Chapter 7

CONCLUSION AND SUGGESTIONS

Representation is one of the most pervasive and important processes of political life. In a parliamentary democracy, the accountability of the executive to Parliament and the latter’s right to oversee and scrutinise the way in which the executive functions are accepted as axiomatic. In this system, various steps are taken from time to time to strengthen the influence of Parliament over the administration. Parliaments are generally unwieldy bodies and meet only periodically. It is not an easy task to control and supervise over the executive. In order to make its surveillance more effective and meaningful over the executive, the legislature needs an instrument in which the whole House has confidence. Legislature control over executive is dependent on a number of devices and procedures like question hour, debates in the House, short notice questions, calling attention notices, motions and the Committee system. The effective financial control involves scrutiny into the details of estimates and accounts but the House itself is not a suitable body for going into minute detail. It has not enough time for a through scrutiny of accounts. The control of public expenditure aims at ensuring that the public gets services for every rupee spent by the government on things of great public interest. Committees have become an indispensable part of the apparatus of the legislatures throughout the world.
Besides this, Parliamentary Committees play a vital role in the democratic system. Without committee system, it would be almost impossible for House to do even half the work which it at present is doing. It is true that legislature all over the world are overburdened with work and have limited time at their disposal and it is only the committees that enable the legislature to perform their functions efficiently and effectively. These committees are infact miniature legislature. Committees are the backbone of power and autonomy. Committee helps not only to pass the bills but also to ensure that these bills get proper consideration. In the absence of committees every bill cannot be considered in detail in the House. Committees enable legislature to exercise a close watch and continuous check on the government activities. These committees are instruments of Legislature and not Government. Committees are not meant to weaken the administration; instead they just prevent misuse of power. Legislative control in the context of committees means influence and advice. These committees are in a better position to provide a more objective solution to a question. Their decisions are free from any political bias which may not be possible in a full House.

Administrative accountability in financial aspects is ensured through the instrument of Financial Committees. Finance is the centre of Administration and Financial Committees are the instruments of parliamentary control over public expenditure in India. In the parliamentary system, the
demand for grants give the House an opportunity to discuss the working of each department in great detail. It is only when the members of House are satisfied with the explanations given on points raised, then grants are passed. There are three types of Financial Committees: (a) Estimates Committee, (b) Public Accounts Committee, (c) Committee on Public Undertakings. Legislative control over finance becomes unavoidable and it is exercised mainly in two-way means. In the first stage, at policy making and the second, overseeing the implementation of the policy. In the first it is to be seen that how initial control is exercised at the preparation, presentation and passing the annual budget under the government. The second stage of control is exercised over implementation of the policies to ensure that funds voted by the legislature have been utilised for the purpose for which they have been allocated. The executive powers of these committees to collect information from departmental witnesses and the right of the Public Accounts Committee to be guided by the Comptroller and Auditor General in its activities make them function as the eyes and ears of the legislature in financial and economic matters. So, the three Financial Committees perform a most valuable function and constitute a distinct group and they keep an unremitting vision over government spending and performance.

The idea of parliamentary control of public finance originated in England when the Parliament began to appropriate grants with the resolution of 1688. With the
establishment of British rule in India, the committee system was introduced in the country. Regarding the evolution of Financial Parliamentary Committees in India, it was observed that the Public Accounts Committee as an institution owes its origin to the United Kingdom Parliament where for the first time a committee was set up in 1861 by Gladstone to scrutinize public accounts. In India, Public Accounts Committee was created both at centre and in the provinces for the first time after the introduction of Montague Chelmsford Reforms in 1919. After independence, the first Public Accounts Committee was formed in April 1950, at the commencement of the first session of Parliament. The Public Accounts Committee examines the government’s accounts in the light of the audit report with the assistance of the Comptroller and Auditor-General in order to ascertain that the money granted by House have been spent by the executive ‘within the scope of the demands’. In this work the Comptroller and Auditor-General acts as a friend, philosopher and guide. It is the duty of the committee to satisfy itself that the money shown in the accounts as having been disbursed were legally available for, and applicable to the service of purpose to which they have been applied. The Indian Estimates Committee is modelled on Britain, which is now known as the Expenditure Committee. The first Estimates Committee was set up in UK in 1912. The idea of an Estimates Committee was mooted in 1938, when a resolution asking for the constitution of a Retrenchment
Committee to secure a reduction in government expenditure by 10% was moved. After the inauguration of our Constitution in 1950, the Estimates Committee was created on the suggestions of Dr. John Matthai, the then Finance Minister, to scrutinise expenditure of each department of the government. The Estimates Committee is charged with the detailed examination of the budget estimates and also suggest alternative policies in order to bring about efficiency and economy in the administration. The Third Financial Committee is the Committee on Public Undertakings. It is the youngest committee among the Financial Committees.

