required to be brought up before the House by Government for regularisation in the manner envisaged in article 115 of the Constitution. In order to facilitate speedy regularisation of such expenditure by Parliament, the Committee presents a consolidated report relating to all Ministries/ Departments expeditiously.

Selection of Subject for Examination

13. Once the Committee is constituted, a part from examining unfinished work (s) of predecessor Committee, it selects paragraphs and/or Reports of the Comptroller and Auditor General that were presented after the last selection of subjects by the Committee for in-depth examination during its term of office. In addition to examining Audit reports and Appropriation Accounts laid on the Table of the House, the Committee of its own accord may inquire into various irregularities which have become public or which have been brought to the notice of the Government, even though there was no Audit Report on the subject or the Audit Report thereon may be presented later.

Assistance by Comptroller and Auditor General

14. The Committee is assisted by the Comptroller and Auditor General in the examination of Accounts and Audit Reports.

Constitution of Working Groups/Sub-Committees

15. A number of Working Groups/Sub-Committees are constituted by the Chairperson from amongst the members of the Committee to facilitate the examination of the subjects selected by the Committee and for considering procedural matters. A Sub-Committee may also be constituted for scrutiny of action taken by Government on the recommendations contained in the previous Reports of the Committee.

Calling for Information from Government

16. The Committee calls for, in the first instance, background note and advance information from the Ministries/Departments concerned with regard to subjects selected by it for examination.

Study Tours

17. The Committee undertakes on the spot study tours/visits of various Departments/Establishments connected with the subjects taken up for examination and holds discussions with the representatives of the concerned official/non-official organisations located at the place of visit. Each study tour is undertaken with the specific approval of the Speaker.

Evidence of Officials

18. The Committee later takes oral evidence of the representatives of the Ministries/Departments concerned with the subjects under examination.

Ministers not called before Committee

19. A Minister is not called before the Committee either to give evidence or for consultation in connection with the examination of Accounts by the Committee. The Chairperson of the Committee may, however, when considered necessary but after its deliberations are concluded, have an informal talk with the Minister concerned to apprise her/him of (a) any matters of policy laid down by the Ministry with which the Committee does not fully agree; and (b) any matters of secret and confidential nature which the Committee would not like to bring on record in its report.

Report and Minutes

20. The conclusions of the Committee on a subject are contained in its Report, which, after its adoption by the Committee, is presented by the Chairperson to the Lok Sabha. Minutes of the sittings of the Committee are appended to the Report. A copy of the Report is also laid on the Table of Rajya Sabha. The Reports of the Committee are adopted by consensus among members.

Accordingly, there is no system of appending minute of dissent to the Report.

Action Taken on Reports

21. After presentation to the Lok Sabha, copies of the Report are forwarded to the Ministry or Department concerned which is required to take action on the recommendations and observations contained in the Report and furnish action taken notes thereon within six months from the date of presentation of the Report.

Action taken notes received from the Ministries/ Departments are examined by the Action Taken sub- Committee/Committee and Action Taken Reports of the Committee are presented to the House. A copy of the Report is also laid on the Table of Rajya Sabha.

Statements of action taken on Action Taken Reports

22. Replies received from Government in respect of recommendations contained in the Action Taken Reports after approval by the Chairperson are also laid on the Table of Lok Sabha/Rajya Sabha in the form of Statements.

[The constitution and working of the Public Accounts Committee is governed by Rules 253 to 286 and 308 to 309 of the Rules of Procedure and Conduct of Business in Lok Sabha and Directions 48 to 73, 96A, 97, 97A, 99 and 100 of the Directions by the Speaker, Lok Sabha.]

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**COMMITTEE ON
PUBLIC ACCOUNTS**



**LOK SABHA SECRETARIAT
NEW DELHI**

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PREFACE

This Abstract is part of the Parliamentary Procedure Abstracts Series and describes the procedure regarding Public Accounts Committee. It is based on the Rules of Procedure and Conduct of Business in Lok Sabha, the Directions issued by the Speaker under the Rules of Procedure, the well-established conventions and past precedents. It is intended to serve as a handy guide for ready reference.

The information contained in this Abstract is, however, not exhaustive. It will, therefore, be prudent to refer to and rely on the original sources for full information.

NEW DELHI

Secretary General