Chapter VI
CONCLUSION

In the course of the present study, some revealing facts have come up about the functioning of the financial committees of the Haryana Vidhan Sabha. The role, function, and working of these committees have been examined and analyzed in depth in the foregoing pages. Certain conclusions have emerged as a result of this study.

In the pages that follow, an attempt has been made to bring together some of these conclusions, and to put forth some suggestions for improving the working of these committees and for making them more effective and meaningful. Some generalisation have also been drawn, which are equally applicable to all the financial committees. This is because the procedure followed by these committees is broadly similar.

The political instability and frequent defections in Haryana Vidhan Sabha by the members of various political parties has undermined the work of the financial committees. To keep the democratic character of the State intact, either by agreement
between the party bosses or whips, or as a result of arithmetical calculations, seats of each committee are allotted to political parties in proportion to their membership in the House by rising above narrow party considerations. There are, however, instances where the principle of proportional representation has not been strictly adhered to.

So far as the criteria for getting the membership of the committees is concerned no consideration is given to caste, age group factors, academic record, rural and urban background and profession etc. But qualities of leadership have played an effective role in elections of the members to various committees. It is worth noting that women get a fair representation on the committees.

The re-election of old members to the financial committees for a number of years is considered to be a good and useful practice. But it may not always be a good practice.

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207. In 1976-77, the Congress had eight out of nine members on the Committee on Public Accounts, and six out of nine on the Estimates Committee. Both the committees were elected by the Assembly, on 20 January 1975. The total number of seats in the Legislative Assembly was 81 and the Congress had 52 seats.

208. For details see Tables 1 to 5.
desirable practice.

Casual vacancies due to resignation etc. of a member are filled in after a long time.

An interesting fact emerging from this investigation is that in Haryana, the Chairman of the various financial committees were always from the ruling party. The successful and efficient functioning of a committee depended on the intelligent and mature guidance and personality of the Chairman who led the whole committee and could enthuse the members to actively participate in its deliberations. However, a committee Chairman from the ruling party, cannot normally be expected to speak against the Government, and comment fearlessly on irregularities, embezzlement, fraud and misappropriation of the public funds.\(^{209}\)

The term of the committees is too short for them to pursue their investigation and examination of

\(^{209}\) As in the case of eighth report of the Public Accounts Committee on the Haryana State Electricity Board it was alleged by the opposition leaders that the whole contents of the report were twisted in such a way as to give a clean chit to the Government. For details see Haryana Vidhan Sabha Debates (Chandigarh, Haryana Vidhan Sabha Secretariat, n.d.), vol. 2, no. 2, 6 May 1975, pp. 2(47) to 2(84).
items left over from the previous years. The present term of one year for a member show injustice to him and to the work entrusted to him.

It was found that some members were not interested in the work of the committees but mainly in getting personal monetary benefits. Only the Chairman and at the most one or two members attended to the job\textsuperscript{210}.

The numerical strength of the committees is enough for representing different view points and the members are given full freedom to express their views. If a member is appointed on more than two committees at a time, he is not in a position to attend the meetings of the various committees\textsuperscript{211}. This is likely to impair his efficiency and adversely affect the working of the committee. The Speaker has, however, 

\textsuperscript{210} This is also the case in England and India in Lok Sabha. See Basil Cubb, The Control of Public Expenditure (London, Oxford University Press, 1952), p. 134, and Aggarwala, n. 4, p. 342 respectively.

\textsuperscript{211} For example Gulab Singh Jain and Shukturra Khan were appointed on more than two committees but they could not attend more than 25 per cent and 23 per cent meetings in one of those committees respectively. For detail see Committees, 1974-75 to 1984-85: A Review, n. 52.
the power to cancel the membership of a member if he does not attend the sittings of a committee continuously for three times. But he can make use of his power to condone the absence of a member from meetings.

In the course of this research, it was found that on many occasions the meetings of the committees were adjourned for want of the required quorum. On a certain occasion there was no member to attend the meeting of a committee. It shows that the majority of the members did not take adequate interest in the work of the committees.

The financial committees do not prefer to appoint sub-committees as practised at the Centre and in some other States. Instead they work as a unit.

