

(For official use only)

**Manual of Report (PAC)
Section
2018**

**Office of the Accountant General
(General & Social Sector Audit)
Odisha, Bhubaneswar**

PREFACE

Keeping in view the provisions of Manual of Standing Orders (Audit), Regulations on Audit & Accounts-2007, Recommendations of Shakhder Committee and Rules of Procedure and Conduct of Business in the Odisha Legislative Assembly, the extant Manual of Report (PAC) required revision and updation.

Accordingly, in terms of Paras 2.2 & 2.4 of the Comptroller and Auditor General's Manual of Standing Orders (Administrative), Volume-I, the PAC Manual has been compiled incorporating all relevant orders / instructions received from the headquarters as of September 2018

Nothing in this Manual shall be quoted as authority in any correspondence with outside authorities.

Report (PAC) Section shall be responsible for keeping the Manual updated by issuing necessary amendments. Suggestions for improvement in the Manual may be brought to the notice of the Accountant General (G&SSA).

Bhubaneswar
Date 04 October 2018

Sd/-
(Bibhudutta Basantia)
Accountant General (G&SSA)
Odisha

TABLE OF CONTENTS

Chapter	Para Number	Subject in Brief	Page Number
I	CONSTITUTION AND WORK OF THE PAC SECTION		
	1.1	General	1
	1.2	Organisational Set up	1
	1.3	Staff strength	2
	1.4	Duties and responsibilities	2
	1.5	Functions of the Section	2
II	MATTERS RELATING TO PUBLIC ACCOUNTS COMMITTEE		
		Public Accounts Committee	3
	2.1	Consideration of the Accounts and Reports by the Public Accounts Committee before their presentation to the Legislature	3
	2.2	Delay in consideration of the Accounts and Reports by the Public Accounts Committee	4
	2.3	Procedure in dealing with the Accounts and Reports	4
	2.4	Preparation of Memorandum of Important Points	4
	3	Response to Audit Reports	5
	4	Comptroller and Auditor General's assistance to the Public Accounts Committee	6
	5	Assistance to PAC in spot study tours	8
	6	Verification of the correctness of the explanation given by the departments in the explanatory memoranda to the Appropriation Accounts	8
	7	Examination of further notes submitted by departments	9
	8	Investigation of new matters entrusted by the Public Accounts Committee	10
	9	Correspondence with the Public Accounts Committee	10
	10	Public Accounts Committee Reports	10
	10.1	Procedure for dealing with the reports of the Committee on Public Accounts and the action taken by Government thereon	11
	10.2	Watching of action taken on Reports of the Public Accounts Committee	11
	10.3	Position of discussion of State/Civil Audit Reports by the Public Accounts Committee	13
	11	Information to be furnished to CAG/AG in connection with the formation of the PAC by Assembly Secretariat & Finance Department	13
	11.1	Report to be submitted to the Comptroller and Auditor General of India	14
	11.2	Submission of a Report to the Comptroller and Auditor General of India whenever a State goes under President's Rule	15

CHAPTER-I**CONSTITUTION AND WORK OF THE REPORT (PAC) SECTION****1.1 General**

In terms of Sections 13, 14, 15(1), 16, 17, 19(3) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 the Comptroller and Auditor General of India is required to audit and report on the expenditure, transaction or accounts relating to the Consolidated Fund, Contingency Fund and Public Accounts of the State, receipts and expenditure of bodies or authorities financed from the State Revenues; receipts of the State, accounts of stores and stock kept in any office or department of the State, accounts of Corporations established by law made by the Legislature if requested by the Governor of the State to do so.

The Accountant General (G&SSA) is responsible for compilation of the Audit Report (G&SS) and on Local Bodies of Government of Odisha. The results of audit in respect of the Public Works Departments, audit of transactions of the departmentally managed Commercial and quasi-commercial undertakings and on Local Bodies entrusted to Accountant General (G&SSA) after restructuring of the Department also forms part of the Audit Reports.

The Report Section of the office of the Accountant General (G&SSA) is responsible for processing of Audit Reports right from receipt of materials till the approval of Draft Audit Reports, printing of the Report, presentation of the Report in the State Legislature, but discussion of the Reports in the Public Accounts Committee (PAC) and Committee on Public Undertakings (CoPU) is managed by PAC section.

