Materials for SNC students

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The Public Accounts Committee (PAC)

The Public Accounts Committee (PAC) is a committee of selected members of Parliament constituted by the Parliament of India to audit the Government of India's revenue and expenditure. This committee is also known as Watchdog of government spending.

The Montague-Chelmsford Reforms or Government of India act 1919 prompted the creation of the Committee on Public Accounts in 1921. With the enactment of the Constitution on January 26, 1950, the Committee became a Parliamentary Committee, accountable to the Speaker and led by a non-official Chairman nominated by the Speaker from among the Lok Sabha Members elected to the Committee. Since 1967 a convention has developed, the chairman of the committee is selected invariably from the opposition.

Composition

The committee consists of 22 members (15 from the Lok Sabha and 7 from the Rajya sabha). The members are elected by the parliament every year from amongst its members according to the principle of proportional representation by means of a single transferable vote. The term of office of members is one year. A minister cannot be elected as a member of the committee.

Public Accounts Committee - Functions

- Its job is to keep a vigil on the spending and performance of the government, to bring to light inefficiencies, wasteful expenditure, and indiscretion in the implementation of policies approved by parliament.
- To make recommendations to streamline the administration for efficient, speedy and economical implementation of policy.

- The function of the committee is to examine the audit reports of Comptroller and Auditor General of India (CAG), annually.
- The committee examines public expenditure not only from a legal and formal point of view but also from the economic point of view to reduce inefficiency and extravagance.
- To examine the union government's appropriation and finance accounts, as well as any other accounts laid before the Lok Sabha.
- To examine the accounts of state corporations, trading concerns and manufacturing projects and the CAG reports on them.
- To examine the accounts of and semi-autonomous bodies, and the CAG report on them.
- To examine any money spent on any service throughout a fiscal year in excess of the amount granted by the Lok sabha for that purpose.
- The main function of the committee is examination of the accounts and report of the Comptroller and Auditor General in order to ensure that the appropriations sanctioned by the parliament are spent by the executive authorities, "within the scope of the demand. It means that,

  (a) Expenditure should not exceed the appropriation made by the parliament,

  (b) That the expenditure has been incurred for the purpose for which it was voted by the Parliament,

  (c) That amount has been spent by the officials, who are legally authorised to spend the money,
- It means that the committee is not only to examine that money has been spent according to the rules and regulations, but it is also to see that the approved policy has been implemented by the executive authorities with maximum efficiency and economy.

Procedure:

The committee conducts scrutiny by putting questions to the official's witness. In conducting the major role of committee's deliberation the chairman plays the most important role. The chairman, briefed by the Comptroller and Auditor General and the Secretary of the Committee takes the lead in putting questions to the official witnesses. The meetings of the committee are private and every care is taken to keep the secrecy of the witness. After thorough considerations of the committee, the report is prepared on the basis of the facts placed before it. Then the committee submits the report with its recommendations to the house.

Public Accounts Committee - Challenges

- The committee's recommendations are solely advisory. The ministries can choose to ignore them.
- It cannot issue an order because it is merely an executive body. Only Parliament has the authority to make a final judgment on the findings.
- Broadly, it cannot intervene in the questions of policy
- It can keep a tab on the expenses only after they are incurred. It has no power to limit expenses.
- It cannot intervene in matters of day-to-day administration.