

12.28 hrs.

COMPTROLLER AND AUDITOR-
GENERAL'S (DUTIES POWERS AND
CONDITIONS OF SERVICE) AMEND-
MENT BILL—*CONTD*

[*English*]

MR. DEPUTY-SPEAKER: Motion
moved:

"That the Bill further to amend the
Comptroller and Auditor-General's
(Duties, Powers and Conditions of
Service) Act, 1971, be taken into con-
sideration."

SHRI E. AYYAPU REDDY (Kurnool):
Mr. Deputy-Speaker, Sir, there is no diffi-
culty in supporting this. They want to confer
same facilities and same status as that of
Supreme Court Judge on the Comptroller
and Auditor General of India. In fact, I would
even further go and suggest that it must be
something better than that.

The Comptroller and Auditor-General
of India is an independent constitutional
body whose duties are very clearly laid
down. He is the physician. He has the finan-
cial management of the Government of India
as well as of the State Governments. He has
to point out the financial mismanagement,
the deficiencies, the loopholes of the various
expenditures and the loopholes in the reve-
nues. He has got onerous duties. His impor-
tance cannot be exaggerated. But unfortu-
nately, the time has come when we must
review whether our audit system is discharg-
ing its duties and whether it has been effec-
tive. Last year in the Conference of Chair-
man of Public Accounts Committee, they
went into the question of accountability of the
administration to the public. This is listed as
Item 20 in the 20 Point Programme, namely,
how far the administration is responsive and
accountable.

Public Accounts Committees have
been reviewing the functioning of the Audit
and have been submitting various reports. It
has been found largely that the accountabil-
ity in the administration has been very elu-
sive. To quote the Report, it has been like
chasing a crooked shadow in never ending
circle. The various reports submitted by the
C & AG and the comments made by the
Public Accounts Committees have not been
receiving the due attention. So, a time has
come when the Finance Ministry must de-
vise ways and means of making this audit
system very effective.

A second look at the Auditors and Ac-
countants General (Powers) Act is required.
In fact, the Conference of the Chairman of
the Public Accounts Committees in their
report which was submitted to the Prime
Minister suggested that necessary amend-
ments to the Act must be carried out.

This is a very small amendment. In fact,
it should have been accompanied by enlarg-
ing the powers of the C & AG because he has
been complaining that he has not been get-
ting the fullest cooperation, from the various
departments. The number of documents
which he has been calling for, which the
Audit is asking for, are not forth coming and
they are prevented from having access to
the various very important files and docu-
ments. Therefore, the Conference has made
a recommendation that the C & AG must be
taken as the physician, the family doctor of
the various departments and full confidence
must be reposed in him, nothing should be
hidden from his purview, then only will he be
able to discharge his duties effectively. That
was one of the important recommendations
made by the Conference of the Chairman of
the Public Accounts Committees. The Hon.
Minister may kindly go through that Report
and take suitable action.

The other important aspect which I
would like to bring to the notice of the Hon.

[Sh. E. Ayyapu Reddy]

Minister is the callousness and indifference displayed to the audit paras by the various departments. Over the years they have acquired immunity and they are not reacting sharply to the audit paras when they are conveyed to the various departments.

The C & AG, after going through the various records and the facts and figures processed by the departments, formulates the audit paras and conveys them to the Department concerned. But there will be no reaction to the audit paras which have been conveyed to that Department. Then, after receiving some explanation alone, that audit para is put in the Report which is submitted to the Parliament and to the President. After the Public Accounts Committee takes up these paras alone, the Department gives its explanation. By that time, the persons who are responsible for inefficient management, for misuse or misappropriation of the funds, for the loopholes, leakages and losses of revenues are not there.