1.2 Organisational Set up

The audit of expenditure of all Civil Departments including some Public Works Departments and Local Bodies of the State is under the charge of the Accountant General (G&SSA) while the audit of expenditure in respect of Public Works and Forest Departments, State Commercial Undertakings is under the charge of the Principal Accountant General (E&RSA). The names of the Departments under Accountant General (G&SSA) & Principal Accountant General (E&RSA) after restructuring of the Department are shown in the Appendix-I. The respective Accountants General are therefore responsible for finalisation of materials relating to their concern for inclusion in the Audit Reports and also for attending the meetings of the Public Accounts Committee.

1.3 Staff strength

The Combined staff strength of both Report and PAC Section is as follows:

Sr Audit Officer/Audit Officer-1

Assistant Audit Officer/ Section Officer-3

Sr Auditor/Auditor-5

Clerk / Typist-4

Note: There has been rising trend of work pressure in Report section since four to five years due to drastic changes in audit procedure and audit methodology with its consequential effect on reporting standard. Moreover, PAC activities in Report section have gone up for continued response of the State Administration and Legislature. On the above view, staff proposal for one Sr.AO/AO for Report works and one Sr.AO/AO for PAC activities have been approved by the ITA.

1.4 Duties and responsibilities:

The duties and responsibilities of the PAC Section is directly under control of Sr Audit Officer/Audit Officer and supervision of Principal Accountant General/Accountant General (G&SSA).

The Assistant Audit Officers of the Section are responsible for the smooth functioning of the Section. A detailed distribution of their work is indicated in duty register maintained by the section.

1.5 Functions of the Section

The PAC Section is entrusted with following major functions:

- a) Assisting the State Public Accounts Committee and Committee on Public Undertakings in examining the Audit Reports of the Comptroller and Auditor General (G&SSA, Local Bodies and PSUs);
- b) Preparation of briefs for confidential circulation amongst the members of PAC/CoPU; and
- c) Watching the action taken by the State Government on the recommendations of the PAC/CoPU.

Chapter-II**MATTERS RELATING TO PUBLIC ACCOUNTS COMMITTEE****Public Accounts Committee**

For examination of the Appropriation Accounts, Finance Accounts and Report of the Comptroller and Auditor General of India (G&SSA) relating to the State, a Committee known as “The Public Accounts Committee” is constituted by the State Legislature. The rules for the constitution and functions of Public Accounts Committee of Government of Odisha as included in Rules of Procedure and Conduct of Business in the Odisha Legislative Assembly (Rule 134 to 136).

The general instructions regarding submission of Reports to Government and action taken thereon by the Government as well as by C&AG are contained in paragraphs 7.4.1 to 7.4.11 of the C&AG’s Manual of Standing Orders (MSO) (Audit) Second Edition.

2.1 Consideration of the Accounts and Reports by the Public Accounts Committee before their presentation to the Legislature

(i) The Public Accounts Committee (PAC) being a Committee of the Legislature and not a body created by the Constitution cannot examine the Accounts and Reports before these are laid before the Legislature, unless the Speaker of the Legislature specially authorises the Public Accounts Committee to do so. Accordingly, the Public Accounts Committee can examine the Accounts and Reports but they should not submit any report thereon to the Legislature before the Accounts and Reports are laid on the table of the legislature.

[CAG’s Letter No.621-Rep/70-50 Pt.I, dated 29th December 1950]

(ii) The Principal Accountant General/Accountant General himself should not, however, suggest to the Legislature the examination of the Accounts and Reports by the Public Accounts Committee before these are laid before the Legislature. Rather, the Chairman of the Public Accounts Committee may obtain the approval of the Speaker of the Legislature for examination of these Accounts and Reports before their presentation to the Legislature.

[Addl. Dy C&AG’s DO No. 1424/rep/229-72, dated 29th July 1972]

(iii) Copies of the Accounts and Reports may be circulated if required to Administrative

Departments of Government for their official use as soon as they are sent to the Government for submission to the Governor with the stipulation that they should be treated as confidential till they are presented to the Legislature. This is done with a view to enabling them to defend the portion with which they are concerned in the meetings of the Public Accounts Committee.

[CAG's Letter No. 485-Rep/47-61, dated 7 August 1951 read with Addl. Dy. CAG's DO. No. 987-Rep(S)/82-85, dated 13/16th September 1985]

2.2 Delay in consideration of the Accounts and Reports by the Public Accounts Committee

If there is any serious delay in the consideration of the Accounts and Reports by the Public Accounts Committee, the matter should be taken up with the Finance Department and the Chairman of the Public Accounts Committee. In case, the response is not satisfactory, the Speaker should be approached personally for help. The Comptroller and Auditor General of India should also be apprised of the position to enable him to take up the matter with the Chief Minister.

