Public Accounts Committee: Controversies and Challenges

Public Accounts Committee

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- The Public Accounts Committee (PAC) is a committee of selected members of Parliament, constituted by the Parliament of India, for the auditing of the revenue and the expenditure of the Government of India.
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- The PAC is formed every year with a strength of not more than 22 members of which 15 are from Lok Sabha, the lower house of the Parliament, and 7 from Rajya Sabha, the upper house of the Parliament.
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- The term of office of the members is one year.
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- The Chairman is appointed by the Speaker of Lok Sabha. **Since 1967, the chairman of the committee is selected from the opposition.**
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- Earlier, it was headed by a member of the ruling party. Its chief function is to examine the audit report of Comptroller and Auditor General (CAG) after it is laid in the Parliament. CAG assists the committee during the course of investigation. None of the 22 members shall be a minister in the government.
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What is the role of PAC?

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- Holding the Executive to account for its use of public money is one the key roles of Parliament's Public Accounts Committee (PAC), the "mother of all Parliamentary Committees".
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- It is the oldest of all House panels, with its origins in the Raj, and its job is to keep a vigil on the spending and performance of the government, to bring to light inefficiencies, wasteful expenditure, and carelessness in the implementation of policies and programmes approved by Parliament, and to make recommendations to streamline the administration for efficient, speedy

and economical implementation of policy.
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Historical origin

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- The PAC website says the Committee on Public Accounts was first set up in 1921 in the wake of the **Montague-Chelmsford Reforms**.
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- With the Constitution coming into force on January, 26, 1950, the Committee became a Parliamentary Committee functioning under the Speaker with a non-official Chairman appointed by the Speaker from among the Members of Lok Sabha elected to the Committee. But even then, a member from the ruling party continued to be Chairman.
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- The Congress had the post until 1967, when Minoo Masani of Swatantra Party became Chairman. Since then the PAC has always been headed by a member from the Opposition.
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What controversy recently occurred?

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- Consensus and controversy have been the contradictory faces of the PAC's functioning over the past few decades.
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- On Tuesday, a BJP member of the panel wrote to Lok Sabha Speaker Sumitra Mahajan expressing resentment over PAC **Chairman K V Thomas's remarks that the panel could call even Prime Minister Narendra Modi to explain the demonetisation issue if it was not satisfied with the reply of RBI Governor Urjit Patel and top finance officials**.
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- While Thomas on Monday stated a fact about the considerable powers of the PAC, it is also a fact that no PM has ever appeared before it in the past.
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- There have been multiple showdowns between Congress and BJP members during hearings of the 2G, coal blocks allotment and CWG issues at the PAC.
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Why controversy occurs?

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- In 2010 and 2011, then PAC Chairman Murli Manohar Joshi made attempts to push through a controversial report on the 2G scam, and said he could summon then Prime Minister Manmohan Singh — triggering huge protests from Congress members.
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- While the PAC cannot finalise any report without consensus, the **lack of consensus** has frequently seen controversy over the role of the Chairman.
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- It is felt that since each PAC operates in a specific political context and faces issues unique to the legislature it serves, its major focus should be on the administration of policy rather than policy itself, to avoid political strife.
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What are the challenges faced by PAC?

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- The PAC’s power to scrutinise expenditure provides for Parliamentary oversight over Executive decisions and acts as a check on slackness, negligence and even wrongdoing on the part of the Executive.
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- However, the lack of technical expertise hinders the PAC’s examinations. Officers are sometimes able to dodge PAC summons, which has prompted suggestions that it should have the power to hand out harsher punishments.
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- In December, **the Institute of Public Auditors of India (IPAI) sought suo motu powers of investigation for the PAC.**
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- In April, the PAC had pitched for making the CAG and Auditor General (AG) accountable to Parliament.
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Way Ahead:

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- The report of the All India Conference of Chairpersons of PACs of Parliament

and State/UT Legislatures suggested that the PAC should be consulted on the appointment of the CAG, and that it should have powers to examine Public-Private Partnership projects.
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- The report proposed that services of experts should be availed on technical matters, among other suggestions.
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