Therefore, if was recommended and suggested in the Report submitted to the Prime Minister that as soon as the audit para is conveyed by the C & AG to the Department concerned, it should be the duty of the head of that Department to immediately respond to that para, call for the explanation of all the persons connected with that transaction and get their explanation recorded, so that the accountability and responsibility for the lapses are ultimately fixed. Now what is happening is that hundreds and hundreds of reports are being presented by the Public Accounts Committee for which the C & AG is a part and parcel. What is the action which you are taking. how many officers have been held responsible? Practically nobody has been held responsible. We do not come across any case where, acting upon the Report of the C & AG or the Public Accounts Committee, any officer has been held responsible. The entire system of public audit

as well as scrutiny and vigilance by the PAC is totally failing. Where there are lapses and leakages in the revenues nobody is held responsible and where there are huge wastages, over-run of costs, mis-appropriations, misuses and losses nobody is held responsible. That is the sorry state of affairs.

Therefore, while supporting this Bill I will once again draw the attention of the hon. Minister to the fact that they must seriously think about it and find out whether the present audit system is effective and able to control mis-management and plug loopholes in the collection of revenues. All these things require review and serious consideration. All this may be taken up especially in view of the reports which the Chairman of the PAC had submitted to the Prime Minister about a year ago.

[*Translation*]

SHRI GIRDHARI LAL VYAS (Bhilwara): Mr. Deputy Speaker, Sir, I support the Comptroller and Auditor Generals Bill, 1987. This is a very dependable procedure to control our finances. His duties are to oversee the expenditure and revenue of both the Central as well as the State Governments. He has the special responsibility to point out the areas where leakage of revenue is taking place. Besides, he is also responsible to check the misappropriation of revenue and wasteful spending. The officers working under the Comptroller and Auditor General are responsible for auditing the accounts of a large number of departments. Although the accounts of the entire department are supposed to be audited, these officers use random method by selecting one para from here and another para from there. The entire expenditure and revenue should be audited but these officers seldom do so. As a result all the cases of misappropriation and leakage are not detected and only a few cases are brought to light. Even in these cases, timely action is not taken. Audit authorities

prepare a para and send it to the concerned department for taking action. But no action is taken against any of the departmental officers. This is a fact that high ranking officers show no interest in taking action against their fellow officers. Therefore, it is of no use to send the audit para to Secretary, Joint Secretary or the Assistant Secretary or the concerned department. They conveniently let the time pass so that in the meantime the concerned officer could retire and no action need be taken against him. After some time every thing calms down. After retirement, one takes lenient view and, as such, no action is taken against the officer although he might have duped the Government to the tune of lakhs and crores of rupees. Thus, the government money is being misappropriated. There is an urgent need to curb it. Audit of a department is done after a gap of two to three years. You know that the more the delay in conduction audit, the more beneficial it will be for the concerned officer. Ultimately on action is taken. If you want to strengthen this system, audit should be conducted without any delay. Audit should be done as soon as the year ends. Action in the cases of misappropriation and irregularities should be taken within a year. Then it will be very effective, otherwise it is not going to be of any use. From my personal experience, I can say that the Association of I.A.S. officers does nothing but to shield these officers somehow so that no action is taken against them. The hon. Minister of Finance should give it a serious thought. Their Association works in such a way that none of these officers can be entrapped for any irregularity. Nobody is given any opportunity to take action against them. That is why in spite of misappropriating Government money, they manage to go scot free whereas, in fact, they should be punished. My submission is that a separate department or agency should be created to inquire into the activities of the corrupt people. There should be a separate agency to inquire into their activities on the same lines as

Government have set up a separate and independent agency named comptroller and Auditor General for audit work. Otherwise, no amount of inquiries or other measures would suffice to curb their activities. Therefore, if Government really want the Government money to be put to a proper use for the benefit of the poor, they will have to exercise proper control over them. For this, a separate agency will have to be set up. All the I.A.S. officers, whether they are Secretaries, Joint Secretaries or Deputy Secretaries, are the links of one chain and they neither make complaints against each other nor allow any action to be taken against any of them.