The Committee on Public Undertakings is set up in India on the pattern of the Select Committee on Nationalized industries of the British Parliament. The creation of a specific machinery for ensuing full parliamentary control over the public enterprises, was however suggested during the discussion on a private member’s resolution on parliamentary control of public corporations in the House of People in December 1953. In 1956 and 1958, the demand for setting up a separate committee on public undertakings was put forward. The first Public Undertakings Committee was constituted on 1 May 1964. The function of Public Undertakings Committee is to examine whether the public undertakings were being run efficiently and managed in accordance with sound business principles and also examine the working of autonomous corporation. Thus the study approved the hypothesis that the
Estimates Committee lacks the expert assistance of the Comptroller and Auditor-General as provided to the Public Accounts Committee.

Not only Parliament but the State Legislatures were also conferred with the similar powers vide Article 208 (1) of the Constitution to setup their own Public Accounts Committee. The Committee system in Punjab first came into existence in 1919 when a Standing Committee of the Punjab was created for the first time. These committees of the House can be divided into following categories:

1. Standing or Non-Adhoc Committees

2. Adhoc Committee/ Temporary Committees

Standing committees are set up for a period of one year and reconstituted after the expiry of the term according to the Rules of Procedure. Standing committees may be categorised in terms of their nature of function as follows:

(i) Enquiry Committees, e.g.: Committee on Petitions and Committee of Privileges.

(ii) Scrutiny Committees, e.g.: Committee on Government Assurances, Committee on Subordinate Legislations, Committee on Paper Laid on the Table and Committee on Welfare of SCs, STs and BCs.

(iii) Financial Committees, e.g.: Estimates Committee, Public Accounts Committee and Committee on Public Undertakings.
(iv) Service Committees, e.g.: General Purposes Committee, House Committee and Library Committee.

(v) Committees relating to the day to day business of the House, e.g.: Rules Committee and Business Advisory Committee.

Adhoc Committees are appointed for a specific purpose or task and ceases to function after the completion of the work assigned to them. These committees are constituted from time to time by the House on a motion moved and adopted by the Speaker to enquire.

(a) Joint Committee on Bills;
(b) Railway Convention Committee.

There are various types of committees, some are elected by the Punjab Vidhan Sabha and some are nominated by the Speaker. Elected committees like Public Accounts Committee, Estimates Committee, Committee on Public Undertakings and Committee on the Welfare of Scheduled Castes, Scheduled Tribes and Backward Classes. These committees are constituted under the provisions of different rules, but the strength of these committees is 13 and the election method is same. These committees are elected through proportional representation by means of single transferable vote. Public Accounts Committee, Estimates Committee and Committee on Public Undertakings are considered as Financial Committees. Whereas Nominated Committees are Business Advisory Committee, Committee of Privileges, Committee on Petitions,
General Purpose Committee, Committee on Subordinate Legislation, Committee on Government Assurances, Library Committee, Rules Committee and House Committee, etc. The tenure and strength of these committees are quite different. Non-financial/ nominated committees are established under different rules and these committees are nominated by Speaker and indispensable features of the parliamentary democracy. Committee on the Welfare of Scheduled Castes, Scheduled Tribes and Backward Classes and the nominated committee are considered as non-financial committees. Non-financial committees are appointed to review the administrative actions and the examination of complicated legislative proposals. These financial and non-financial committees are playing an important role in the transaction of legislative business. They are providing a great help to the legislature in its work by reducing its workload to a great extent. They help the legislature in making enquiries and scrutinises in different types of cases.

