Public Accounts Committees

A critical institution for parliamentary oversight

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Public Accounts Committees are one of the main instruments that Commonwealth Parliaments use to oversee governments’ activities. The Commonwealth Parliamentary Association and the World Bank Institute have for the past seven years worked with Commonwealth Parliaments to help make them more effective.

Public Accounts Committees (PACs), first instituted in the United Kingdom by a resolution of the House of Commons in 1861, are now common in the countries throughout the Commonwealth – and increasingly, in non-Commonwealth countries, too. In general PACs are parliamentary standing committees of the lower House, although there are some exceptions to this general trend – in Australia and in India, for example, the PAC is a bicameral committee.


The institutionalization of PACs

PACs may be institutionalized in different ways. Some are established by a country’s constitution, as is the case in Antigua and Barbuda, Bangladesh, the Cook Islands, Kiribati, the Seychelles, Saint Vincent, Trinidad and Tobago and Zambia. Alternatively, PACs may be institutionalized in the standing orders of Parliament, as in Guyana, Tanzania, Uganda, Canada, Malta, Jamaica, and India or by an Act of Parliament, as in Australia and the United Kingdom.

Interestingly, the number of Members in a PAC varies from country to country: there are seven Members in Malta, 17 in Canada, and 22 in India. Yet, despite the size of the membership, the distribution of seats among political parties within a PAC corresponds, as much as possible, to the distribution of seats by parties in the whole Assembly. This means that the government party (or the government coalition) typically controls a majority of the seats in the PAC.

To counterbalance the power of the majority in the PAC, the opposition party is generally given the Chair of the PAC. Mr McGee notes that “in two-thirds of the cases PACs are chaired by an opposition Member”. He underlines that in countries such as the United Kingdom or India, this practice is the result of “a very strong convention” while in other countries it is codified by the same norms and rules that establish the PAC itself.

That the Chair of the PAC is given
to an opposition Member performs two basic functions: it re-equilibrates the balance of power between the government and the opposition and it indicates the willingness of both the majority and the minority parties to co-operate within the PAC in a bipartisan manner.

Australia represents an interesting exception to this general trend. There, the Chairperson of the PAC is generally an MP from the parliamentary majority. This choice is motivated by the fact that, according to Mr McGee, “in Australia it is considered advantageous to have a government Member as Chair, as this can assist with the implementation of the PAC’s recommendations. It is regarded as the duty of the Chair to advocate that the PAC’s recommendations be taken up and implemented by the government. This can involve behind the scenes work persuading reluctant Ministers to act. A government Member can do this more effectively than an opposition Member who as political opponent will not have the confidence of the Ministers”.

**Role and functions of the PACs**

PACs are standing committees that help Parliament oversee the activities performed by the government. Like any other parliamentary standing committee, a PAC has the power to investigate and examine all the issues that are referred to it by the Parliament. A PAC can also investigate specific issues such as government accountability to Parliament regarding the: effectiveness and efficiency of government enacted policies; and the quality of the administration.

To fulfill its role, the PAC is given additional and more specific powers, such as the power to examine the public accounts, the comments on the public accounts, and all the reports drafted by the Auditor General and the National Audit Office. The PAC also has the power to conduct investigations (directly or indirectly); to receive all the documentation that it considers necessary to adequately perform its functions; to invite government Members to attend PAC meetings and to respond to questions; to give publicity to the PAC’s conclusions; to report to the Parliament, and to present the PAC’s recommendations to the government.

**The success of PACs**

Looking at the data on the success of the PACs, it is important to note that their success rate varies significantly depending on the nature of the results they seek to achieve. For example, while nearly 80 per cent of the Chairs surveyed by WBI reported that the recommendations formulated by the PAC are frequently accepted by the government, less than two-thirds stated that the recommendations were actually implemented.

Nearly two-thirds of Chairs further reported that the government “frequently provides better information to the Parliament in the light of the PAC’s recommendations”. However, it is rare that the actions, suggestions and recommendations of the PAC lead to disciplinary action against public officials who have violated the existing rules and norms and it is rare that a government modifies its legislation and legislative proposals in light of the PAC’s recommendations.

Regardless of how one determines success, what actually influences success?

The WBI survey provided a list of 37 factors that could be considered as possible determinants of a PAC’s success. Chairs were then asked to indicate how much importance they attached to each of these factors, that is whether they considered the factors to be very important, somewhat important or not important. These factors fell into one of the following three categories: i) the composition of the committee; ii) the powers of the committee; and iii) the practices of the committee.

**Composition of the committee**

Two factors were considered important: “balanced representation of all major political parties in the committee” and “exclusion of government Ministers from the committee”.

The majority of Chairs believe that the composition of the PAC is a crucial factor in making PACs work well: the proportional representation of parliamentary parties in the PAC is considered to be important or very important by nearly 97 per cent of respondents.

Similarly, excluding Ministers from PAC membership is also considered important or very important by virtually all respondents.

The importance of this second factor is clear. The mission of a PAC is to investigate the activities of the government, especially with regard to the use of public funds and resources. In order to perform its oversight activity, the PAC has to be free to conduct its business without any government interference. This could be difficult to achieve if government Ministers were also serving as Members of the PAC – they might try to slow down or mislead the investigative action of the committee in order to protect their cabinet colleagues.

