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## **Legislative Control over Administration through Committee on Public Accounts**

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The rapid expansion in the activities of the administrative departments and the growing complexities and technicalities of the legislative business have increased the workload of the Legislature. In order to enable the Legislature to cope with it, various Legislative Committees are constituted by the Legislature from amongst its members. These Committees "save time of the House for the discussion of important matters"<sup>iii</sup> and are expected to keep effective surveillance and control over the gamut of governmental activity on behalf of the Legislature.

There are two widely accepted models of Parliamentary Committees viz. the Committee System of the British Parliament and that of the American Congress each with its own distinctive features.<sup>ii</sup>

The Committee System followed by the Indian Parliament seems to be nearer the Committee System of the British House of Commons with some variations.

The Committees of the UP Assembly are largely modelled after the Committee system of the Indian Parliament.

Committee on Public Accounts, one of the three Financial Committees of the U.P. Legislature, consisting of members of the lower House of legislature, is elected by the House in accordance with the system of proportional representation by means of single transferable vote. It consists of 21 members.

### **The Committee on Public Accounts**

The control of the purse of the State lies with the people, hence the Lower House of the Legislature has the right to control the government spending. The Committee on Public Accounts, as an agent of the House,<sup>iii</sup> scrutinises the public accounts and supervises the expenditure of the Government. It examines the appropriation accounts of the State and Reports of the CAG of India thereon and the annual financial accounts or any other matter which the Committee deems necessary to scrutinise.<sup>iv</sup> During the course of scrutiny, the Committee satisfies itself (a) that the money spent against any grant was not more than the amount voted by the House, (b) that the grant was spent only on the purpose or service set out in the grant and (c) that the expenditure conforms to the authority which governs it.<sup>v</sup> The Committee's work is mainly based on the Audit Reports of the CAG which are laid on the Table of the House. The functions of the Committee starts after the laying of the said Reports.

The Committee submits Original Reports, Special Reports and Action Taken Reports. The Committee came across a number of financial irregularities in the form of savings due to non-execution of work,<sup>vi</sup> non-closure of Stock/Accounts Register within the stipulated time,<sup>vii</sup> non-recovery of Government dues.<sup>viii</sup> In all these cases, the Committee's recommendations constituted of the directions to the Government to avoid their recurrence in future.

Similarly, the Committee while scrutinising the Audit Reports of 1974 to 1977(Civil) was shocked to find excess expenditure of Rs. 162.12 crores during 1974-75, of Rs. 77.39 crores in 1975-76 and of Rs. 115.39 crores during 1976-77. The Committee was critical of the tendency of the Government of incurring excess expenditure in

voted Grants without the prior approval of the Legislature and recommended that the Government should get such expenditure regularised at the earliest.<sup>ix</sup>

Likewise, the Committee deprecated the tendency of the Government to expend on 'New Services' and advised them not to expend on 'New Services' without the prior approval of the Legislature.<sup>x</sup>

The Committee was often critical of the inordinate delays shown by the Government in implementing its recommendations: For instance, while scrutinising the implementation with regard to Paras 170 to 174<sup>xi</sup> (Agriculture Department) and Paras 227 to 229<sup>xii</sup> (Harijan and Social Welfare) of the Audit Report of 1972-73(C) the Committee was disappointed to find that they were not implemented in spite of several reminders over a period of ten years.<sup>xiii</sup> The Committee quite often requested the Government to ensure the implementation within three months of the recommendations<sup>xiv</sup> but to no avail. This is evident from the ATRs presented in the House — in almost all the cases there had been a delay of more than five years. For instance, the Committee submitted its Original Report in 1974-75 on the Audit Report of 1970-71 but the ATR could be presented in 1987. Thus it was after a lapse of almost sixteen years that the Government's views became known and the ATR could be brought out. Similarly, till 1991, the Government had not sent its replies to Committee's recommendations contained in twenty-one Reports leading to the presumption that the Government had not taken any action on the Committee's recommendations. Sometimes because of the lapse of time, the recommendations became meaningless<sup>xv</sup> with the result that sometimes the Committee itself asked the Government not to take action or not to undertake inquiry and close the matter.<sup>xvi</sup>