212. The meetings of the financial committees of the Haryana Vidhan Sabha - the Public Accounts Committee, the Estimates Committee and the Committee on Public Undertakings were adjourned for want of the required quorum for 6, 7 and 20 times respectively during the years from 1974-75 to 1984-85. For details see Reports of the Financial Committees, 1974-75 to 1984-85, n. 58.

213. On 27.6.1979 and 14.12.1984 there was no member to attend the meetings of the Committee on Public Undertakings. See Committees, 1974-75 to 1984-85: A Review, n. 62.

214. From 1974-75 to 1984-85 only the Committee on Public Undertakings appointed three sub-committees, namely, Implementation Committee and Drafting
The financial committees usually arrange spot studies tour to ensure speedier transaction of business in their hands. These spot studies are arranged with three purposes in view: first, so that some members may enhance their specialisation in certain subjects of their interest. Second, for better understanding between the committee and the officers of department/public undertaking. Third, so that the committee may be able to prepare or finalise their reports.

However, the committees have largely ignored the horizontal studies\textsuperscript{215}, as a result of which several common problems of State undertakings/departments in Haryana have not received in-depth treatment.

\textsuperscript{215} Committee on 1 May 1930 and a sub-committee to draft the interim report on the general working of Haryana Agro Industries Corporation on 19 August 1931.

Horizontal studies involving simultaneous examination of similar issues facing different departments/public undertakings have been supported on the ground that these enable the committee not only to expand and deepen its inquiries but also help facilitate evolving a common approach to the improvement of the working of various departments/public undertakings in the State.
The members of the committees are not expected to go through the massive material circulated to them every day and it was observed that the material furnished by the departments/public undertakings contained "more chaff than grain". The staff of each committee is not sufficient to examine all the records properly and pursue implementation work.

Sometimes it has been found that the required information is not sent for a pretty long period, although the Secretariat is constantly writing to the concerned departments at various levels. The Secretaries to the Government usually take the plea that information is being obtained from the subordinate offices spread out in various districts of the State which takes its own time. On one pretext or another, the Secretaries to the Government go on asking for more time for submitting the required information. Sometimes incomplete information is sent and some more time is sought for the remaining one. It looks unconvincing since the departments are well equipped with staff and in view of all the resources at their command, the required information can be had from all corners of the State within a reasonable period of time. This tendency of the departments leads to only one conclusion that
the work is dealt with by the departments at a very low priority basis.

For examining the working of a department/public undertaking the committee has to prepare a preliminary questionnaire and to send it to the department/public undertaking concerned to elicit necessary information and get necessary material. Many a time such information and material are not supplied within a proper time. This hampers the work of the committee.

On receipt of the information and material another questionnaire is generally prepared by the committee for clarification and elucidation of certain points. This information or material is again supplied sometimes very late. This further delays the work of the committee. This kind of delay defeats the very purpose for which the financial committees have been created.

If the required information and material are not sent by a department/public undertaking the committee has to postpone his meeting.

Abnormal delays in initiating action against the officers responsible for financial irregularities,
embezzlements, defalcations etc. has come to the notice of the committees many a time. But, strangely the delinquent officers/officials not only escaped punishment, but sometimes they even got promotions. In some cases they retired prematurely.

Several times members of some financial committees went on visits to other States of India to discuss matters of common interest with their counterparts there. But they did not keep in mind the expenditure involved in such visits to other States. For example, the number of the visits made by the Public Accounts Committee to other States during the period from 1974-75 to 1984-85 was 28, by the Estimates Committee during the same period 23 and by the Committee on Public Undertakings during the period from 1978-79 to 1984-85, 26. Some states were visited by them even twice or thrice but no noticeable changes were made or even suggested by them on their return. Perhaps a committee could send its questionnaire to the similar committee of the other States by mail.

The efforts of the financial committee have gone a long way in exposing some of the misdeeds of some public Corporations and of some officials of the
Government departments. These committees have not only succeeded in removing the lid from their clandestine activities but have also rendered them accountable to the representatives of the public. They have also made highly useful recommendations to revamp the working of official machinery and simplify the long administrative procedures usually called "red-tapism".