Even assuming that government Ministers do not mislead or slow down the PAC in the performance of its duties, their membership in the PAC could still pose a problem. Mr McGee revealed that PACs are not the most appealing commissions on which MPs can serve. Some MPs fear that serving on a PAC requires a great amount of work without providing much visibility. Membership in a PAC may also be seen as not being adequately rewarded at the ballot box – in other words there may be little or no electoral incentive to serve on a PAC. The absence of electoral incentives is coupled with the absence of partisan incentives. MPs might fear that serving on a PAC would cause them trouble with their own respective parties. MPs, belonging to the majority party often worry that serving in a PAC might force them to choose between loyally serving the party (by not performing their committee duties) and loyally serving the PAC (potentially alienating their own party). If Ministers were allowed to serve in the PAC, their presence in the committee would provide a further incentive to the younger MPs to favour partisan interests over committee interests. The committee would thus end up functioning in a partisan manner.

There is another reason why Ministers should not be allowed to serve on a PAC. Even assuming that the presence of government officials in the PAC does not negatively affect its functioning, it certainly affects the
AN ‘IDEAL’ COMMITTEE?

- The committee is small; committees seem to work well with five to 11 Members, none of whom should be government Ministers.
- Senior opposition figures are associated with PAC’s work, and probably chair the committee.
- The Chair is a senior Parliamentarian, fair minded and respected by Parliament.
- The committee is appointed for the full term of Parliament.
- The committee is adequately resourced, with an experienced Clerk and competent researchers.
- There is clarity on the committee’s roles and responsibilities.
- The committee meets frequently and regularly.
- Hearings are open to the public; a full verbatim transcript and summary minutes are quickly available for public distribution.
- A steering committee plans the committee’s work in advance and prepares an agenda for each meeting to the full committee.
- The typical witness is a senior public servant (the “accounting officer”) accompanied by the officials that have a detailed understanding of the issues under examination.
- The Auditor’s Report is automatically referred to the committee and the Auditor meets with the committee to go over the highlights of the report.
- In addition to issues raised by the Auditor, the committee occasionally decides to investigate other matters.
- The committee strives for some consensus in its reports.
- The committee issues formal substantive reports to Parliament at least annually.
- The Committee has established a procedure with the government for following up its recommendations and is informed about what, if any, action has been taken.
- In all its deliberations, the committee uses the Auditor as an expert advisor.
- Parliament holds an annual debate on the work of the committee.

credibility of the PAC and its deliberations – which are the PAC’s true assets. For these reasons, government Ministers should not be allowed to serve on the PAC.

Powers of the committee

The WBI asked the PAC Chairs to indicate how important certain powers and/or characteristics were for the success of the PAC. Respondents were given a list of 17 powers or characteristics, and asked to indicate whether they considered these powers as very important, important or not important.

The responses revealed that the importance of certain powers or characteristics is almost unanimously acknowledged. For example, the power to formulate suggestions and to publish them; the power to choose which topics should be investigated without having to accept orders or suggestions from the government; and the power to investigate all the current and the past expenses deliberated by the executive are almost unanimously considered as important or very important. All respondents also considered as important or very important that the PAC have a clear focus on keeping the government accountable for the use of public money.

It should be noted that while there was no consensus regarding the importance of the PAC having the power to summon the Ministers, almost all Chairs considered it important that the PAC has the power to force witnesses to respond to questions.

Practices of the PAC

Two practices were considered to be particularly important for the success of PACs. Chairs reported that keeping the records or the proceedings of meetings was one of the most important ways to improve the PAC’s performance. They also noted that the PAC’s performance was greatly enhanced when Members of the PAC did their homework before attending meetings.

The existence of procedures and mechanisms to assess whether the government actually implements the recommendations formulated by the PAC is also considered as an important condition for success of the PAC as was bipartisanship and the bipartisan functioning of the PAC.

In addition, more than two-thirds of respondents considered the establishment of sub-committees (to help the PACs perform their tasks) as important. Respondents also tended to agree that the political and the professional experiences of the PAC’s Members have little impact on the functioning and success of the PAC.

Obstacles to the good functioning of the PAC

Perhaps the more serious problem for the effectiveness of the PAC’s activity is that governments may have little interest in (if not open aversion to) parliamentary oversight of their activities. Governments may consider parliamentary oversight as an intrusion in their sphere of influence. Similarly governments may think that PACs are not sufficiently informed or competent enough to formulate suggestions, criticisms and observations. This is a serious problem as it indicates poor understanding of the functions that the executive and legislative branches perform in parliamentary systems.

In parliamentary systems, the government governs and the Parliament ensures that the government is governing well. When governments try to avoid parliamentary controls, or when governments consider parliamentary controls merely as obstacles to effective government action, they misunderstand the principle the principle of parliamentary oversight.

This said, it is important to keep in mind that this imperfect understanding represents a problem is not confined to newly established democracies, or democratizing regimes, which have a fairly limited experience in the functioning of democratic institutions. It also exists in well-established and consolidated democracies. The Australian case is, in this respect, rather emblematic. Between 1932 and 1951, the PAC of the Australian Parliament did not meet because the government – which could not see what benefits would come out of the meetings of this committee – decided that meetings of this committee were unnecessary.

This important problem can be solved only by inducing governments to be respectful of PACs and their activities.