[Report of the Sub-Committee No. 1, Item-8—Conference of the Accountants General in August 1959 and observations of the Comptroller and Auditor General of India thereon]

2.3 Procedure in dealing with the Accounts and Reports

The agenda for the meetings of the PAC is drawn up by the Assembly Secretariat and communicated to this office from time to time, the inherent right of the Audit to bring these points to the notice of the Public Accounts Committee (whether such points were included in the agenda or not) however not being lost.

[C&AG's Letter No. 621-Rep/84-72, dated 1-4-72 and 3179-Rep/84-72, dated 16th December 1972]

2.4 Preparation of Memorandum of Important Points

In order to guide the Public Accounts Committee to pick out really important points, the Accountant General will prepare before the Accounts and Reports of the Comptroller and Auditor General of India are taken up for consideration, memorandum of important points, dealt with in the Appropriation Accounts, Finance Accounts and Reports, to which he attaches importance and which he would like to recommend for the special attention of the Public Accounts Committee and send sufficient number of copies thereof confidentially to the Secretary to the Legislative Assembly for distribution among the members of the Public Accounts Committee. The departmental witnesses will have no access to it. The memorandum should also contain such additional or background information as may be relevant for a proper appreciation of the issues that arise; opportunity may also be taken to include in it an account of further developments,

if any, in each case. For making the functioning of PAC more proactive, Accountant General is to apprise PAC on important issues in the Audit Reports.

[Addl. Dy. C&AG (Rep)'s DO. No. 702-Rep/113-56, dated 7 May 1956 and C&AG's Letter No. 175-Rep/6-59 (iv), dated 15th January 1960]

[Director General (ER) Instruction No. 295 ER/Coordn/Sr.Management/62/2018KW email dt. 02nd July 2018]

Note—The Public Accounts Committee is not entitled to know what cases have been dropped from the Reports. Audit is also not entitled to disclose to the Public Accounts Committee any discussion between Audit and Government on matters not referred to in the Accounts and Reports.

[C&AG's Letter No. 1540-Rep/194-64, dated 21st August 1964]

Where the Report of the Comptroller and Auditor General of India contains paragraphs stating the position as on a particular date, it is necessary to ascertain from Government from time to time further developments of different aspects of cases mentioned in such paragraphs till the Public Accounts Committee takes up them for discussion. Such further developments and up-to-date position should also be indicated in the Memorandum of important points submitted to the Public Accounts Committee when it takes up the Report for discussion.

[Addl. Dy. C&AG's DO. No. 1157-Rep/193-72, dated 26th June 1973]

3 Response to Audit Reports

3.1 It is the responsibility of the Department of Government that the Audit Reports of C&AG of India are accorded due respect and consideration for effective remedial measures and prevention of the same kind of irregularities and deficiencies in future. The Department of Government, without waiting for any notice or call from the PAC should submit explanatory notes on Paragraphs included in Audit Reports indicating the action taken or proposed to be taken.

On recommendation of Shaktidher Committee and decision of Finance Department Government of Odisha, the Departments of Government are to submit the explanatory notes of Paragraphs included in Audit Report within a period of 3 months from the date of laying of the Audit Report in Assembly.

[Para 4.30 and 4.31 of Shaktidher Committee Report 1993 and Government of Odisha, Finance Department Letter No. 51597(2) Dt. 14th December 1993 and Letter No. 17909/F dated 22nd June 2016]

3.2 As recommended by Shaktidher Committee Vide Para No. 4.32, a copy of the explanatory notes is to be sent to the Accountant General who shall scrutinise them and

give his comments if any to the Committee for their consideration. The vetting Comments are required to be communicated to the OLA Secretariat within a fortnight.

[Government of Odisha, Finance Department Letter No. 17909/F dated 22.06.2016 & Para No. 7.4.14 to 7.4.19 of MSO Audit]

4 Comptroller and Auditor General's assistance to the Public Accounts Committee

Since it is not always physically possible for the Comptroller and Auditor General to attend meetings of the State Public Accounts Committee, he is represented by the Principal Accountant General/Accountant General who assists the State Public Accounts Committee. The Principal Accountant General/Accountant General is usually invited to be present at the meetings of the Public Accounts Committee where witnesses are examined and Accounts and Reports are considered. He should endeavour to attend all these meetings personally and assist the Committees in their deliberations.