This is my experience and I have seen this at many places. Serious allegations had been levied against IAS Officers in the Rajasthan Legislative Assembly and Public Accounts Committee also recommended action against the concerned officers but no action has ever been taken against a single officer. After inquiries they are absolved of the charges because investigating officers are members of their own association. Association of IAS Officers always shields corrupt one, no matter, how much amount has been misappropriated by him instead of safeguarding the interests of its members and fighting for their rights which is certainly not the assigned role of an association. No action can be initiated against him. The hon. Minister is requested to set up a body on the pattern of the Comptroller and Auditor-General to investigate into the deeds of these officers and everything should be audited because in the absence of audit many serious matters regarding misappropriation of funds and irregularities do not come to light. To depend on IAS Officers entirely will not be proper as misappropriation of funds and financial bunglings will not stop. This type of arrangement is absolutely necessary even if Government might have to depute a Supreme Court Judge or any other Officer for this work to check their activities. Only then Government will be able to bring the offend-

[Sh. Girdharilal Vyas]

ers to book. We have no objection to the amendment brought forward but a comprehensive Bill should be introduced. No body could have any objection to the pensionary and other provisions. However for proper utilisation of Central and State Government funds, development of States and to prevent financial bunglings such provisions should be there. In the absence of such provisions it is difficult to implement policies of Government of India properly and to promote development work in States. Therefore I request you to bring forward a comprehensive Bill.

The Government have made provisions for the pension and other facilities in respect of Auditor General. It will not help streamlining the system. Therefore the hon. Minister is requested to bring forward a comprehensive Bill to exercise control over the finances effectively.

[English]

SHRI V.S. KRISHNA IYER (Bangalore South): Mr. Deputy Speaker Sir, I welcome this Bill. The position occupied by the Comptroller and Auditor-General is a very important one. It is in the fitness of things that he is given the same status, same facilities and other service condition as that of the supreme Court Judge. In this connection, I would like to make one or two observations which have been made by other Members also.

Every year, we receive the Report of the Comptroller and Auditor-General. But the action taken by the Government on the report or on the recommendation of the Public Accounts Committee has not been seen by the present Members. During our tenure, we will not able to see the action taken by the Government. Of course, it is time-consuming process. There are a number of reports by the Comptroller and Auditor-General.

Some will be scrutinised by the PAC on which it would submit its report and it would contain recommendation as has already been referred to by the former Chairman of the Public Accounts Committee. The action taken by the Government and how they have acted upon the report of the PAC will never be seen by us. If copies of the action taken are not supplied to us in time, this would become a formal affair. Of course, the procedure is very laborious. There are certain reports which have not reached the PAC and which have been sent to the Department concerned directly and the Department is accountable for that report. In such cases also the action taken is not at all informed to us. Crores of rupees are involved in this. I have found that, even in the State Legislatures, the PAC makes recommendations and the concerned Department commits the same mistake it had committed earlier and the Comptroller and Auditor-General as well as the PAC have made observations regarding this. The Government does not take any action at all against the concerned departments. I do not come across even a single incident in which Government has taken action on the report of the Comptroller and Auditor-General. At least, for the past three years I have not come across. It is very necessary that Government must take the report of the Comptroller and Auditor-General seriously. It is a serious thing because public money is involved. Irregularities have been committed; frauds have been committed. It is necessary that there should be a watch-dog cell in the Finance Ministry; there should be a separate cell to look after these things and Members must be given the information regarding the action taken on the report. I am sure that the hon. Minister will certainly take necessary steps in this direction. It is very good that at least now we are aware and realise the importance of the position of the Comptroller and Auditor-General. I agree in letter and spirit with the contents of this Bill. With these words, I support this Bill.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): I am very happy that, as I had requested, the Bill has received the support from all sections of this House. As I have said in my opening remarks, so far as the constitutional Authority is concerned, we want to see that due respect and dignity is given to the Constitutional Authority. Therefore, so far as salary, pensions and other things are concerned, excepting leave and other few things, the Comptroller and Auditor-General is brought *at peripassu* with the Supreme Court Judge. Members have raised many points.

As the hon. Members are aware, so far as the Central Government is concerned, the duty of maintenance of accounts has been taken away from the Comptroller and Auditor General and, therefore, more emphasis is now put by him on the auditing part of the accounts which is very important. The Comptroller and Auditor General is not now maintaining the accounts as he used to do in the past and now detailed audit is being carried out. Also if the State Governments request us that they want to have their own accounting machinery, we are prepared to agree to it and in their case also the Comptroller and Auditor General will be left only with the auditing part. The audit would become much more quicker and the results also, as the Hon. Member expect, would be achieved.

