

Current Affairs of the Day

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➤ Economy:

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'Centre retained cess receipts'

- The Centre retained in the **Consolidated Fund of India** more than ₹1.1 lakh crore out of the almost ₹2.75 lakh crore collected in 2018-19 through various cesses, instead of transferring the receipts to the specified Reserve Funds that Parliament had approved for such levies, the **CAG** said.
- Moreover, ₹1,24,399 crore collected as cess on crude oil over the last decade had not been transferred to the designated Reserve Fund — the Oil Industry Development Board — and had been retained in the Centre's coffers, the CAG reckoned.
- The Goods and Services Tax (GST) Compensation Cess, which has become a bone of contention between the States and the Centre, was also 'short-credited' to the relevant reserve fund to the extent of ₹40,806 crore in 2018-19.

Value Added Information

Funds of Government of India:

The Indian government's funds are kept in three parts, which are listed below:

1. Consolidated Fund of India
2. Contingency Fund of India
3. Public Accounts of India

All three are described below briefly.

Consolidated Fund of India:

- This is the most important of all accounts of the government.
- This fund is filled by:
 - Direct and indirect taxes
 - Loans taken by the Indian government
 - Returning of loans/interests of loans to the government by anyone/agency that has taken it
- The government meets all its expenditure from this fund.
- The government needs parliamentary approval to withdraw money from this fund.



- The provision for this fund is given in Article 266(1) of the Constitution of India.
- Each state can have its own Consolidated Fund of the state with similar provisions.
- The Comptroller and Auditor General of India audits these funds and reports to the relevant legislatures on their management.

Contingency Fund of India:

- Provision for this fund is made in Article 267(1) of the Constitution of India.
- Its corpus is Rs. 500 crores.
- The Secretary, Finance Ministry holds this fund on behalf of the President of India.
- This fund is used to meet unexpected or unforeseen expenditure.
- Each state can have its own contingency fund.

Public Accounts of India:

- This is constituted under Article 266(2) of the Constitution.
- All other public money (other than those covered under the Consolidated Fund of India) received by or on behalf of the Indian Government are credited to this account/fund.
- This is made up of:
 - Bank savings account of the various ministries/departments
 - National small savings fund, defense fund
 - National Investment Fund (money earned from disinvestment)
 - National Calamity & Contingency Fund (NCCF) (for Disaster Management)
 - Provident fund, Postal insurance, etc.
 - Similar funds
- The government does not need permission to take advances from this account.
- Each state can have its own similar accounts.
- The audit of all the expenditure from the Public Account of India is taken up by the CAG



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Labour Bills passed amid boycott

- Parliament on Wednesday passed three Bills that complete the government's codification of 29 labour laws into four codes, with the Rajya Sabha passing the **Industrial Relations Code, 2020**, the **Occupational Safety, Health and Working Conditions Code, 2020** and the **Social Security Code, 2020**.
- The Upper House passed the three Bills after less than two hours of discussion, while the Opposition continued its boycott that started on Tuesday over the passage of two agriculture Bills.

Key takeaways:

- The three Bills that merge 25 laws were passed by the Lok Sabha on Tuesday. The first of the four codes, the Code on Wages, was passed by Parliament in 2019.
- Speaking in the Rajya Sabha, Labour and Employment Minister Santosh Kumar Gangwar said the passage of the Bills would balance the needs of workers, industry and other stakeholders. Referring to the empty Opposition benches, Mr. Gangwar said it wasn't a new thing that the Congress was absent, adding that the party had not worried about workers in the past.
- Responding to concern that the Industrial Relations Code had imposed a 14-day notice period for strikes, Mr. Gangwar said: "The government has not taken away the workers' right to strike."
- The notice period gave the two parties a chance to resolve the dispute, he added.
- The Minister said the changes in the labour laws were needed for the welfare of workers and promotion of industries. He said for the first time, 50 crore workers of the organised and unorganised sectors as well as the self-employed were covered under minimum wage and social security laws. Platform and gig workers were covered under the Social Security Code as well, giving the government the power to formulate social security schemes for them.
- The IR Code will allow companies with under 300 workers to decide on termination and other service conditions of employees without prior approval, as opposed to companies with less than 100 staff as of now.

40% toilets in govt. schools non-existent, unused: CAG

Key findings of the report:

- Public sector units claimed to have constructed 1.4 lakh toilets in government schools as part of a Right to Education project, but almost 40% of those surveyed by the **Comptroller and Auditor-General** were found to be non-existent, partially constructed, or unused.
- In an audit report presented in Parliament on Wednesday, the CAG said over 70% did not have running water facilities in the toilets, while 75% were not being maintained hygienically.
- The **Swachh Vidyalaya Abhiyan** was launched by the Human Resource Development Ministry in September 2014 to meet the **Right to Education Act's mandate that all schools must have separate toilets for boys and girls.**

Major challenges:

- Lack of dedicated funds, poor maintenance and poor water availability in toilets were identified as major challenges, and central public sector enterprises (CPSEs) were roped in to bridge the gap over a one-year period.