The study reveals that Punjab being a rural dominated state, the maximum population had adopted the agriculture as their profession. The level of educational qualification or criteria was not fixed or prescribed for election of member to the Estimates Committee in Punjab. Even below matric were also given the representation in the Estimates Committee. With the passing of time, more and more professionals such as doctors or advocates are being attracted in the political arena but there
is a drawback that in Estimates Committee, those people are elected who have no knowledge of accounts, finance or audit. In the field of gender equality, the female representation in the Estimates Committee in Punjab has been very negligible due to the fact that the number of female members were elected to the House had been very small. The Estimates Committee is otherwise a male dominated and as per study no women was nominated for the Chairmanship. The members of Estimates Committee are overpowered by the Sikh religion. The number of Sikh community member is on the higher sides as compared to others. Caste has played an important role in it, as the Jat Sikh community has more ratio from other communities which is clear from the fact that 100 members out of 195 members are from this community during the period from 1992-2007 and Dogra’s have very less representation in it. The age factors of members are more pronounced in the formation of Estimates Committee. Majority of the members in the Estimates Committee belong to middle-age group. The economic status of Jat Sikhs has been enhanced by the benefits of the Green Revolution. While making the study regarding the members taken on rolls show that newly elected representative outnumber the experienced members who could be best guide for in handling the working of the Estimates Committee. The persons having the experience of two-three years at their back are pushed back and raw hands and fresher are taken in the Estimates Committee, thus, making it a training workshop. So,
all these factors are responsible for getting the membership in the committee. Thus the study approves the hypothesis that the membership of Estimates Committee of Punjab is influenced by socio-economic profile of the members.

An attempt has been made to analyse the composition, functions, working procedure of the Estimates Committee and how many recommendations have been implemented or not. The first Estimates Committee was formed in 1952 under the Rule 227 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha. The members of Estimates Committee are elected amongst the members of Punjab Vidhan Sabha according to the principle of proportional representation by means of single transferable vote. In 1952, it consisted 7 members including the then Deputy Speaker as its Chairman. At present the strength of Estimates Committee is 13 including its Chairman. Now the Chairman of the committee is appointed by the Speaker from amongst its elected members. There is no specific qualification prescribed for the election of the members of Estimates Committee of Punjab. There is a limitation for electing a member in the committee:

(c) No minister shall be elected as a member of the committee, if a member after his election to a committee is appointed a minister he shall cease to be a member of the same from the date of such appointment.
(d) No member shall be appointed to the committee, if he is not willing to serve the same.

Chairmanship of the Estimates Committee was held by ruling party. The Chairman has to maintain discipline in the meetings of the committee. But without the cooperation of other members, the Chairman cannot do his work efficiently. During the period 1992-2007, only 10 Chairmen completed their tenure and 10 Chairmen resigned prior to the completion of their tenure on being appointed as Parliamentary Secretary and Ministers, etc. An interesting trend was that the Chairmen were appointed from ruling party. The tenure of the Estimates Committee is one year which is very short to examine a matter. Due to the short tenure, it is very difficult to scrutinise each department, and many departments were not examined in a year. The study reveals that 35 members of Estimates Committee who did not complete their tenure and this effected the working of Estimates Committee.

The Estimates Committee held 738 meetings, out of which the committee held 489 (66.3%) meetings at Chandigarh and 249 (33.7%) meetings held outside Chandigarh. During the period 1992-2007, the number of meetings held at Chandigarh had been higher than meetings held outside Chandigarh, except during the year 1998-99 when their ratio was less. The maximum number of meetings for Estimates Committee in Punjab did not exceed 81 in a year. The meetings held at Chandigarh have an advantage of easy access of information. If
the meetings held outside Chandigarh then no secretarial assistance could be expected. Most of the meetings were held at picnic spot places just for the sake of TA/DA.

The purpose of holding meetings at Chandigarh and outside Chandigarh was to scrutiny of material received from the concerned department, oral examination of the representatives of various departments in regard to budget estimates, to frame and finalise the report, discussion with the members of Estimates Committee of various states relating to procedural and on matter of common interest with a purpose to frame questionnaire etc. Under Rule 188 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha appoints two sub-committees namely Drafting Sub-Committee and Implementation Sub-Committee. During the year 1992-93, 1998-99 and 2005-06, only 5 sub-committees were established in Punjab. These sub-committees are set up for in-depth examination of different cases.

