

Scrutiny Of State - Aided Commercial Undertakings

AUDITOR-GENERAL'S POWERS

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THE Auditor-General of India has decided to bring under his purview all the existing commercial undertakings in which the Central and State Governments have “substantial” financial stakes, it is learned here.

This decision of the Auditor-General would also be applicable to all the State-cum-private ventures, which may be established hereafter.

Accordingly, all the State Governments have been advised that the revised system of audit of these joint undertakings would be in addition to such audit as is required to be carried on under the Company Law.

It has been decided that audit by the Union Comptroller and Auditor-General or his nominee will be generally directed towards a review of the decision taken by the board of directors of commercial undertakings in which the various Governments have a financial stake to ascertain to what extent their powers have been exercised in the best interest of the undertakings. It is also proposed to verify whether the board of directors have exercised their powers in accordance with the accepted principles of financial propriety.

CHIEF EXECUTIVES

The Auditor-General will also undertake a check to determine whether the powers delegated to the chief executives of a concern have been exercised properly. Whenever required the cost of accounts will also be examined to ensure that a particular commercial unit is being administered efficiently and economically.

The Auditor-General of India has also been empowered to freely scrutinise any books, vouchers or papers of the concerned undertaking to seek information on any matter relating to such undertakings, which are run in partnership with the Central or State Governments.

In pursuance of this decision by the Auditor-General, the Punjab Government has directed all heads of departments in the State to afford necessary facilities to audit parties appointed by the Auditor-General of India to inspect and examine the accounts of all commercial undertakings having the State's financial backing.

It is learnt that the concerns which would come within the purview of their order includes private electric supply undertakings in the State, the Industrial Finance Corporation, Punjab, the Punjab Provincial Co-operative Bank and sugar factories.