[Para 7.4.9 of the C&AG's MSO (Audit) 2nd edition.]

Consequent on the restructuring of the Indian Audit and Accounts Department with effect from 1st March, 1984, it has been decided that the Principal Accountants General (Audit) / Accountant General (Audit) would attend the meetings of the Public Accounts Committee.

The question of associating Accountant General (A&E) also in the meetings of the Public Accounts Committee whenever the Committee discusses matters relating to Finance Accounts and Appropriation Accounts has been under the consideration of Headquarters Office. It has been decided that since Finance Accounts and Appropriation Accounts are checked by the Accountant General (Audit) in all cases and he is equally responsible for the materials included in the Audit Report in relation to the accounts of the State and therefore the Accountant General (Audit) should be in a position to brief the members of the PAC suitably, it may not be necessary for Accountant General (A&E) to be present in the sittings of the Public Accounts Committee.

[Letter No. 158-IAI/199-83 KW, dated 13th February 1984, DO. No. 488-Rep/62-84, dated 24th March 1984 and 193-Aci/217-86, dated 27th February 1987.]

Where there are two Accountants General (Audit), each Accountant General (Audit) would be responsible for the finalization of Audit Reports in their respective allocated areas and also for attending the meetings of Public Accounts Committee.

[CAG's Letter No. 523-TAI/199-83/KW.I, dated 3rd May 1984.]

Note: The Accountant General should attend all the sittings of the Public Accounts Committee of the State Legislature even though the proceedings might be conducted in the State Official Language in which the business of the Legislature is conducted under

Article 210 of the Constitution, with which the Accountant General may not be quite conversant. The Accountant General should take with him an officer or a member of the staff who knows the language in which the proceedings are conducted to assist him.

[C&AG's Secretary DO. Letter No. 1896-Rep/314-68, dated 20th September 1968].

The relation between Public Accounts Committee and Audit being delicate in nature, utmost care and circumspection has to be exercised while communicating with the Committee in most important matters. In peculiar cases the Comptroller and Auditor General of India should be consulted.

[C&AG's Confidential DO No. 790-Rep/95-70, dated 19th April 1970]

While it is necessary that Audit should give all possible assistance in examining the material contained in the Accounts and Audit Reports placed before the Legislature, it is not desirable or necessary for Audit to participate in any investigations for enquiries, which the Committee might take up during their study tours. If a request is received by an Accountant General that he should either accompany the Committee himself or depute an Officer to assist the Committee, it may be politely explained to them that it would not be strictly within their province to offer suggestions or criticisms to the Committee on matters arising during an on-the-spot study, outside the scope of the accounts and reports presented to the Legislature in the prescribed manner; indeed, the State Government may legitimately object to an Audit Officer discussing matters with the Public Accounts Committee which have not previously been conveyed to the State Government for their examination and remarks in the first instances.

[Copy of C&AG's Letter No.333-Rep/26-63, dated the 10th February, 1964 received with CAG's Letter No.1576-Rep (S)/17-82, dated 20th November 1984]

The Comptroller and Auditor General of India as far as possible the Accountant General should take the Group Officer/ Senior Deputy Accountant General to the Public Accounts Committee meetings when the Committee takes up consideration of the paragraphs pertaining to his group.

[Addl. Dy. C&AG's DO No. 928-Rep/146-70 dated 16 May 1970]

5 Assistance to PAC in spot study tours

A question has been raised whether an Accountant General may render necessary assistance to the Public Accounts Committee if in the course of the on-the-spot study tours the Committee undertakes examination of witnesses in connection with the points mentioned in and arising from the Audit Reports. There is no objection to the Accountants General rendering assistance to the

Public Accounts Committee of their State during their on-the-spot tours, if

(a) the Committee holds examination of departmental witnesses in connection with the points included in or arising out of the material included in the Audit Reports and the Appropriation and Finance Accounts;

(b) the result of the examination will form part of the official proceedings of the Committee; and

(c) The assistance rendered will be of the same nature as is rendered by the Accountants General in the normal sessions of the Committee held at the Headquarters.