The recommendations of the committees are implemented in a very dilatory and leisurely manner without any sense of urgency.

The recommendations are helpful to some extent in exposing the nature of irregularity, illegality, embezzlement, fraud and misappropriation of the public funds. They create a healthy effect on the departments/public undertakings.

It has also found that the same type of financial irregularities, which were detected by the committees in the reports went on being repeated again and again.

It has been found that, some times, even a committee itself is not clear about the real issues involved and it gives its recommendations leaving the same for the department to reply in the manner they felt fit. At times, it made only vague recommendations,
such as, 'for necessary action', 'suitable measures',
'adequate measures'. Such 'directions' did not
provide any appropriate guidelines. One some occasions,
a committee asked the Government to set up another
committee or expert group to look into the matter and
take necessary action thereafter.

It was found that no report was published
later by any committee to disclose the fate of its
earlier recommendations. Just a list of outstanding
recommendations was attached at the end of the reports
of the Estimates Committee and the Public Accounts
Committee, while even this was not done by Committee
on Public Undertakings. It could not be found as to
how many recommendations had been accepted or rejected
by the Government, and out of those which had been
accepted, how many had been implemented in the spirit
in which they had been made by the committee. The
"action taken reports" of the committees are not
published in Haryana, as against the practice of the
Central Government and some States like Punjab, Nagaland,
Maharashtra, Rajasthan, Assam, Goa and Himachal Pradesh.

Moreover, the reports of the committees were
not discussed in the House upto April 1985. Only the
eighth report of the Public Accounts Committee was
discussed in the Assembly. The practice of regular discussion of the reports of the various financial committees in the Assembly may compel the members and the Government not only to make a critical assessment of the recommendations but also ensure their prompt implementation.

The scrutiny of the Comptroller and Auditor General report by the Public Accounts Committee and the Committee on Public Undertakings is in the nature of a post-mortem examination. The time lag between the commission of the irregularity and its detection and exposure is very long. The issue becomes stale and public loses all interest in it by the time the report is tabled.

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216. Neither the Estimates Committee nor the Public Accounts Committee reports are discussed on the floor of the House. Gujarat is, however, an exception to this. The Gujarat Rules provide that the Chairman or any other member of the Public Accounts Committee who presents the report "shall move that the report be taken into consideration by the Assembly". In Maharashtra, a member of the Assembly or Council may move in the House a motion for the discussion of any particular paragraph or subject matter arising out of the report. See, H.G. Paranjpe, "Financial Committees in State Legislatures-II", Journal of Parliamentary Information, vol. 17, no. 2, April 1971, p. 42.
It has also been observed that the Public Accounts Committee and the Committee on Public Undertakings, while dealing with audit paras, submit their reports after a decision has already been taken, and the civil servant responsible for the malpractice has either been transferred or retired from service. Such a situation not only dilutes the effect of these committees' recommendations, but also renders their suggestions for punitive action ineffective. This can be avoided if the time lag in the presentation of the audit reports and their examination by these committees is reduced. In Haryana, there is no such time limit fixed either by Statute or by convention. Each authority, in the chain, therefore, takes its own time to make its report. Consequently, there is sometimes enormous delay which is likely to create a deleterious effect on administrative efficiency.

It has also been found that the Estimates Committee has a tendency to take a large number of departments for study, but can comment only on a few in a specific year.

It has also been noted that sometimes the Estimates Committee scrutinised the supplementary demands made by various departments at a stage when
the departments actually spent their original allocations. So, the committee was in no position to suggest economies while examining or recommending the Supplementary Estimates. This control was used only in theory and not in practice.

Some Suggestions

In the following pages, some suggestions are offered that may help in improving the performance of the financial committees and in the fulfilment of the role assigned to them.

