**Report of the Standing Committee on Public Accounts on its study tour to New Delhi in India, from 30 January to 5 February 2023, dated 8 March 2023.**

1. **Introduction**
The Standing Committee on Public Accounts (the Committee), having undertaken a study tour to New Delhi in India, from 30 January to 5 February 2023, reports its findings and recommendations to the House as follows:

**Delegation**

Mr M Hlengwa (IFP); Chairperson and Leader of the delegation
Mr B Hadebe (ANC)
Mr S Somyo (ANC)
Ms A Beukes (ANC)
Ms B Swarts (ANC)
Mr RA Lees (DA)
Ms B van Minnen (DA)
Ms V Mente (EFF)

**Apologies**

Ms N Tolashe (ANC)
Ms B Zibula (ANC)

**Support Staff**
Ms N Nkabinde (Committee Secretary)
Ms N Cenge (Content Advisor)

**Officials from the Special Investigating Unit (SIU)**Adv JL Mothibi (Head of Unit)
Ms N Gumbi (Senior Manager: Corporate Secretariat & Governance)

**Officials from the Auditor-General of South Africa (AGSA)**Mr S Saki (Senior Manager: Institutional Cooperation)
2. **Background**During this current Parliament, the Committee identified consequence management as one of its key focus areas, and continued to work closely with the Auditor-General of South Africa (AGSA), and the Special Investigating Unit (SIU), in order to enhance its oversight capability. It further monitored the progress made by the SIU in investigating cases of corruption and recovery of monies from implicated officials and companies. Upon encountering some hurdles in the value chain of accountability and consequence management, the Committee looked outside the country, to the Public Accounts Committee in India in particular, in order to compare notes on how they deal with some of the matters that seem to present challenges. The Public Accounts Committee in India is one of the oldest committees in that country, having been in existence for 100 years in 2021. Its role and performance has therefore advanced over the years.
3. **Objectives of the study tour

3.1** To obtain comparative insight into the operations, procedures, and methodology
 of the Public Accounts Committee in India in the execution of the oversight and
 monitoring of public finance management in societies with developmental
 challenges similar to South Africa’s;
**3.2** To determine the style, approach and methodology of formal engagements with
 the Executive, and how they prioritise audit reports and performance audits; **3.3** To find out the challenges faced when carrying out their mandate, and how these
 challenges are overcome;
**3.4** To establish strategies used to ensure that their recommendations are implemented
 by the Executive;
**3.5** To compare the corruption, maladministration and malpractice typologies;
**3.6** To determine the style of monitoring of the outcomes of investigations and
 consequence management;
**3.7** To learn about the legal framework that governs civil recovery; and
**3.8** To determine the framework for the prevention of corruption.
4. **Meeting with the High Commissioner and Deputy High Commissioner of South Africa; 1 February 2023**

The delegation had a brief but informative courtesy meeting with the High Commissioner, Mr Sibusiso Ndebele, and his Deputy, Mr Cedrick Crowley. The High Commissioner welcomed the delegation and gave an overview of India, covering matters pertaining to democracy, the economy and levels of socio-economic development, and the nature of party politics. He also provided useful insights about how to conduct business in India. He referred to India as a country of a billion people, yet very democratic. He also portrayed India as a shining model of democracy and a country of many opportunities with robust party politics. Another positive element about India is that its citizens are very patriotic, always portraying their country in a positive light.

1. **Meeting with Comptroller and Auditor-General of India (C&AG) and Senior officials, chaired by Mr Girish Chandra Murmu; 1 February 2023**

The Comptroller and Auditor-General, as the head of the Indian Audit and Accounts Department, is neither a part of the legislature nor the Executive, but an office created by the Constitution to see to it that diverse authorities, in regard to all financial matters, adhere to the demands of the Constitution and other laws that govern Public Finance Management. To this end, there are several provisions that are enshrined in the Constitution of India whose aim is to safeguard the Comptroller and Auditor-General’s independent functions.
The Comptroller and Auditor-General is appointed by the President of India by warrant under his hand and seal, and his oath of office requires him to uphold the Constitution of India and other laws in his/her area of responsibility. Once the Comptroller and Auditor-General has been appointed, he cannot take any public office position. He can be removed from office only on grounds of proven misbehaviour or incapacity after an address by both Houses of Parliament and supported by a vote of a two-thirds majority. His administrative powers and the conditions of service of persons serving in the Indian Audit and Accounts Department are prescribed by the rules made by the President only after consulting with the Comptroller and Auditor-General. The expenses of his office are charged upon the Consolidated Fund of India and are not subject to being voted by Parliament.