[Copy of CAG's Letter No.511-Rep/26-64, dated 4th March 1964 received with CAG's Letter No.1576-Rep (S)/17-82, dated 20th November 1984]

6 Verification of the correctness of the explanation given by the departments in the explanatory memoranda to the Appropriation Accounts

The Appropriation Accounts as compiled and presented by the Comptroller and Auditor General of India to the Governor of the respective States and laid before the State Legislature are invariably considered by the Public Accounts Committee. In most of the States, the concerned departments of the State prepare explanatory memoranda, which are sent to our department for vetting before transmission to the Public Accounts Committee. A question has been raised whether our department can verify the correctness of the explanation given by the Departments in these memoranda on the excess/savings indicated in the Appropriation Accounts so as to satisfy the Public Accounts Committee to enable them to make suitable recommendation, especially because this department has no machinery to verify the correctness of what has been stated by the Government and in case if these are to be verified before transmission to PAC whose responsibility it is to do the needful i.e. the Accountant General (A&E) or Accountant General (Audit)?

The matter has been examined. We cannot take the view that the material included in the Appropriation Accounts is based on the information supplied by the Department and that we cannot / do not undertake any check of the factual position. The procedure to be followed in case of notes and comments, etc. submitted by the Government of India to the PAC / COPU has been laid down in **para 53** of the Comptroller and Auditor General's Manual of Standing Orders. This procedure is to be followed mutatis mutandis in the States also.

These notes would be received and verified by the Accountant General (Audit) in their capacity as the auditors of the State Government and transmitted to the Public Accounts Committee, without avoidable delays. While verifying the facts/figures in these memoranda, the Accountants General (Audit) may consult the records maintained by the Accountant General (A&E) as also the Appropriation Orders, explanations, etc. already given by the Departments and available with the Accountants General (A&E) and incorporated in the Appropriation Accounts. The Accountant General (Audit) may also seek the help of the Accountant General (A&E) who finalise the Appropriation Accounts, the latter will invariably extend full cooperation to Accountant General (Audit)—Normally there may not be any need to consult departmental files for the verification but there is no bar on Accountant General (Audit) to call for the departmental files to verify the facts and/or depute personnel to the concerned office for on-the-spot verification.

[C&AG's General Circular No.79-Ac-I/1986 received with Letter No.1432-Ac-I/214-86, dated 05th January 1987].

NOTE: For the purpose of perusal of Group Officer, Report Section should furnish copies of the Report of the Comptroller and Auditor General of India, Finance Accounts and Appropriation Accounts as also notes received from the Departments intended for submission to Public Accounts Committee. The group Senior Deputy Accountant General concerned should go through the notes with a view to examining any controversial point particularly in the written notes, verifying the factual accuracy of the statements that have a bearing on the accounts/records, etc.

[Addl. Dy. C&AG's DO No.928-Rep/146-70, dated 16th May 1970]

7 Examination of further notes submitted by departments

If during the course of examination of departmental witnesses further notes are called for by the PAC, these notes might be verified by Audit before they are submitted to the PAC. In cases, where prior verification has not been got done by Departments, the note might be examined in Audit after submission of the notes to the Committee and observations, if any, communicated to the Committee immediately. In examining the notes, it is not enough to be contented with checking the accuracy of only such of the facts or figures as are susceptible of verification with the material available in the Audit Office. Every statement of facts contained in the note which has a bearing on the validity of the argument developed in the reply, has got to be verified from the original papers and files on the strength of which the department itself has prepared its reply. For this purpose, it is necessary to insist that the departments send their replies along with all the departmental papers and files from which they have gathered the facts.

8 Investigation of new matters entrusted by the Public Accounts Committee

The Public Accounts Committee is free to discuss irregularities brought to its notice by any one of the members of the Committee from his personal knowledge; the Principal Accountant General/Accountant General should, however, refrain from taking any part in the discussion unless the matter is one included in or arising from the Report, Appropriation Accounts or Finance Accounts. If the Committee asks the Accountant General to investigate any new matter brought up by any of the members of the Committee he should agree to carry out such investigations only if it would be a part of his normal duties. For instance, he may agree to examine whether in a particular department, it has generally been the practice to accept higher tenders; on the other hand, he should decline to investigate whether there is evidence of corruption on the part of a particular officer. The Accountant General should offer to make the results of his investigations available to the Committee in the next Report. If, in any particular case, the Public Accounts Committee is anxious to have factual information in advance, the Accountant General may advise the Committee to request the department concerned to furnish not on the points in question duly vetted by Audit.

[Addl. Dy. C&AG's DO No.379-Rep/143-63, dated 23-2-63 and 912-Rep/143-63, dated 13th May 1963]

9 Correspondence with the Public Accounts Committee

The Secretariat of the Public Accounts Committee can not call for particulars and documents regarding irregularities, etc. direct from Audit for scrutiny and inspection by selected members of the Public Accounts Committee. If they are required, they should be collected only from the Administrative Secretariat Department of Government, correspondence with Audit is not, however, precluded on matters of a purely routine character in connection with the more convenient arrangement for the transaction of business of the Public Accounts Committee.