To make effective use of their functions and powers the committees need full assistance and support of their members. So it would be better if the leaders

217. Such supplementary demands arise either out of natural calamities like floods, drought etc., or on account of mismanagement of funds by the departments concerned. To avoid any money which has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the committee recommended that the expenditure may be foreseen by all concerned at the beginning of the financial year so that supplementary demands may not be brought unnecessarily before the House. The Estimates Committee felt that far too many supplementary demands reflected on the working of the departments of the Government of Haryana. See Eleventh Report of the Estimates Committee, n. 134, pp. 2-3.
of different parties nominate members from their parties in view of the relevant constitutional provisions. If a member is to be nominated for the second term, his previous work and attendance at meetings of the last term must be given due weight.²¹₈

The casual vacancies not exceeding one third of the total membership of any of these committees should be filled in as soon as possible through nomination by the Speaker, from the party to which the member in whose place the vacancy has occurred, belonged as practised in Rajasthan.²¹⁹

If a majority of the members of the financial committees, except the Estimates Committee, are from the ruling party, the Chairman should be from the Opposition party and vice versa.²²⁰ Besides, in

²¹₈ An analysis of the composition of the financial committees, reveals that even those members were elected for a second year who had not attended even 25 per cent sittings in the previous year.

²¹⁹ Rule 233 of the Rules of Procedure and Conduct of Business in Rajasthan Legislative Assembly (Jaipur, Rajasthan Legislative Assembly Secretariat, 1985), pp. 82-83.

²²⁰ The ground for this suggestion is that the job of the Estimates Committee is to scrutinise the expenditure before and during the period when public money is spent. In Haryana it also examines the supplementary demands before they are presented to the House.
dealing with issues before the committee members should take a non-partisan, impartial and objective view of every issue.

The Chairman of each financial committee should be given the facilities of a separate room, a telephone, a steno or a private secretary, as are being provided in the Lok Sabha and in States like Maharashtra and Kerala.

There should be a provision in the rules of the various financial committees that if the Chairman of a particular financial committee thinks that another financial committee is also concerned with the subject under examination, he may invite the Chairman of that committee to participate in the meetings of his committee as practised in Maharashtra, Uttar Pradesh, Kerala and Goa. This will lead to co-ordination and a better understanding between the various financial committees.

The term of the committees should be raised from one year to two, or, better still, two and a half years, as practised in Assam, or at least a convention may be established that at least one-third of the members of a committee are continued in the successive committee in order to provide continuity. It may
also be provided in the rules that the Speaker may at any time extend the term of the committee for a period not exceeding six months as practised in the Rajasthan Legislative Assembly.

A member should not be appointed on more than two committees as he cannot do justice to the committee work.

The financial committees must appoint some sub-committees for specific purposes. Small groups of members working on sub-committees will not only specialise in the working of a group of public undertakings/departments but will also be able to cover three or four times as much work as a single committee can do. As Nevil Johnson feels:

"It (this scheme) ... should lead to some concentration of the interests of the members and thus gradually improve their working knowledge of the fields in which they hold enquiries"\textsuperscript{221}.

With a view to facilitating a coordinated growth of departments/public undertakings in Haryana, it would be highly desirable if the committees, besides looking into their own issues, take up for examination certain specific problems which are common to public undertakings/departments in the State and thus prepare separate reports on such common subjects as 'financial administration', 'organizational functions', 'procedures', and 'material management'.

The financial committees should be authorised to invite to their meetings outside specialists, whenever they are needed, during the course of examination of certain departments/public undertakings of technical nature. This ad hoc arrangement is not likely to militate against the basic principle of legislative secrecy, if sufficient care is taken to outline and delimit the responsibility and the rights of guest specialists.

It may be pointed out that a similar practice is being followed in Britain and it has proved to be quite useful in ensuring the accountability of departments/public undertakings in a more rational manner.
The massive material supplied to the members should be siphoned off first. Only when the committee is fed with proper and essential facts, it would be able to conduct useful studies and make effective contribution to the improvement of the working of departments/public undertakings. The present-day advancement in the technique of personnel, financial, material and production managements calls for more specialised knowledge on the part of those who are required to assist the committees in examining the working of departments/public undertakings.

The information required from other States should be obtained through correspondence, in order to economise on Government expenditure. After going through the replies, some member may visit another State, if considered absolutely necessary.

The members of the financial committees should not hold meetings outside Chandigarh to frame questionnaire, to discuss the report and to draft the reports of the financial committees so that extra expenditure may be avoided.