Shri Ayyapu Reddy raised the point that records are not being made available. I would say that it is not a fact. Instructions have been issued to all the Departments that whatever record is asked for by the Comptroller and Auditor General should be made available to him immediately and it is, in fact, being made available to him. It is only on the basis of that record which is made available to him that the audit paras are being formulated.

The other point was with regard to the action taken on the audit paras. In some of the audit paras, compliance does take a little time, but whenever it is observed either by the Public Accounts Committee or by the Comptroller and Auditor General that there is delinquency on the part of any officer, it is always gone into in depth and appropriate action is being taken. There is a procedure for these things, examination is also there etc. Of course, it has to take legitimate due time before the results come.

Shri Vyas has made the same point and he said that there should be a separate machinery for the purpose. In fact, this is the separate machinery provided under the Constitution; the Government cannot have any influence on the Comptroller and Auditor General. The Comptroller and Auditor General is doing audit, pointing out deficiencies in the form of audit paras etc. Therefore, already there is a separate machinery.

Another point which was raised was that full audit is not being done by the Comptroller and Auditor General. It is up to him to decide what part he chooses for audit. It he feels under the circumstances that any part of the detailed audit needs to be dispensed with, he can do so; it is totally his discretion, and Government have no say in this matter. The Comptroller and Auditor General can choose any matter for his audit; he can dispense with also if there is no time. But so far as the experience shows and the Members are also aware, the reports which are placed on the floor of the House are very detailed reports. Lapses on the part of the Government, Ministries and Departments, in respect of financial matters are always pointed out by the Comptroller and Auditor General in these reports. Remedial and corrective measures, wherever required, are taken by the Government. These, of course, emanate from the audit paras from the reports.

[Sh. B.K. Gadhvi]

Anyway, the points made are well taken. We have to keep a vigil; it is not to be done by the Comptroller and Auditor General alone, but by every Ministry. This is being done, but, of course, that needs to be strengthened. As I said, accounting part is done by the various Departments and Ministries concerned, and the auditing part is looked after by the Comptroller and Auditor General, so far as the Centre is concerned. So that the work can be done speedily and in much more quantum. I am thankful to the hon. members that they have whole-heartedly supported this Bill. I place on record that this Bill will remove the anomalies which were contrary to the objects enshrined in the Constitution.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill further to amend the Comptroller and Auditor-General's (Duties, Powers and Conditions of Services) Act, 1971, be taken into consideration."

The motion was adopted.

Now we will take up clause-by-clause consideration of the Bill.

The question is:

"That Clauses 2 to 4 stand part of the Bill"

The motion was adopted.

Clauses 2 to 4 were added to the Bill

The question is:

"That Clause 1, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted.

Clause 1, the Enacting Formula, and the Title were added to the Bill.

MR. DEPUTY-SPEAKER: The Minister may now move that the Bill be passed.

SHRI B.K. GADHVI: I beg to move:

"That the Bill be passed".

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.

12.57 hrs.

HIGH COURT JUDGES (CONDITIONS OF SERVICE) AMENDMENT BILL

[English]

MR. DEPUTY-SPEAKER: Now, we will take up the next item.

THE MINISTER OF PLANNING, MINISTER OF PROGRAMME IMPLEMENTATION AND THE MINISTER OF LAW AND JUSTICE (SHRI P. SHIV SHANKER): As you are aware, during the last year, substantial improvements in the Service Conditions of the Judges of the High Courts and the Supreme Court have been made. The present Bill is also a result of our concern for bringing about further improvements in the Service Conditions of the Judges. In this Bill, it is proposed to increase the House Rent Allowance to the Judges of the High Courts from the present 12 1/2% of the salary per month to a fixed amount of Rs. 2,500 per month. This is being done to compensate such of those Hon'ble Judges of the High Courts who have to stay in their own houses