[Dy. C&AG's Letter No.487-Admn.1/51, dated 28th July 1951]

10 Public Accounts Committee Reports

The Public Accounts Committee submits a number of Reports to the Legislature. The recommendations of the Committee are carefully considered by the various departments concerned and necessary action is taken to implement them, which is reported to the Committee. Where any department feels that the recommendations of the Committee would require reconsideration, they put up their points of view again before the Public Accounts Committee. In case the Committee does not modify its recommendations, the department concerned would ordinarily take necessary action and a deadlock is not allowed to develop. The Audit assists the Public Accounts Committee in reviewing the action taken on its recommendations by scrutinizing the reports of the department and

vetting the facts before submission to the Public Accounts Committee. The Public Accounts Committee, then, presents reports known as the 'Action Taken Report' to the Legislature, bringing out the action taken on its various recommendations. As soon as the report of the Public Accounts Committee of a year is received from the State Government, a copy thereof should be submitted to the Accountant General for perusal. Simultaneously, six copies of the Report should be sent to the Comptroller and Auditor General of India.

[C&AG's Letter No.577-Rep/51-74 dated 1st March 1974]

10.1 Procedure for dealing with the reports of the Committee on Public Accounts and the action taken by Government thereon

Public Accounts Committee Reports represent the culmination of audit activities and we are, therefore, vitally interested in ensuring that these reports are well drafted. The draft Reports are received by the Accountant General for vetting. It is desirable to take this opportunity to see that the Reports incorporate all the relevant facts and are precise and objective. While doing so, utmost discretion and judgement should be exercised bearing in mind that the Reports are of the Public Accounts Committee and not of Audit and the draft PAC Report should not be made to reflect only the audit point of view giving impression that the PAC Report is only Audit Report in another form.

[C&AG's Letter No. 735-Rep/157-79, dated 28th May 1979]

10.2 Watching of action taken on Reports of the Public Accounts Committee

(a) After the Accounts and Reports have been considered by the respective Public Accounts Committee and their reports have been presented to the Legislature, the Accountant General will submit a report to the Comptroller and Auditor General drawing attention—

- (i) to those paragraphs of the proceedings or report which contain observations or recommendations of considerable importance; and
- (ii) to any adverse comments made on any audit views expressed in the Reports or to any comments which contain a reflection, express or implied, on the Indian Audit and Accounts Department for failure to take proper action, together with Accountant General's own opinion on them.

(b) The recommendations of the Public Accounts Committee are considered by the concerned departments of Government. The Accountant General will watch the action taken on the recommendations of the Committee and the orders, if any, issued as a consequence. If, in any case, the action taken by Government is considered inadequate, it will be open to the Accountant General to take up the matter with Government and, if necessary, to comment on the matter in a subsequent Audit Report.

[Para 7.4.11 of the C&AG's MSO (Audit) 2nd edition]

(c) Basing on the recommendation of Shakhder Committee and Government of Odisha, Finance Department instructions, the Action Taken Notes on the recommendations of the Committee are to be submitted by the Secretary to Government Departments to the Accountant General for further comment within a period of 4 months from the date of laying of the PAC Report in the Assembly. The Self explanatory Action Taken Notes received from the Secretary to Government Departments on recommendations of PAC are required to be vetted and returned to the Secretary of the Concerned Department with a copy to OLA Secretariat as soon as possible but not later than one month.

[Government of Odisha Finance Department Letter No. 17909/F dated 22.06.2016 and Rule 213 (B)(1) of Rules of Procedure and Conduct of Business in Odisha Legislative Assembly & Regulation 213 (2) of C&AG's Regulation of Audit and Accounts 2007]

(d) The Reports of the Public Accounts Committee should be scrutinized in details. Any portion of the Report containing recommendations by the Committee, promises made by the State Government or by the Accountant General to the Committee and other points requiring further actions should be noted in a Register to be maintained in the following form:--

Item No.	Ref. to para or page of Public Accounts Committee Report for 19.....19...	Summary of recommendation or subject matter	File which dealt with	Preliminary action taken or orders passed in this office	Final action taken by the Authority concerned	Adequacy or otherwise of the action

The register should be submitted for review to the Accountant General on the 15th of each month.