222. The number of meetings held outside Chandigarh to frame questionnaire, to discuss the reports and to draft the reports by the Public Accounts Committee from 1974-75 to 1984-85 was 24, the
The staff of the committees needs to be increased. Each committee should have an Under-Secretary, assisted by a Superintendent, two Assistants and four clerks to prepare the reports quickly and efficiently, so that justice may be done to the committee's work. Non-production of papers and delay in placing or producing them before a committee within the stipulated period should be taken note of very seriously by the committee. Disobedience of the orders of a committee for the production of papers or documents within the stipulated time by the Secretary of a department should be considered as tantamount to contempt of the House itself. A committee should also appoint a sub-committee for physical verification of the information supplied.

If the meetings are fixed after the date of the financial committees meetings has been communicated, the priority for the Secretary should be to the meetings of the financial committees and not the one that has been fixed thereafter, unless such a meeting

Estimates Committee during the same period 23 and the Committee on Public Undertakings from 1978-79 to 1984-85 it was 33.
has been fixed under unforeseen circumstances or which is not within the competence of the Secretary to fix or if he is busy in meeting the Parliamentary Committee or the Planning Commission. Failing that a committee may adopt various methods. First, it may place the matter before the Speaker, who may take a decision thereon. Second, the Chief Secretary may be called by the Chairman to let him know the committee's reactions. Third, the committee, in its report, may say that such and such Secretary was summoned and he gave an explanation which was not found satisfactory, and suitable action should, therefore, be taken against him.

As a procedural innovation, it may further be suggested that in certain exceptional cases the Ministers should also be called for giving evidence before a financial committee. Although at the Central level in India, this practice has not been followed, in Britain, on the other hand, the Ministers are invited to present their views before the committees and sometimes they are interrogated even in "public sessions". Logically too, when Ministers can be questioned about the functioning of the departments/public undertakings under them in the whole House,
what inhibition could there be in their appearing before a financial committee, which, after all, is a microcosm of the House? The existing convention in Haryana can be modified in case higher purposes are served, without sacrificing the basic tenets of legislative conduct.

Retired officers should also be called as witnesses under whom a certain expenditure was made.

Another reform in the working method of the financial committees could be suggested on the basis of the experience of British and Indian committees. Thus it may be useful if the Haryana committees, during the course of their examination of various departments/public undertakings in the State, call for memoranda from the general public and from the employees of such public undertakings/departments. Through the feedback inherent in these memoranda, the committees would be able to obtain the information and insight which it may not be able to secure through any other channel. The information and suggestions contained in such memoranda may assist the committees in arriving at a more realistic assessment of the issues and may also help it in crystalizing its recommendations, keeping in view the possible impact of their recommendations on the public.
Recently a controversy has arisen in India as to whether evidence tendered before the financial committees by various officials and non-officials should or should not be published. In this connection, it is suggested that a dogmatic approach may not be feasible or desirable. Normally, there should not be any problem in the publication of such evidence. But wherever State secrets or public interests are involved, the publication of evidence may be withheld by the committee itself.  

A period of six months should be considered the most reasonable for the implementation of the recommendations of a financial committee, as practised in Maharashtra. This time limit should be strictly enforced, except in cases where the Chairman of the committee is satisfied about the necessity for an extension of time limit in certain cases. But when they do not receive a reply about the implementation of the recommendations the committee may write to the Chief Secretary or the Minister concerned about it.

223. Proceedings of evidence meetings are printed in Orissa and Andhra Pradesh. In Andhra Pradesh they are printed for office use and not for the public. In Orissa, proceeding are volume 2 of the report itself.
In order to implement the recommendations of the financial committees more effectively, it is suggested that a special cell may be created in the Finance Department; A senior officer should be designated in each ministry to help in the implementation process; a Cabinet sub-committee should be constituted to consider the recommendations of the committees contained in their various reports which have been outstanding for the last five years or more and take steps so as to expedite the decision of the Government thereupon. However, if some intransigent administrator does not co-operate with the committee in getting implemented a particular recommendation which is of public importance, the erring officer should be taken to task by referring the matter either to the Chief Secretary or to the Chief Minister. The value of a committee's work would be lost if no efforts are made by the Government to implement its suggestions or review their policies/programmes in view of the committee's observations, immediately after the reports are presented to the legislature.