The Comptroller and Auditor-General examine the yearly accounts of the Government and scrutiny certifies the accounts, subject to such reservations as he chooses to make, and submits his reports to the President who submits to Parliament. The audit by the Comptroller and Auditor-General is comprehensive and manifold. It involves, among other things, accountancy audit, regularity audit, appropriation audit, discretionary audit, and efficiency-cum-performance audit.

**5.1 The role of the Comptroller and Auditor-General of Public Accounts (C&AG)**
 **5.1.1** To undertake special audits for the parastatals;
 **5.1.2** To issue to Auditors standardised guidelines on how to look at certain
 issues during the auditing process of the parastatals;
 **5.1.3** To conduct supplementary audits on all the parastatals after special
 Chartered Accountants have done the audits.

**5.2 Who oversees the Comptroller and Auditor-General of Public Accounts?**
 **5.2.1** There is no formal body that oversees the functions of the Auditor-General
 in India;
 **5.2.2** The Comptroller and Auditor-General is regarded as the final authority to oversee the Accounts;
 **5.2.3** The Comptroller and Auditor-General is fully funded by the government
 of India. To supplement their income, the Comptroller and Auditor- General recovers some of its monies from agencies, which were audited
 by the Comptroller and Auditor-General’s office;
 **5.2.4** There is no connection between the Accounts Office and the Audit Office.
 The Comptroller and Auditor-General deals with Separate Accounts and
 Separate Audits separately.

**5.3 Observations regarding the Comptroller and Auditor-General of Public Accounts**
 **5.3.1** Although India is a Federal State, the Constitution provides for a Unitary
 Audit by the Comptroller and Auditor-General, who conducts audits of the accounts of both the Union and the State Governments;
 **5.3.2** PAC recommendations are referred to the Comptroller and Auditor-
 General for vetting before tabling in Parliament;
 **5.3.3** To ensure uniformity in Government accounting, the Constitution also
 prescribes that the accounts of the Union and the States should be kept in a form prescribed by the President on the advice of the Comptroller and
 Auditor-General;
 **5.3.4** The Comptroller and Auditor-General plays a fiduciary role in federal financial relations. He ascertains and certifies the net proceeds of taxes
 levied and collected by the Union but assigned to the States or distributed
 between the Union and the States;
 **5.3.5** PAC reports are published online for Departments to access.
2. **Meeting with Central Vigilance Commission of India (CVC) and Senior Officials in New Delhi, Mr PK Srivastava; 2 February 2023**

The Central Vigilance Commission is an investigative unit similar to the Special Investigative Unit in South Africa. It was established in February 1964, on the recommendations of the Committee on Prevention of Corruption, to exercise superintendence over the vigilance administration of the organisations in respect of which the executive powers of the Government of India extended. It was conceptualized as an apex integrity institution, having complete independence and autonomy in its function.

The Central Vigilance Commission has been mandated to advise the authorities concerned in respect of an act of improper conduct or corrupt practices, along with review and modification of procedures and guidelines, which may afford scope for corrupt practices. In September 1997, the Central Government constituted an Independent Review Committee to suggest measures for strengthening anti-corruption activities. The Review Committee suggested that statutory status should be given to the Central Vigilance Commission. Subsequently, the Supreme Court of India gave directions to the Government of India to confer statutory status to the Central Vigilance Commission.

The Central Vigilance Commissioner and the Vigilance Commissioners are appointed by the President on the recommendation of a Committee consisting of the Prime Minister (Chairperson), the Minister of Home Affairs (Member), and the Leader of the Opposition in the Lok Sabha.

A member of the Commission may be removed from his office only by order of the President on the grounds of proven misbehaviour or incapacity after the Supreme Court, on a reference made to it by the President, has, on inquiry, reported that the Central Vigilance Commissioner or any Vigilance Commissioner, as the case may be, ought to be removed.

**6.1** **Functions and powers of the Central Vigilance Commission under the Central Vigilance Commission Act, 2003**

The following key responsibilities were noted:

