

STRENGTHENING PUBLIC ACCOUNTS COMMITTEES AS GUARDIANS OF PUBLIC TRUST

An expert from Pakistan writes about the important role of Public Accounts Committees in parliamentary democracies

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Public Accounts Committees (PACs) are recognised worldwide as guardians of public trust in democratic accountability as Parliament's supreme controlling body to conduct objective assessment of audit reports as identified by the Auditor-General.

Public Accounts Committees are not only expected to undertake scrutiny of expenditures but, more imperatively, the Committee also exercises final judgement in holding Government officials to account for any anomalies in the public exchequer. The concept and tradition of Public Accounts Committees date back to the British parliamentary system in 1861 where they were set up to ensure that public funds were being spent within the remit of authority granted to the Government by the elected Parliament, which later became part of the core of legislative oversight.¹

Today, Public Accounts Committees are an integral part of accountability in Parliament, ensuring that taxpayers' money is spent prudently, and that public institutions are transparent, especially where governments are accountable for their financial dealings. However, Public Accounts Committees are far from operating in the same way across the Commonwealth - some are highly independent and

influential, while others remain hemmed in by political interference and low enforcement.

This article explores the need for strengthening Public Accounts Committees through international good practice, institutional reforms and a new culture of non-partisan oversight. Based on the experiences of the United Kingdom, Canada, New Zealand, India, Ghana, Malaysia and Pakistan, it identifies the structural innovations and cultural transformations that give effective oversight its template. Finally, it argues that if democracies want to deliver and build upon the trust of the people, then Public Accounts Committees should be shaped into professional procedural bodies and catalysts of positive fiscal integrity.

Role of Public Accounts Committees

At their best, Public Accounts Committees are bipartisan, evidence-based and transparent - making sure that Government Ministries and departments not only spend money well within the limits approved by the Parliament but analysing if citizens get value for money for the services that Ministries claim to have provided. However, the potential of many democratic states is not fully leveraged

owing to chronic political polarization, lack of resources and weak institutional mechanisms for follow-up.

In a formal financial year of any country, strong Public Accounts Committees are the backbone of democratic resilience as they review every budget line earmarked by the Auditor-General for any disagreement with the spending department in relation to the process, financial limits or any blatant violation of rules, laid out jurisdictions, policy directives and statutes.

The Commonwealth Parliamentary Association (CPA) has long understood that it is particularly important in the post-pandemic era to support the work of a Public Accounts Committee, especially where fiscal discipline, transparency and trust in governments are more important than ever as states' financial space and spending budgets have shrunk globally.² Public Accounts Committees are empowered by the Rules of Procedures or Standing Orders of Parliament, which authorise them to:

- Study reports of the Auditor-General and review the department-wise lines of objection
- Suggest remedial actions
- Ensure the implementation of Public Accounts Committees' decisions/verdicts including

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any directions of penalties and recoveries by governments.

Key Obstacles for Public Accounts Committees in Emerging Democracies

Though important, Public Accounts Committees in developing democracies are often unable to play an effective role as they lack technical resources in the form of experts or limited autonomy and authority to perform as independent audit bodies. Key obstacles include:

- Politicization of the process - when impartiality is affected by the overwhelming control of the majority party
- Lack of proper regulation of Public Accounts Committees by the Auditor-General's Office
- Public Accounts Committees' authority and control with regards to follow-up mechanisms to confirm that the audit recommendations are adhered is weak
- Technical expertise amongst or available to Members of Parliament is limited.

Global Variations in Public Accounts Committee Practices

A number of countries have introduced new mechanisms and best practices to consolidate existing Public Accounts Committees to perform robustly in undertaking oversight on public spending and to vindicate public trust in democratic accountability as a means to recover precious funds.

- **United Kingdom:** Individual Sovereignty and Political Neutrality - The UK Parliament's Public Accounts Committee, which is traditionally chaired by a senior Member of the main Opposition Party, is a model of neutrality. Its proceedings are open, its conclusions are much commented and its recommendations are both moral and political. The design of the system is such that oversight is inter-party, which strengthens the trust of citizens in fiscal oversight.¹
- **Canada:** Open Transparency by Live Media Coverage - Important features of the Public Accounts Committee in Canada are open

hearings and the timely publication of reports. The Auditor-General directly engages in discussion in order to deepen accountability links. Further, parliamentary television enables citizens to observe debates as they happen, which increases transparency.³