NOTE: The issues which have been included in Audit Reports and which have also been examined by Financial Committees with suitable recommendations and could be deemed to be settled as far as audit is concerned and removed from the list of objections/inspection reports. It is for the Committee to pursue their recommendations in regard to such issues.

[Para 3 (iv) of C&AG's Letter No. DO. 109-II/2-85, dated 17th January 1986 Circular No. 3-Audit-II/86]

(e) A procedure similar to the one that has been evolved at the Centre to ensure that Government takes suitable action on all points included in Audit Reports even if the Public Accounts Committee does not discuss them, has to be introduced in the States also. Under this procedure, Government is required to intimate to the Committee the

follow-up action taken duly vetted by Audit. This could be suggested to State Committee on Public Accounts and Public Undertakings. Once this is done, on the basis of the action taken the related objections and paragraphs of inspection reports could be dropped.

[Para 3(v) of C&AG's Letter No.DO. 109-Audit-2-85, dated 17th January 1986]

10.3 Position of discussion of State/Civil Audit Reports by the Public Accounts Committee

Information regarding discussion of the State / Civil reports of the Comptroller and Auditor General of India by Public Accounts Committee is to be furnished to the Headquarters Office half yearly by 10th of next month for the half year ending March and September in the proformas shown in Appendix-II. Separate columns be made for (i) all pending paras and (ii) pending paras upto 2007-08 and (iii) pending paras from 2008-09 onwards.

[Hqrs. Instructions No. 994- Rep (S) 266-2006 dated 10.10.2006 & Hqrs instruction no. 134-Audit(API)/19-2008 dated 06th April 2010]

11 Information to be furnished to CAG/AG in connection with the formation of the PAC by Assembly Secretariat & Finance Department

The information required to be supplied to the Comptroller and Auditor General of India in connection with the formation of the Public Accounts Committee of a particular year and its working will be supplied by the Legislative Assembly Department and by the Finance Department of the State Government. The position in this respect is given below for guidance:

- (a) The Assembly Secretariat will furnish information on the following points:
- (i) Actual composition of the Public Accounts Committee, i.e. whether it includes any member of the opposition.
 - (ii) The dates when the Appropriation Accounts and Finance Accounts and the Audit Reports are laid before the Legislature before sitting of the Public Accounts Committee.
 - (iii) The date on which the Report of the Public Accounts Committee has been or will be presented to the Legislature for discussion and the dates fixed for their discussion; and
 - (iv) Disposal of the Report of the Public Accounts Committee by the Legislature.
- (b) As regards action taken by Government on the various recommendations of the Public Accounts Committee on the current as well as pending items of past Reports, if any, the Finance Department will report to the next Public Accounts Committee, when it meets, the action taken by the State Government on the recommendations of the Committee in the form of resume.

(c) The regularisation of excess expenditure will be communicated to this office by the Finance Department after the same is effected through the Legislature.

11.1 Report to be submitted to the Comptroller and Auditor General of India

An especially careful report should be submitted to the Comptroller and Auditor General of India each year on the manner in which the Appropriation Accounts, Finance Accounts and the connected Audit Report are dealt with by the State Government and its Legislature. The points on which he specially requires information are the following:

- (a) The actual method of election of members of the Public Accounts Committee and the Chairman.
- (b) The actual composition of the Public Accounts Committee i.e. whether it includes any member of the Opposition.
- (c) The time when the Public Accounts Committee sits and also whether the accounts were made available in any way to the Legislature or the Public before the sitting of the Public Accounts Committee.

It has been decided by the CAG of India that the report regarding the programme of PAC/COPU meetings need not be sent to the Headquarters office in future.

However, after the meetings in each sitting are over, any special points which warrant to be brought to the notice of Headquarters office may be reported at once. While forwarding the PAC/COPU Reports, AG may also flag important cases which need to be brought to the notice of CAG along with a brief, indicating the importance of the matter meriting CAG's kind attention.

[C&AG's General Circular No.04-Rep(S)/92-No.1257/Rep(S)/103-92, dated 16th December 1992-Report(C) Dy. No.22, dated 6th January 1993 Page No.73 of Report- C-7-1-PAC-I]

- (d) The manner in which the accounts are treated by the Public Accounts committee and the attitude displayed towards audit criticism; and
- (e) The disposal of the Reports of the Public Accounts Committee by the Legislature.

Essentially the object of the report is to ascertain whether under the new regime the Public Accounts Committee plays effectively its part in the scheme of parliamentary financial control.