* + 1. To give directions to the Delhi Special Police Establishment (DSPE) for superintendence insofar as it relates to the investigation of offences under the Prevention of Corruption Act, 1988;
		2. To inquire or cause an inquiry or investigation to be made on a reference by the Central Government;
		3. To inquire or cause an inquiry or investigation to be made into any complaint received against any official belonging to such category of officials as specified in sub-section 2 of Section 8 of the Central Vigilance Commission Act, 2003;
		4. To review the progress of Investigations conducted by the Delhi Special Police Establishment into offences alleged to have been committed under the Prevention of Corruption Act, 1988;
		5. To review the progress of the applications pending with the competent authorities for sanction of prosecution under the Prevention of Corruption Act, 1988;
		6. To tender advice to the Central Government and its organisations on such matters as may be referred to it by them;
		7. To exercise superintendence over the vigilance administrations of the various Central Government Ministries, Departments & Organisations of Central Government such as the Central Bureau of Investigations (CBI) and the Enforcement Directorate (ED);
		8. To exercise all the powers of a Civil Court while conducting any inquiry;
		9. To respond to Central Government on mandatory consultation with the Commission before making any rules or regulations governing the vigilance or disciplinary matters relating to the persons appointed to the public services and posts in connection with the affairs of the Union or to members of the All India Services;
		10. Prepare and present the Commission’s Annual Report to the President and to be placed before the Parliament.

**6.2** **Role and functions of Chief Vigilance Officers (CVOs)**

**6.2.1** The Chief Vigilance Officers are considerably higher level officers who are appointed in each and every Department / Organisation to assist the Head of the Department / Organisation in all vigilance matters;

**6.2.2** The Chief Vigilance Officers undertake various measures, which include:

**6.2.2.1** Examining in detail the existing Rules and procedures of the Organisation with a view to eliminate or minimise the scope for corruption or malpractices;

**6.2.2.2** Identifying the sensitive / corruption-prone spots in the Organisation and keep an eye on personnel posted in such areas;

**6.2.2.3** Planning and enforcing surprise inspections and regular inspections to detect system failures and the existence of corruption or malpractices;

**6.2.2.4** Maintaining proper surveillance of officers of doubtful integrity; and

**6.2.2.5** Ensuring prompt observance of Conduct Rules relating to the integrity of the Officers.

 **6.3 Observations**

**6.3.1** The Central Vigilance Commission functions on a three-pronged approach
 to vigilance, namely:

**6.3.1.1** Punitive vigilance, which involves investigation of improper
conduct:

* advising and reviewing of disciplinary action;
* advising for prosecution;
* powers of civil court when conducting enquiries.
	+ - 1. Preventative Vigilance, which involves leveraging on technology:
* streamlining of processes;
* updating public manuals promoting ethics/good governance and recommending amendments;
* capacity building such as training inquiry officers to dispose of matters efficiently.
	+ - 1. Participative vigilance, which includes whistleblowing mechanisms (the PIDPI, an online facility), notably anonymous whistle blower reports are not followed up:
* Integrity pledges which are taken by all citizens and an online certificate is furnished, organisations, aside from natural persons, can also take the pledge;
* Awareness, which is focused from schools to all sectors of society.
	+ 1. All Chief Vigilance Officers and any official occupying a sensitive/senior position must have vigilance clearance certificates before they are appointed. This is akin to the vetting by the State Security Agency in South Africa.
		2. Raising awareness to inculcate ethical values and reduce society's tolerance towards corruption, through outreach activities and sensitization
		3. Corruption investigations against government officials can proceed only after the government permits order
		4. The Central Vigilance Commission has also been publishing a list/database of corrupt government officials against which it has recommended punitive action. Officials are not permitted to resign amidst investigation and/or disciplinary action until conclusion.
		5. The Central Vigilance Commission is only an advisory body. Central Government Departments are free to either accept or reject Central Vigilance Commission 's advice in corruption cases
		6. The Central Vigilance Commission does not have powers to institute criminal cases. It deals only with vigilance or disciplinary cases. Similarly, in RSA, the SIU does not investigate criminality but referrals are made to the appropriate authority
		7. The Central Vigilance Commission does not have mandate to investigate members of the executive government or high political figures in government
		8. There is a cross-referral collaboration between the Central Vigilance Commission and CAG, the Central Vigilance Commission also can investigate corruption matters outlined in the CAG annual report.
		9. The Central Vigilance Commission reports are tabled in Parliament by the President through the Ministry of Personnel & Training.
		10. The Public Accounts Committee (PAC) can follow up on the Central Vigilance Commission reports tabled. In contrast, the SIU investigation reports are submitted to the President however, they are not tabled at Parliament.

**6.3.12** The Committee has played a crucial and instrumental role in introducing the Audit Para Monitoring System (APMS) portal, which is an online real-time system for effective monitoring of submissions of actions taken and replies on the PAC recommendations

1. **Meeting with the Public Accounts Committee (PAC) at the Indian Parliament, Chaired by Mr Adhir Ranjan Chowdhury, Chair of the Public Accounts Committee at the Lok Sabha; 3 February 2023**

**7.1 Composition**

The Public Accounts Committee in India had its historical beginning during the pre-independence days of British rule. The first Public Accounts Committee was set up in 1921 and it consisted of only 12 members. The Public Accounts Committee is constituted every year, and currently consists of 22 members, 15 of which are from the Lok Sabha (Upper House) and 7 from the Rajya Sabha (Lower House). The Committee became a Parliamentary Committee accountable to the Speaker and led by a non-official Chairman nominated by the Speaker from among the Lok Sabha Members serving on the Committee. By its composition, it is Parliament in miniature as the Members of the Committee are elected on the basis of proportional representation of political parties in Parliament. However, once elected, the members cease to function on party-political lines in the committee.