The examination of a matter by the committee cannot be said to be complete until and unless the "Action Taken Report" is presented within a period of
one year. The intention behind it is that the defaulting
department may be brought to book, and the Minister
concerned may be asked to explain the reasons for the
delay on the floor of the House. The importance and
value of a committee's report can be further enhanced
if there is an annual discussion in the House on the
performance of the financial committees.

In order to speed up the disposal of work and
streamline its procedure, the Committee on Public
Undertakings and the Public Accounts Committee should
take the following steps: first, a questionnaire in
respect of all the pending audit reports of the
Comptroller and Auditor-General should be prepared and
sent to the relevant departments for furnishing the
replies thereto before a specified date. Second, an
oral examination of the departmental representatives
should be held in respect of the latest and earlier
reports together. It would accelerate the pace of
work. Third, the recommendations should be framed

There could be no difficulty in adopting this
procedure. The House of Commons in the United
Kingdom discusses every year the Public
Accounts Committee report on a motion moved
by its Chairman. The same procedure can be
followed by the Haryana legislature also.
and the reports prepared on the basis of the written replies received from the departments; and where oral examination is considered necessary, it should be held to seek clarifications and more information.

The Government should fix a reasonable time-limit within which the action against the defaulting officer(s) must be completed and in case more time was required, the concerned authority should obtain the approval in regard thereto from the next higher authority. In case of failure on the part of the officer responsible for taking action against the defaulting subordinates, stern action should be taken against that officer. In order to avoid delay, the committee should also issue directions to the Chief Secretary to the Government, Haryana, the Financial Commissioner, Excise and Taxation, and Secretary to Government, Haryana Finance Department, to instruct all the departments to keep themselves in readiness to answer the following questions in respect of each audit paragraph which would invariably be asked at the time of oral evidence. First, when was the audit report received by them? Second, when was the action initiated regarding the audit objections raised in the paragraphs? Third, what was the result of the
enquiry, if any, held to find out the background and causes of financial irregularity, defalcation, etc.? Fourth, whether any action against the defaulters had been initiated, and, if so, what was the latest position in regard thereto? All the Administrative Secretaries, while submitting written replies or tendering oral evidence in respect of an audit para, should furnish answers to all these questions, failing which their replies should be considered incomplete and unsatisfactory.

The financial committees should present their reports to the legislature either before or during the budget session. This will enable the legislature to discuss the recommendations/observations of the committee while discussing the General Budget and the Demand for Grants for the ensuing year.

In Haryana, the Public Accounts Committee is handicapped due to lack of some powers, such as are available, say, to its parallel committee in Rajasthan\(^2\). It should be open to the Public Accounts Committee in Haryana to call for any information and examine any case involving loss, nugatory expenditure or

\(^2\) Rule 229 (4),\(^2\) Rule 220, p. 75.
financial irregularity, even though such a case had not appeared in an audit report.

It will be useful if an expert Examiner of Estimates is available to assist the Estimates Committee. Such an expert assistance will be of great practical value to the committee. The expert should be one who is not only fully conversant with the methods of preparing estimates for the various departments of the Government but also independent enough to scrutinise them rationally from the public point of view. Such an expert may be drawn from the State Planning Board or from some other competent and reliable organisation. Free from official bias the officer will be in a position to go into the estimates independently and objectively to see that they have been drawn up properly and the consideration of economy has been kept in view while drawing up the estimates.

The Estimates Committee should also examine the Supplementary Estimates in an effective way by taking the help, if needed, of experts. The committee should be free to call experts from outside and seek information from any source with respect to any point, as practised in the U.S.A.
The success of an organisation depends more or less on those who compose it. The real utility of a committee can be enhanced considerably by a positive attitudinal change on the part of its Chairman and members.

The above suggestions, it may be hoped, will enhance the credibility and utility of the committees, and may make some contribution to the legislative effectiveness of the committee system in Haryana.