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No Audit of PM-CARES Funds by CAG: SC

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Why in News

The Supreme Court said that **being a public charitable trust**, “there is no occasion for audit of Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (**PM-CARES Fund**) by the **Comptroller & Auditor General (CAG) of India**”

It also refused to order transfer of funds from the PM CARES Fund to the **National Disaster Response Fund (NDRF)**.

Key Points

- **No Audit by CAG:** The Court ruled that while NDRF is to be audited by the CAG of India according to the **Disaster Management Act, 2005**, a public charitable trust like PM-CARES Fund need not be.
The Fund will, however, be **audited by an independent auditor**.
- **No Transfer of Funds of PM-CARES to NDRF:** The Court ruled “The PM CARES Fund is a charitable trust registered under the **Registration Act, 1908**. The trust does not receive any Budgetary support or any Government money.”
NDRF, formed under **Section 46** of the DM Act of 2005, were provided for by Central and State Budgets.
- **Individuals Can Contribute to NDRF:** The court held that there is “no statutory prohibition on individuals to make voluntary contributions to NDRF” under **Section 46(1)(b)** of the DM Act.
- **No New National Plan:** The Court also rejected the request for a direction to the government to put in place a new **National Disaster Management Plan** under the DM Act, to deal with Covid-19 situation.
The bench said “all aspects of epidemics, all measures to contain an epidemic, preparedness, response, mitigation have been elaborately dealt in the **National Disaster Management Plan, 2019**.”

- **No intervention in Minimum Standards of Relief:** The court also declined to intervene with the “minimum standards of relief” and the necessary guidelines issued by the government under **Section 12** of the DM Act.

The provision holds that the **National Authority shall recommend guidelines for the minimum standards of relief to be provided to persons affected by disaster**, which shall include the minimum requirements to be provided in the relief camps in relation to shelter, food, drinking water, medical cover and sanitation; special provisions to be made for widows and orphans; ex gratia assistance on account of loss of life as also assistance on account of damage to houses and for restoration of means of livelihood, among other things.

Background

- The government authorities **invoked their respective powers** under the **Disaster Management (DM) Act, 2005** to deal with the **Covid-19 outbreak** in the country.
- The PM-CARES Fund was created to **deal with any kind of emergency or distress situation like posed by the Covid-19 pandemic**.
- The Prime Minister’s Office (PMO) said that the **PM-CARES Fund is not a public authority** under the ambit of the Right to Information Act (RTI), 2005.
- It also **denied information on the number of applications and appeals** related to PM-CARES and the Prime Minister’s National Relief Fund, raising concerns on its **transparency** and **accountability**.
- Recently, the Fund’s website gave information that it collected more than ₹3,076 crore in the first five days after it was set up which also includes foreign donations. The Fund’s website says that ₹3,100 crore have been sanctioned from the PM-CARES Fund to be spent on ventilators, migrant worker welfare and vaccine development.

National Disaster Management Plan (NDMP)

- It provides a framework and direction to the government agencies for all phases of the disaster management cycle.
- The primary aim of the plan is to make India disaster resilient and drastically lessen the damage caused during and in the aftermath of disasters, natural and man-made.
- The National Disaster Management Plan (NDMP) was first released in 2016. The plan was updated in 2016, 2018 and 2019.
- The **NDMP 2019 incorporates Prime Minister's ten point agenda for Disaster Risk Reduction**.

Source :TH