Being a sentinel on public expenditure, it has been the constant endeavour of successive Public Accounts Committees that the money voted by Parliament is disbursed legally for the intended purposes approved by Parliament, and in accordance with the rules and regulations framed by the competent authority.

**7.2 Method of work**

**7.2.1** The Committee examines any money spent on any service throughout a fiscal year in excess of the amount granted by the Lok Sabha for that purpose.

**7.2.2** It examines public expenditure not only from a legal and formal point of view but also from an economic point of view to reduce inefficiency and extravagance.

**7.2.3** It undertakes a post-mortem analysis of accounting.

**7.2.4** When a case of proven negligence is brought to the notice of the committee, the concerned Ministry is called upon to explain what action, disciplinary or otherwise, has been initiated to pinpoint responsibility and prevent a recurrence.

**7.2.5** The Committee expresses no opinion on points of general policy, but it is well within its jurisdiction to point out whether there has been any extravagance or waste in carrying out the policy.

**7.3 Observations**

**7.3.1** India as a democracy faces challenges that are almost similar to South Africa, in terms of both socio-economic development and Public Finance Management.

**7.3.2** The PAC in India has the privilege of having long-term serving Members of Parliament as members of the committee. The advantage of this is that this allows for continuity and accumulation of valuable experience.

**7.3.3** None of the work that is done by the Public Accounts Committee is debated in the House.

**7.3.4** The Committee has no power to investigate or subpoena anyone.

**7.3.5** It has no authority to intervene in day-to-day administration.

**7.3.6** Its suggestions are only advisory and do not bind the ministries.

**7.3.7** It does not have the authority to prohibit departmental spending.

**7.3.8** It is not an executive body; it cannot issue an order. Only Parliament has the authority to make final decisions based on its findings.

**7.3.9** The Committee is not entirely independent, given that the office of the Comptroller and Auditor General assists it by coming up with recommendations on all the observations highlighted in the Audit Report.

* + 1. There is no women representation in the Committee.
		2. The activities of the committee are largely apolitical. Members
		 divorce party politics from their Committee work.
		3. The Committee has played a crucial and instrumental role in introducing the Audit Para Monitoring System (APMS) portal, which is an online real-time system for effective monitoring of actions taken following the PAC recommendations.
1. **Meeting with the Speaker of the Lok Sabha,** **Mr Om Birla; 3 February 2023**

The Committee had an interaction with Speaker of the Lok Sabha. He stressed on the role of PAC as an effective mechanism of ensuring financial accountability of the Executive. Issues discussed touched on Parliamentary diplomacy, India's leadership of G-20, Solar Alliance, Global Disaster Management and strengthening parliamentary procedures.

1. **Recommendations**

**9.1** Considering that disclaimed reports carry a high risk of corruption and maladministration, the Committee should automatically refer all disclaimed audit reports to the SIU for further investigation;

**9.2** The Committee should interact with National Treasury to determine the possibility of setting up an e-procurement portal where public procurement will be done, in order to minimise the risk of unfair pricing by suppliers;

**9.3** The Committee should interact with the SIU to determine the possibility of setting up a whistle blower portal to report any incidences of corruption and maladministration. The committee is of the view that the whistle blower portal will leverage on the independence provided by the SIU.

1. **Conclusion**

Having interacted with the Speaker of the Indian Parliament, the Speaker, in the spirit of strengthening the relations with the Indian government, suggested that the Speaker of the South African Parliament should support the following initiatives:

***The International Solar Alliance***

This is an initiative aimed at galvanising developing countries to forge solidarity and focus on alternative sources of energy to support their economies.

***The Global Disaster Management Alliance***

This is an initiative aimed at creating awareness of global disasters while encouraging countries to take proactive action to avert and manage crises brought by natural and other disasters.

The Committee wishes to express its sincere gratitude to the High Commissioner of South Africa in India, theSpeaker of the Lok Sabha, the Comptroller and Auditor-General, the Central Vigilance Commission, Members of the Public Accounts Committee of India, and staff from the office of the High Commissioner, who made the visit such a resounding success.

Report to be considered.