11.2 Submission of a Report to the Comptroller and Auditor General of India whenever a State goes under President's Rule

Whenever, a State goes under President's Rule, a report should be furnished by the Accountant General to the Comptroller and Auditor General along with a copy of the President's Proclamation bringing out inter alia, the following information:-

- (a) Position as contemplated in the proclamation regarding laying of the Report of the Comptroller and Auditor General of India before the State Legislature;
- (b) Information about Reports signed by the Comptroller and Auditor General of India and presented to the Governor but awaiting presentation to the Legislature; and
- (c) Latest position of discussion by the State Public Accounts Committee of Reports pending with them, and of the Public Accounts Committee's reports finalised but not presented to the Legislature etc.

[C&AG's Letter No.1412-Rep/227-70-KPV, dated 28th August 1971]

Appendix-I

Sl.No.	Departments under Accountant General (G&SSA)	Departments under Principal Accountant General (E&RSA)
1	Food Supplies and Consumer Welfare	Agriculture
2	Health and Family Welfare	Co-operation
3	Higher Education	Energy
4	Housing and Urban Development (including ULBs)	Fisheries and Animal Resources Development
5	Labour and Employment	Forest and Environment
6	Panchayati Raj (including PRIs)	Industries
7	School and Mass Education	Textiles and Handlooms
8	Public Grievances and Pension Administration	Tourism
9	Rural Development	Water Resources
10	ST &SC Development and Minorities and Backward Classes Welfare	Works
11	Sports and Youth Services	Excise
12	Women and Child Development	Steel and Mines
13	Culture	Transport
14	Finance (without commercial taxes)	Commerce
15	General Administration	Finance (Commercial taxes)
16	Home	Revenue and Disaster Management Department (Only assessment and collection of stamp duty and registration activities)
17	Information and Public Relations	
18	Information Technology	
19	Law	
20	Parliamentary Affairs	
21	Planning and Co-ordination	
22	Public Enterprises	
23	Revenue and Disaster Management (Excluding assessment and collection of stamp duty and registration activities)	
24	Science and Technology	

**Appendix-II
PROFORMA-A**

Status Report of discussion of Audit Report (G&SSA) by PAC for the half-year ended

Name of the State:

Sl No.	Particulars	Year	Year	Year	Pending paras upto 2007-08	Pending paras from 2008-09 onwards	Grand Total
1	Date of presentation of Audit Report in the Legislature						
2	(a) Number of paras in the Audit Report						
	(b) Number of Reviews in Report						
	(c) Total (2a+2b)						
3	Number of paras/ reviews for which questionnaire issued by PAC						
4	Number of paras/ reviews for which Department's reply is due but not received by PAC(Pendency)						
5	Number of paras and reviews selected for discussion in PAC						
	(a) Up to previous half year.						
	(b) During this half year.						
	(c) Total (5a+5b)						
6	Number of paras and reviews discussed (finally)						
	(a) Up to previous half year						
	(b) During this half year						
	(c) Total (6a+6b)						
7	Number of paras skipped, if any						
	(a) Up to previous half year						
	(b) During this half year						
	(c) Total (7a+7b)						
8	Number of paras and reviews pending for discussion in PAC.						
	(a) Up to previous half year (2c-6a)						
	(b) Total pending discussion including discussed during this half year (2c-6c)						
	(c) Number of paras/ reviews actual pendency for discussion (8b-7c)						
9	Number of paras discussed by the PAC and recommendation made.						
	(a) Up to previous half year						
	(b) During this half year						
	(c) Total (9a+9b)						
10	Number of paras discussed but recommendations are yet to be made.						
	(a) Up to previous half year 30.09.2017						
	(b) During this half year 10/17 to 03/18						
	(c) Total (10a+10b)						

PROFORMA-B

Status Report of discussion of Audit Reports (G&SSA) by PAC for the half year ended.....

Name of the State:

Position regarding PAC meetings, paras discussed and pending during the half year

- (i) Number of PAC/COPU meetings held during the half year ended (<date>)
- (ii) Number of paras/reviews discussed finally during the half year ended (<date>)
- (iii) Number of paras skipped, if any, during the half year ended (<date>)
- (iv) Total number of paras skipped up to date (It may be indicated as and when settled)
- (v) Number of paras/reviews pending for discussion at the end of the half year ended (<date>)
- (vi) The year (s) of Audit Report for which discussion has been completed
- (vii) The year (s) of Audit Report for which the discussion is in progress.
- (viii) The year (s) of Audit Report not yet taken up for discussion

Sr.A.O/A.O

