

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4668
ANSWERED ON:18.12.2009
BRINGING PPP UNDER C.A.G.
Vardhan Shri Harsh

Will the Minister of FINANCE be pleased to state:

- (a) Whether accounts of entities involved in public-private partnership projects are scrutinized by Controller and Auditor General (C&AG):
- (b) If so, the details thereof for the last three years:
- (c) If not the reasons therefore: and
- (d) The steps taken in this regard?

Answer

To be answered by Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) to (c) Public Private Partnership (PPP) projects are based on a contract or concession agreement between a Government or statutory entity on the one side and a private company on the other side, for delivering an infrastructure service on payment of user charges. The PPP itself is a private entity. Therefore its accounts are not automatically subject to audit by C&AG within the framework of the Comptroller and Auditor General's (Duties, Powers and conditions of service) Act, 1971. Accordingly, at present, the PPP projects are audited like any other contract in which government is a party. However, the details for the last three years are not readily available in the office of the C&AG.

(d) C&AG has proposed that PPP arrangements may be brought under the purview of his audit. C&AG has also recently brought out a new set of Public Audit guidelines for PPPs in infrastructure projects. Through these guidelines, all field audit offices under C&AG dealing with the Union and State Governments have also been instructed to compile necessary data of PPP projects for the purpose of planning their audit within the framework of existing mandate of C&AG. Simultaneously, training is being imparted to the officers and staff of Indian Audit & Accounts Department to enable them to conduct such audit.