

## UPSC Civil Services Examination

### Political Science & International Relations

#### Topic: Public Accounts Committee – Indian Polity Notes

#### What is a Public Accounts Committee?

Public Accounts Committee was introduced in 1921 after its first mention in Government of India Act, 1919 also called Montford Reforms. It is existing in Indian Constitution since then. It is a financial committee that examines the annual audit reports of CAG which President lays before the Parliament of India. Those three reports submitted by CAG are:

1. Audit report on appropriation accounts
2. Audit report on finance accounts
3. Audit report on public undertakings

The Public Accounts Committee examines public expenditure. That public expenditure is not only examined from a legal and formal point of view to discover technical irregularities but also from the point of view of the economy, prudence, wisdom and propriety. The sole purpose to do this is to bring out the cases of waste, loss, corruption, extravagance, inefficiency and nugatory expenses.

The table briefly mentions everything about Public Accounts committee, details of which will be given after it:

Public Accounts Committee	
Year of Establishment	1921
Members	22
Election of Members	By Parliament every year with proportional representation by means of single transferable vote <b>Note:</b> A minister cannot be elected
Term of Office	One year
Chairman	Speaker appoints him/her from amongst the members <b>Note:</b> Invariably from the Opposition Party since 1967
Function	To examine the annual audit reports of the Comptroller and Auditor General of India (CAG), which are laid before the Parliament by the President <b>Note:</b> CAG submits three reports - <b>report on appropriation accounts, audit report on finance accounts and audit report on public undertakings</b>

## Who are the members of the Public Accounts Committee?

The financial committee has 22 members. All the members are taken from the Indian Parliament. Out of 22 members, 15 are elected from Lok Sabha (Lower House) and 7 members are elected from Rajya Sabha (Upper House)

### Mode of the election of Public Accounts Committee's members:

The members of the committee are elected annually by the Parliament from amongst its members. The principle of Proportional Representation (PR) by means of Single Transferable Vote (STV.) This election method gives equal representation to all the members of the Parliament.

### Term of the office of members of the Public Accounts committee:

Every member elected by the Parliament from both Lok Sabha and Rajya Sabha are a part of the committee for a year. After a year, a new election takes place and members are changed or re-elected.

**Note:** A minister cannot be elected as the member of the Public Accounts Committee

### Chairman of the Public Accounts Committee:

Lok Sabha speaker is the authority to appoint the chairman of the committee. The Chairman of the Public Accounts Committee used to be appointed from the ruling party of the day until 1966-67 however; a convention later decided that the chairman of the committee will be appointed invariably from the opposition party.

## What are the functions of the Public Accounts Committee?

This standing committee performs various functions. They are given below:

Functions of Public Accounts Committee	
S.No	Type of Functions
1	It examines appropriation accounts and finance accounts of the central government which is laid before Lok Sabha
2	It scrutinizes the audit reports of CAG to satisfy itself that: <ul style="list-style-type: none"><li>• The money that has been disbursed was legally available for the applied service or purpose</li><li>• The expenditure conforms to the authority that governs it</li><li>• Every re-appropriation has been made in accordance with the related rules</li></ul>
3	It examines the accounts of: <ul style="list-style-type: none"><li>• State corporations</li><li>• Trading concerns and,</li><li>• Manufacturing projects</li></ul>

	Note: The audit report of these bodies are made by the CAG
4	It examines the accounts of: <ul style="list-style-type: none"><li>• Autonomous</li><li>• Semi-autonomous bodies</li></ul> Note: The audit report of these bodies are made by the CAG
5	It keeps a check on the money spent on any service during a financial year. If the money is in excess of the amount granted by the Lok Sabha for that purpose, it goes on to its report.

**Note:** All the functions performed by the Public Accounts Committee are assisted by Comptroller and Auditor General.

## Limitations of Public Accounts Committee

Though the committee is empowered to act upon the audit reports of the CAG, and also to keep a tab on the union government's expenses, there are still a few limitations on it which it should adhere to. The limitations of the Public Accounts Committee are given below:

1. Broadly, it cannot intervene in the questions of policy
2. It can keep a tab on the expenses only after they are incurred. It has no power to limit expenses.
3. It cannot intervene in matters of day-to-day administration.
4. Any recommendation that the committee makes is only advisory in nature. They can be ignored by the ministries.
5. It is not vested with the power of disallowance of expenditures by the departments.
6. Being only an executive body; it cannot issue an order. Only the Parliament can take a final decision on its findings.