- **New Zealand:** Link with Performance Audits - The Finance and Expenditure Committee at the New Zealand Parliament closely works with the Office of the Auditor-General that not only carries out financial audits but also performance and environmental audits in New Zealand. Hence, the integrated approach ensures coordination between fiscal oversight and the need for the effectiveness of policy and sustainability.⁴
- **Pakistan:** e-PAC & Bipartisan leadership - The Public Accounts Committee at the National Parliament in Pakistan draws its authority from the National Assembly Rules of Procedure.⁵ In the last decade, it has made progress towards greater efficiency, transparency and public participation. The Public Accounts Committee Secretariat has been professionalized, audit backlogs reduced and co-operation with the Auditor-General increased. The recent adoption of e-PAC (digital recording and monitoring system) by the Committee is a significant modernisation. Pakistan's Public Accounts Committee is chaired by a senior MP from the Opposition, following the UK example. The Committee now has Members of the Senate as well and it enjoys an enhanced mandate for reviewing performance audits, particularly those of national social security programmes such as the Benazir Income Support Program (BISP). This integration manifests a greater understanding of accountability in numbers, but also in social outcomes.

However, limited technical assistance, insufficient media coverage of proceedings and a weak enforcement of recommendations are some gaps

that need improvement. The Public Accounts Committee of the National Assembly of Pakistan is working with professional zeal on backlogs and the digitisation of records, yet enforcement on its final directions/decisions is still seeing delays in implementation as cases of recovery are forwarded to the department concerned or agencies such as Federal Investigation Agency or the National Accountability Bureau.⁶ Addressing these weaknesses requires consensus with regards to political will, better coordination with the Auditor-General and institutional independence for the Public Accounts Committee Secretariat.

- **India:** Analysis by Professional Auditors – the Public Accounts Committee is composed of political representation backed by administrative support, as it examines not only financial irregularities, but also systemic weaknesses in governance with the help of a group of professional researchers and auditors.⁷
- **Ghana and Malaysia:** Public hearings and the AGD - In Ghana, the Public Accounts Committee has institutionalised 'Public Hearings' (which are usually televised) to make sure that accountability is both transparent and direct.⁸ The Malaysian Public Accounts Committee has introduced modern tools, namely the Auditor-General's Dashboard (AGD) and is championing legal reform under Section 9A of the *Audit Act 1957* to enhance audit findings and follow-up with the support of the Office of the Auditor General.⁹ These innovations have resulted in substantial improvements in the tracking of governmental compliance, and have resulted in significant recoveries of public money.

Lessons from the Commonwealth

Public Accounts Committees in the Commonwealth have demonstrated best practices and key lessons learnt, which provide a guide to all developing Parliaments to improve the authority,



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independence, professionalism, performance and political will within their respective Public Accounts Committees. These set of 'lessons learnt' comprise of:

- **Institutional Independence:** Public Accounts Committees should be insulated from political influence. Opposition Chairs, fixed tenure and dedicated staff can enhance credibility.
- **Professional Support:** Evidence-based decision-making is possible with presence of audit experts and data analysts to support the Committee's work.
- **Follow-Up Mechanisms:** Recommendations are meaningless without enforcement. The Malaysian model that monitors compliance should be emulated.
- **Public Communication:** Civil participation can be promoted by broadcasting Public Accounts Committee hearings and online publication of reports.
- **Awareness in coordination with Supreme Audit Institution:** Close working relationships with auditors help ensure Public Accounts Committees look at systemic

problems and not just accounting mistakes.

- **Leveraging Technology:** Digital dashboards, online archives and data analysis with the help of modern tools can modernise the scrutiny processes.
- **Capacity Building:** The Commonwealth Parliamentary Association's online training modules and peer-exchange programmes can help in developing parliamentary oversight capacity in developing democracies.

In a nutshell, Public Accounts Committees are the financial watchdogs in Parliament and democracy's insurance policy, ensuring that precious taxpayers' money is appropriately spent without fail for the well-being of the people. The global experience reveals that whenever Public Accounts Committees are autonomous, resourceful and transparent, they lead as catalysts for good governance.

In the context of the Sustainable Development Goals, and specifically SDG 16 on peace, justice and strong institutions, the reinforcement of Public Accounts Committees is at the core of the agenda of the Commonwealth.

Citizens look towards their Parliaments for the transformation of oversight into affirmative action and of accountability into long-term public confidence.

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