The meetings of Estimates Committee of Punjab were cancelled for want of quorum for 42 times. The total number required for conducting a meeting is 4. There are many instances when only 2 members and no member was present in the meeting. If the members are not attending the meetings, then it shows their disinterest in the sittings. During the period 1996-97, 1997-98, 2002-03, 2004-05 and 2006-07 not a single member present in the meeting. The average attendance was not so much good. This affected the attendance of the members
in the meetings. The members were just busy in the constituency and in elections. Mostly members were not interested to attend the meetings. If the members attended the meetings of the committee, they just complete the formality by signing the attendance register. Members of the committee did not bother to go through the papers and documents that would give them in advance and moreover they did not bring them at the time of checking.

The Estimates Committee selects a department/departments for examination of budget estimates. The committee selects two to three departments for a year and report to the House. After the selection of department, the department concerned is asked to furnish detailed information. After studying the material received, the committee framed questionnaire, which is again sent to the department concerned. Thereafter the committee examines the departmental representatives orally.

The Committee may also undertake tours to make a on the spot study of any particular project or matter. The working procedure of committee largely depends on the information as provided by the government department. It helps the committee to gather the first hand information rather than depending on secondary data provided by questionnaire, etc. The Estimates Committee made 51 on the spot study at different places. Material supplied by the departments to the committees sometimes did not contain adequate and required information
asked by the committee. Even most of the representatives of departments who appeared for oral examination were not aware of data and when questions were asked, they did not appropriately answered. Such behaviour and negligence is a big hurdle for the members who are examining the particular records for the committee.

The committee took a large number of departments but study only a few due to short tenure of the Estimates Committee, i.e., 1 year. It depends upon the next constituted committee to take the remaining departments. This shows committee has been neglecting all these things. Thus the study approves the hypothesis that short tenure is a big hurdle in the proper functioning of the committee.

The study reveals that the Estimates Committee of Punjab made total 784 recommendations from 1992-2007 and the committee presents 31 reports. These recommendations are given on the basis of department-wise and nature-wise. These reports are related with agriculture department, excise and taxation department, animal husbandry department, local government department, PWD (B&R) department, education department, hospitality department, etc. Regarding department-wise recommendations, the education department is on the higher side which contains 85 recommendations and on the lower side 7 recommendations are related with town and country planning. During the period 1992-2007, out of 784 recommendations, 748 (95%) recommendations were
implemented and 36 (5%) recommendations were still outstanding. The Estimates Committee had not published any action taken report. In the absence of such reports the fate of the recommendations made by the Estimates Committee is unknown. Thus the study disapproves hypothesis that the recommendations of the committee yet are generally accepted by the government, but are not acted upon.

If the government sends back a particular recommendation to the committee for reconsideration and the committee stands by the same, it is always the legislature who takes a final decision. The government can also nullify a particular recommendation by giving an appropriate justification as to why they cannot implement the recommendations given by the committee. Hence it is proven that the committee lacks adequate power to maintain its effective control.

There has been instances when departmental proceedings stood as a hurdle against the committee. Where committee recommended that the department should fix the responsibility against defaulters and initiate actions against them but many of such officials were given a clean chit. So wherever a study revealed any discrepancies and disloyalties by the officials, committee received a setback when such officials were set free. It is worth mentioning that these recommendations are only in the form of suggestions and departments were under no compulsion to accept or implement them. But the department
was bound to reply back to the committee that how many recommendations have been accepted and how many are not and why. The committee’s suggestions act as guidelines for the government for regulating expenditure. This also adds to the fact that committee is purely an advisory but is important in terms of presenting an alternative thinking to the legislature. Thus the study approves the hypothesis that the Committee’s recommendations are only in advisory nature. During the course of its investigations and thorough study regarding reports, the committee not only suggests economy, but suggests reforms in the overall organisational practice as well. Each and every recommendation is carefully analysed and processed and the administration always endeavours to eschew and avoid the faults and lapses pointed out by the Committee and to regulate its conduct in accordance with the direction given by the Committees. The study shows that the committee works seriously and the recommendations of the Estimates Committee were helpful to the great extent. The Legislative Committees and Non-Financial Committees investigate, screen, review and report on financial and non-financial problem. The value of their work can be judged from their effectiveness, which is reflected in the methods of their work, the quality of their debates, the implementation of their recommendations directly or indirectly influence which they yield on all parties in the administrative process.
In the end, John Matthai, the then Finance Minister hoped while proposing the constitution for an Estimates Committee that it would exert healthy influence upon the course of public expenditure. He expressed that in matter of regulating expenditure, the suggestions and criticism by the committee would be very useful guidance to the government. Moreover there would be a check on public expenditure if this expenditure of the government and of its department would be examined in detail by an independent authority. It would also act as a guide to the treasury and the ministry concerned with regard to the basis on which proposals for expenditure should be formed for the coming year. It is gratifying to note that the Estimates Committee both in the House of the People and State Legislative Assemblies have justified their existence by discharging their functions successfully.