Physical survey:

- There are **10.8 lakh government schools in the country**. Overall, more than 1.4 lakh toilets were built by 53 CPSEs, with significant support coming from power, coal and oil companies.
- The CAG audit conducted a physical survey of a sample of 2,695 toilets built by these companies in 15 States.
- Out of that sample, CPSEs identified but did not construct 83. Another 200 toilets were reported to be constructed, but were non-existent, while 86 toilets were only partially constructed.
- Another 691 toilets “were found not in use mainly due to lack of running water, lack of cleaning arrangements, damages to the toilets and other reasons like use of toilets for other purposes, toilets locked up, etc,” said the audit report.
- Thus, almost 40% of toilets were non-existent, partially completed or unused.



No functional toilets:

- Out of the 1,967 coeducational schools surveyed, 99 schools had no functional toilets while 436 had only one functional toilet, meaning that the objective of providing separate toilets for boys and girls was not fulfilled in 27% of the schools, said the CAG.

Value Added Information

About CAG:

- The Constitution of India provides for an independent office of the Comptroller and Auditor General of India (CAG) in chapter V under Part V.
- The CAG is mentioned in the Constitution of India under Article 148 – 151.
- He is the head of the Indian Audit and Accounts Department.
- He is the guardian of the public purse and controls the entire financial system of the country at both the levels- the centre and state.
- His duty is to uphold the Constitution of India and the laws of Parliament in the field of financial administration.
- Appointment and Term to Constitutional Posts:
- The CAG is appointed by the President of India by a warrant under his hand and seal.
- He holds office for a period of six years or upto the age of 65 years, whichever is earlier.

Duties:

- CAG audits the accounts related to all expenditure from the Consolidated Fund of India, Consolidated Fund of each state and UT having a legislative assembly.
- CAG audits all expenditure from the Contingency Fund of India and the Public Account of India as well as the Contingency Fund and Public Account of each state.
- CAG audits all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts kept by any department of the Central Government and the state governments.



- CAG audits the receipts and expenditure of all bodies and authorities substantially financed from the Central or State revenues; government companies; other corporations and bodies, when so required by related laws.
- He ascertains and certifies the net proceeds of any tax or duty and his certificate is final on the matter.

Reports:

- He submits his audit reports relating to the accounts of the Centre and State to the President and Governor, who shall, in turn, place them before both the houses of Parliament and the state legislature respectively.
- He submits 3 audit reports to the President: audit report on appropriation accounts, audit report on finance accounts and audit report on public undertakings.

CAG and PAC:

- He acts as a guide, friend and philosopher of the Public Accounts Committee of the Parliament.
- CAG along with its mandatory regulatory and compliance audit performs the performance as well as efficiency audit to question executive's wisdom and economy in order to identify cases of improper expenditure and waste of public money.

Constitutional provisions which ensure the independence of CAG are:

- CAG is provided with the security of tenure. He can be removed by the president only in accordance with the procedure mentioned in the Constitution. Thus, he does not hold his office till the pleasure of the president, though he is appointed by him.
- He is not eligible for further office, either under the Government of India or of any state, after he ceases to hold his office.
- His salary and other service conditions are determined by the Parliament. His salary is equal to that of a judge of the Supreme Court.
- Neither his salary nor his rights in respect of leave of absence, pension or age of retirement can be altered to his disadvantage after his appointment.



- The administrative expenses of the office of the CAG, including all salaries, allowances and pensions of persons serving in that office are charged upon the Consolidated Fund of India. Thus, they are not subject to the vote of Parliament.

G4 seeks time-bound reform of Security Council

- Foreign Ministers from the Group of 4 — **India, Brazil, Japan and Germany** — a group that is seeking permanent membership of the UN Security Council (UNSC), met virtually on Wednesday to further their objective. The four countries stressed delivering concrete outcomes, in writing and within a time frame.

Key takeaways:

- “Participated in #G4 Foreign Ministers Meeting that called for a decisive push for UNSC reforms during #UN75. Unanimous call for text-based negotiations in a fixed time frame. Reformed Multilateralism guides India’s approach to the United Nations,” External Affairs Minister S. Jaishankar tweeted.
- The Ministers reaffirmed their common resolve to “finally take decisive steps towards the early and comprehensive reform of the Security Council that was envisaged by Heads of State and Government in the 2005 World Summit,” as per a joint press statement released by the Ministry of External Affairs.
- The G4 will work with “other reform-minded countries and groups” to start text-based negotiations (TBN) without delay and seek “concrete outcomes” during the 75th session of the UN General Assembly, which has just begun and lasts until next September.
- “G4 Ministers reiterated support for each other’s membership to the UNSC “given the capacity and willingness to take on major responsibilities with regard to the maintenance of international peace and security”, the statement said.
- India, which, in January, will commence a two-year non-permanent term on the UNSC, has long sought a permanent seat at the Council and is a proponent of other UNSC reforms — such as increasing the number of permanent (currently five) and non-permanent (currently 10) seats and ensuring greater representation for Africa.



- “Africa needs to be represented in both the permanent and non-permanent categories of membership of a reformed and expanded Security Council to correct the historical injustice against this continent with regard to its under-representation in the Security Council,” the G4 countries said.
- India is a proponent of text-based negotiations at the UN.