

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4001

ANSWERED ON:26.08.2011

'PROPOSALS FOR CHANGES IN AUDIT ACT, 1971'

Das Gupta Shri Gurudas;Pal Shri Jagdambika

Will the Minister of FINANCE be pleased to state:

- (a) whether any proposals for making crucial changes in the Audit Act, 1971 has been received by the Government;
- (b) if so, the details thereof and the Government's reaction thereto;
- (c) whether the accounts of some Government entities registered under the Societies Registration Act go unaudited under the Act; and
- (d) if so, the details thereof and steps taken/proposed to be taken by the Government to redress the same?

Answer

MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

a) & (b): Proposal has been received from C&AG for amendment of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The proposal inter-alia includes certain new definitions, provisions for addressing issues related to change in Government structure, process, funding; access of information and placement of reports in Parliament/State Legislatures.

The proposal has been referred to State Governments and concerned Ministries/Departments for comments.

(c) & (d): As per the Section 14 Sub-Section(i) of the C&AG (DPC Act, 1971 where any body or authority is substantially financed by grants or loans from the Consolidated Fund of India, the Comptroller and Auditor General shall, subject to the provisions of any law for the time being in force applicable to the body or authority, as the case may be, audit all receipts and expenditure of that body or authority and to report on the receipts and expenditure audited by him. Notwithstanding any thing contained in sub-section (1) the Comptroller and Auditor General may with- the previous approval of the President audit all receipts and expenditure of any body or authority where the grants or loans to such body or authority from the Consolidated Fund of India in a Financial Year is not less than rupees one crore.

Proposal of C&AG as indicated at (a) & (b) above also deals with this issue and has been referred to State Governments and concerned Ministries/ Departments for comments.