Suggestions

Following are some of the suggestions which can further improve the functioning of the Estimates Committee:

- Short tenure is a big hurdle in the proper functioning of the Committee, so the term should be raised to two or three years, so that the members are able to deliver their best.
- Chairman of the Estimates Committee should come from opposition party so that they can take decision effectively.
The Chairman can play an effective role by commenting freely and frankly on the irregularities of the government.

- Educational criteria should be fixed for getting the membership in the Committee. Only those people should be elected in the Estimates Committee who has a deep knowledge of accounts and finance.

- Attendance in the meetings should be made compulsory for every member. Those members should be dropped who cannot spare time for the Committee meetings.

- Ratio regarding experienced members and new comers should be fixed.

- The members of Estimates Committee should be discouraged from holding the meetings outside Chandigarh to frame questionnaire and to discuss with members of others state so that the time can be employed in fulfilling the objectives of the Committee.

- If the information is not supplied to the committee within the stipulated time by any department, the Committee should have the power to take action against it.

- More departments can be covered by the committee if the work is divided in the sub-committees.

- The committee should point out specifically what steps should be taken to remove a specific short coming and not leave it to department or government.
• It is very difficult to ascertain whether the information supplied by the department is true or not. There is no other way to cross check the information therefore committee should be given enough powers to run some cross checks.

• The recommendations of the Estimates Committee are advisory in nature. It depends on the government to implement or not. Hence the Government should be bound up to some extent to go as per the recommendations laid by the Committee.

• Members should be remained same, so that they may got familiar with the working aspects of Estimates Committee by which the working of the Estimates Committee will improve.

• Every member of Estimates Committee should perform the duties to the best of his/her potential and with devotion.

• Members need to be imparted proper knowledge through training courses about the financial and economic administration.

• There should be an atmosphere of cooperative working among the committee members, based on the will to have better administration.

• The system should be refined and if the members of Committee are sincere in their efforts to bring about
improvements in the system and honestly control the government expenditure in a country can make much headway in her socio-economic progress.

- The Estimates Committee is very important. It helps in the improvement of the working of government departments. The officials of the department should be cooperative and helpful with the committee members, so that the working of the committee can be improved and for the welfare of the society for which the government really works.

- Candidates who do not have requisite qualification and experience should not be considered to be elected as member of committee and while re-electing the previous performance of members should be considered. This would help to improve the interest of the members in the committee.

- The committee’s work should be discussed on the presentation of its annual report. This will not only improve the functioning of the committee but also make the House familiar with the shortcomings in the estimates of the departments.

- The committee should send its questionnaire to the committee of the other States by mail to be filled up by them and send it back to the committee. After going through the replies, it should plan for a tour, if necessary.
It should also keep in mind the expenditure involved on such tours and the objectives of the committee.

- Government should seriously consider the recommendations made by the committee specially in regard to benefits v/s expenditure and if committee finds expenditure is more than benefits government should seriously consider the recommendations by the committee.
- The Chairman of the Commission should be a person with a sufficient high status with qualities of leadership and ability to control meetings. He should preferably be a person with good knowledge of the subject.
- Before calling the first meeting, the Secretary and the Chairman should prepare a comprehensive note outlining the problem, the issues involved and tentative solutions.
- The members should be re-elected in order to provide the benefit of experience and technical knowledge in the committee.
- The Committee takes a large number of departments, but fails to scrutinize every department in a year. So there should be a procedure that each department shall be scrutinised within the span of 5 years of Vidhan Sabha. Many departments have not been scrutinized even once. This shows the negligence of the Committee.
- The Committee has no power to disallow any expenditure, it can only recommend how economies can be effected in the government departments.

- The government should accept the recommendations and submit Action Taken Reports in time so that the purpose for electing Estimates Committee can be served.

- Action taken report should be published so that one may know how many recommendations have been implemented and how many are outstanding and should be presented within a period of one year.