#### **Implementation of the Committee Recommendations**

The Audit Reports of local bodies, Cooperative Societies and Panchayats were not presented to the Legislature. The Committee in order to bring these bodies within the purview of the Legislature suggested the framing of an Act for the purpose.<sup>xvii</sup> The Government in its reply informed the Committee that, in view of its suggestions, a new Act 'Sthaniya Nidhi Lekha Pariksha Adhiniyam, 1984' had been published in the Extraordinary Gazette.<sup>xviii</sup>

The Committee had expressed its displeasure over the excess expenditure incurred by the Government without the prior approval of the Legislature and recommended that the Government should get such expenditure regularised.<sup>xix</sup> The Government informed the Committee that necessary action had been taken.<sup>xx</sup>

The Committee was of the view that one of the causes of the increase in financial irregularities was the partial internal audit system and recommended for cent per cent internal audit.<sup>xxi</sup> The Government informed the Committee that orders had been issued for engaging more auditors to have cent per cent internal audit.<sup>xxii</sup>

In response to the Committee's recommendation to avoid recurrence of irregularities such as Savings,<sup>xxiii</sup> non-closure of Stock/Accounts Register<sup>xxiv</sup> etc., the Government issued necessary instructions to the Departments concerned. The Committee received a similar reply<sup>xxv</sup> in response to its observation that the officials on the verge of retirement generally misused their financial powers and as such necessary action should be taken to curb it.<sup>xxvi</sup>

In quite a few cases, the Government in response to the Committee's persuasion for implementation of recommendation yielded by making a change in its policy or even in its Financial Accounting System. For example, the Committee had repeated its recommendation for change in 'Uchhand Pranali', the Gross Accounting System and in its place adoption of some other developed Accounting System<sup>xxvii</sup>. This matter was pending before the Government for want of its decision since 1964.<sup>xxviii</sup> It was in 1988 during the scrutiny of implementation of its

recommendations on Audit Report 1972-73 (Civil) that the Committee was informed that in place of 'Uchhand Pranali', a new Accounting System was being followed.<sup>xxix</sup>

The Committee exposed a case of fraud committed by the Excise Department, which allowed the participation of a bidder, a resident of Kanpur on the Financial Status Certificate issued by the Oath Commissioner of Agra instead of the Tehsildar of Kanpur. The Committee recommended fixing of responsibility and the recovery of arrears worth Rs. 93,000.<sup>xxx</sup> The Government informed the Committee that two District Excise Officers were indicted — gratuity and pension of one of them who had retired had been withheld and departmental proceedings were in progress against the other official.<sup>xxxi</sup>

Likewise, the Committee while scrutinising the accounts of Co-operative Department detected a financial irregularity of transferring the unspent amount to the Personal Ledger Account of the Department or obtaining the Bank Demand Drafts by the Department in the name of Institutions instead of surrendering the money to the Exchequer.<sup>xxxii</sup> In response to the Committee's recommendation that the unspent amount of grant instead of being deposited or transferred elsewhere should lapse to the Exchequer, the Government informed the Committee that orders have been issued to put an end to such practice and the unspent amount of grant is henceforth deposited in the State Exchequer<sup>xxxiii</sup>.

### Conclusion

The recommendations of the Committee and the action taken by the Government are thus an indicator of the useful work done by the Committee. The Committee while scrutinising the Government expenditure and the accounts of the Departments exposed and highlighted the financial irregularities and administrative malfunctioning and made the lapses public through its Reports. Its recommendations and comments had the desired effect on the administration to the extent that a fair number of irregularities were rectified and the Government even made changes in its Accounting System and other related aspects of financial administration.

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- xvii 2nd Report, PAC, 1980, p. 6.
- xviii ATR, 1st Report, PAC, 1986, p. 4.

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xxviii ATR, 5th Report, PAC, 1984, p. 10.  
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xxx 5th Report, PAC, 1986, p. 24.  
xxxi ATR, 6th Report, PAC, 1989, p.11.  
xxxii Report of PAC, 1974, pp. 28-29.  
xxxiii ATR, 3rd Report, PAC, 1987, p. 15.