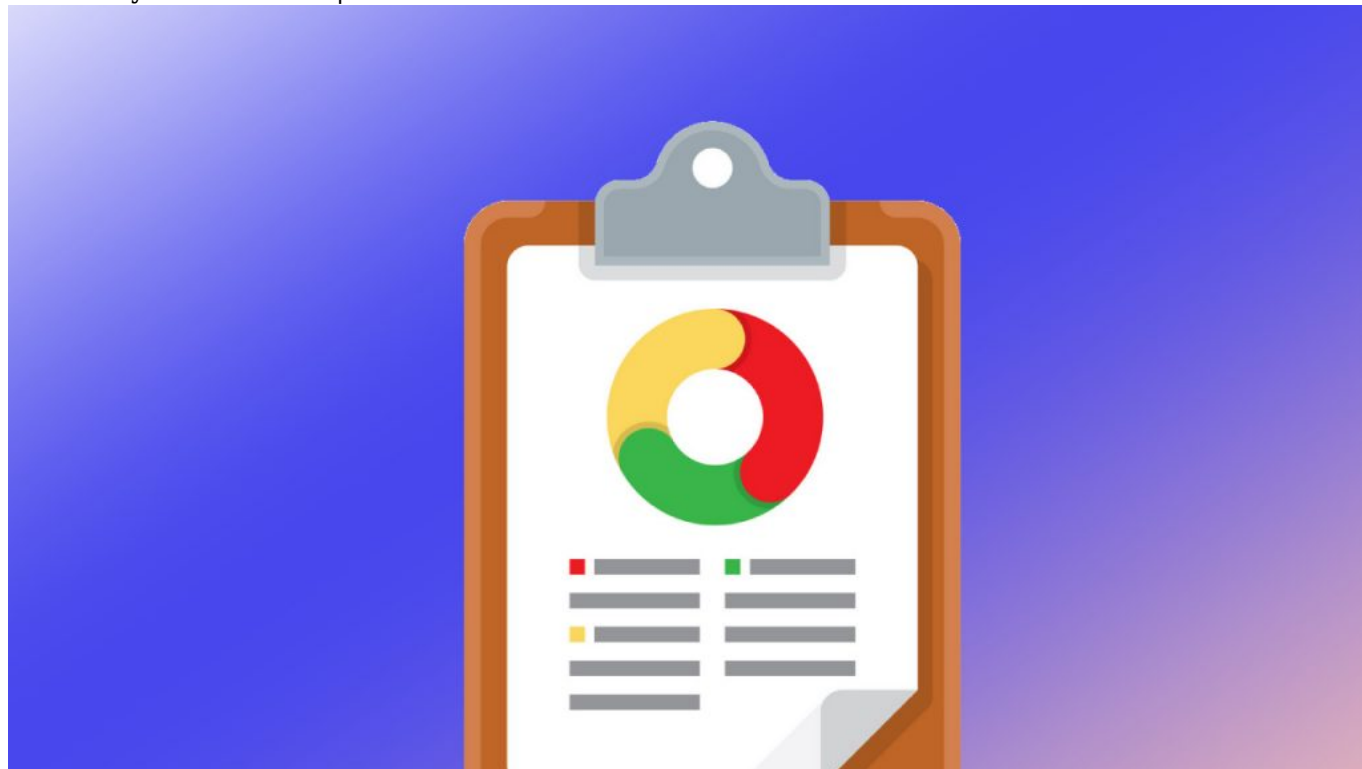


55th report of Public Accounts Committee

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Topic- Defence [GS Paper-3]

Context- Recently, the Public Accounts Committee (PAC) has released its 55th report on “Provisioning, procurement and issue of High Altitude Clothing, Equipment, Ration and Housing”.

Key Highlights

- The report was made on the basis of Comptroller and Auditor General’s (CAG) findings in 2019.

PAC observations

- **Mismanagement**
 - PAC observed that a huge quantity of essential items under Special Clothing and Mountaineering Equipment (SCME) Category-II were procured or held when they were not issued or required for long.
- **Shortfall**
 - The committee observed that there was an extensive shortfall in the receipt of stores from ordnance factories from 2015-16 to 2017-18 in the case of “SCME/Extreme Cold Climate Clothing and Equipment” items.

- **Less supply**
 - The percentage supply of most of the items from the factories remained at 50% or less for consecutive years.
- **Corporatisation**
 - The committee also noted that, in the meanwhile, the factories had been corporatised and restructured into government companies.

Suggestions

- **Implementing CIGC**
 - The report suggests that all efforts need to be made to fully implement Phase III of the Central Inventory Control Group (CIGC) for effective inventory management and procurement.
- **Contracting process**
 - The report recommended an overhaul of the contracting process between the Defence Ministry and vendors.
 - This would aid in reduction of procurement timelines.
- **Procurement processes**
 - The procurement processes could be expedited through hand-holding of new Defence Public Sector Undertakings i.e. erstwhile ordnance factories by the Ministry.
- **Collaboration with other countries**
 - The committee stated that the Ministry should collaborate with friendly countries with similar terrain/ geographical conditions and learn from their experiences for technical specifications.
- **Periodic review**
 - The Ministry should periodically review and get feedback from troops deployed in high altitude areas in terms of taste, quality and hygienic conditions of rations.
 - Ministry may also fulfil assurance that there is no shortfall of High Altitude Clothing & Equipment in Indian Army and complete entitlement of soldiers is adequately met at all forward locations of their deployment.
- **Deployment of technical expertise**
 - Sufficient technical expertise is available in certain Indian institutions, including the Indian Institutes of Technology, which could be deployed for projects in harsh terrains.

Public Accounts Committee (PAC)

- The committee is the oldest parliamentary committee in Indian legislative affairs and has been crucial in upholding the principle of accountability as it exercises oversight of public expenditure.
- It consists of 22 members elected according to the principle of proportional representation by means of single transferable vote:
- From among its members, fifteen members are elected by Lok Sabha every year and seven members of Rajya Sabha elected by that House in like manner are associated with the Committee.

Process of Election

- In April, every year, a motion is moved in Lok Sabha by the Minister of Parliamentary Affairs or Chairperson of the Committee, if in office, calling upon members of the House to elect 15 members to the Public Accounts Committee.

Appointment of Chairperson:

- The Chairperson of PAC is appointed by the Speaker from amongst the members of Lok Sabha elected to the Committee.
- As a convention, starting from the Public Accounts Committee of 1967-68, a member of the Committee belonging to the main opposition party or group in the House is appointed as the Chairperson of the Committee

Functions of the committee

- To check on the government especially with respect to its expenditure bill.
- To examine the audit report of C&AG after it is laid in the Parliament.
- The committee also promotes the basic principle that parliament embodies the will of the people by exercising check over the executive.
- It keeps a check on the money spent on any service during a financial year.
- PAC examines the accounts of State corporations, Trading concerns and Manufacturing projects.

Assistance by CAG

- The Committee is assisted by the Comptroller and Auditor General (CAG) in the process of examining the Accounts and Audit Reports.
- CAG has been described as a friend, philosopher, as well as a guide to the PAC.