



Challenges and Practices: Public Accounts Committees in “Small” and “Large” Legislatures



Port of Spain, Trinidad and Tobago

5 February, 2014

10:45 - 12:15

Context of Presentation



This presentation is divided into three parts:

1. Challenges faced by Public Accounts Committees (PACs) in smaller legislatures, areas for possible reform, possible alternatives
 1. Strengthening the functioning of larger PACs with an overview of best practices
 2. Challenges to the functioning of PACs in Canada, the Caribbean and Africa
- Questions

Overview of Challenges for Small PACs



- Small legislatures
- Underdeveloped committee system
- Lack of/absence of research support
- Absence of government “backbenchers”
- Ministers on committee
- Part time MPs
- Leader of Opposition often required to be PAC chair

Re-visioning PACs in Small Legislatures (1 of 3)



Workshop two years ago “Strengthening Parliamentary Budget Oversight” in Saint John’s, Antigua and Barbuda:

- Some key constraints for smaller Caribbean PACs:
 1. Most PACs in smaller jurisdictions rarely meet.
 2. Part-time compensation for parliamentarians often leaves little time to focus on full-time PAC duties.

Re-visioning PACs in Small Legislatures (2 of 3)



3. Inoperative parliamentary committees and an absence of support staff (eg., clerks, researchers) in the region weakens PAC effectiveness.
4. Ministers frequently serve in PACs to account for the gap created by small amounts of legislators and 'backbenchers,' yet they do not have the time needed (or incentive?) for regular PAC meetings

Re-visioning PACs in Small Legislatures (3 of 3)



5. Opposition leaders serve as PAC Chairs in some jurisdictions. This can increase partisanship, reducing the incentive to lead the PAC.
6. Many MPs, particularly from smaller parties, must sit on more than one committee and are clearly overstretched.

Mitigating Challenges – Small Parliaments



- Alternatives to a Westminster-style PAC raised at the 2012 ParlAmericas workshop in Antigua and Barbuda included:
 - Replacing the PAC with an appointed body similar to Scotland's Public Accounts Commission
 - Adopting an advisory audit committee (AAC) to conduct the work of the PAC
 - Supplementing the PAC with members of the upper chamber or other professionals

Example: The Accounts Commission for Scotland



- The commission consists of 6-12 members (max) appointed by Scottish ministers following an open recruitment under public appointments procedures. Ministers appoint one Chair and a Deputy Chair.
- Ministers must consult with local authorities and other organisations before appointing members.
- Members usually serve four-year terms and are compensated on a part-time basis.
- The commission typically meets 12 times per year.

Example: The Accounts Commission for Scotland



- Mandate:

1. Secure the audit of all accounts of local authorities and associated bodies
2. Consider reports made by the Controller of Audit on matters arising from these audits
3. Investigate all matters that are raised
4. Conduct hearings where appropriate
5. Undertake and promote performance audits which examine value for money issues across the bodies for which it is responsible

Example: The Public Accounts Committee of the Danish Parliament



- The Danish PAC consists of between four and six members (currently six) appointed every four years by Parliament although PAC members can be re-appointed for another term. Members of parliament may serve on the Danish PAC. The Danish Parliament also appoints a Chair and Vice-Chair.
- The Danish PAC meets on a monthly basis (approximately) and members are compensated on a part-time basis, one half annual salary for a Member of Parliament.

Example: The Public Accounts Committee of the Danish Parliament



- Mandate:
 1. Ensure public funds are spent in accordance with Parliamentary decisions
 2. Ensure efficient management of public funds

Comparison Chart



	Accounts Committee for Scotland	Danish Public Accounts Committee
Jurisdiction	Scottish local government	Danish national government
Committee membership	Non-elected professionals.	Both members of the legislature and non-elected officials can sit on the PAC
How are the committee members selected?	<ul style="list-style-type: none"> -Members are appointed by Scottish Ministers after an open recruitment under public appointments procedures -Local authorities and other organisations are consulted, as appropriate, prior to the appointment 	Members are elected by Parliament at the beginning of the legislative session and are nominated by political parties.

Comparison Chart continued



	Accounts Committee for Scotland	Danish Public Accounts Committee
Length of tenure	Varying terms but tenure of approximately 4 years is set at time of appointment.	Every 4 years
Committee size	Between 6-12 members	Between 4-6 members
Regularity of meetings	Monthly	Approximately monthly
Compensation	Chair – approximately 66,000 USD/year Regular member – 10, 250 USD/year Compensation is for part-time employment	Members are paid half the annual salary of a Member of Parliament and can receive a pension after 8 years

Key Considerations



- Jurisdictions may resist deferring or delegating any oversight responsibilities to unelected bodies or officials.
- Potential legal and constitutional changes may be required before developing a PAC or entrenching it in law/a constitution
- Developing an effective appointment mechanism for unelected bodies or officials to ensure appointments are based exclusively on merits and that appointees can function independent from political interference.
- Where a hybrid PAC brings together elected and unelected/appointed officials, it is important to consider how the two groups relate and interact with each other.

Effective Larger PAC Basic Criteria: Overview



1. Prerequisites for an Effective Committee

2. Constructive Partisanship and Planning

3. Holding an Effective Hearing

4. Bringing about Corrective Action

5. Communicating with the legislature,
media and public

Source: CCAF-FCVI Inc. Training for Oversight Committees

An Effective PAC: Basic Criteria (1 of 2)



1. Prerequisites for an Effective Committee

- Power to call meetings?
- Meeting with sufficient frequency?
- Meetings outside of the legislative session?
- Sufficient budget resources?
- Sufficient staff / technical capacity?
- Tabling of Report

2. Constructive Partisanship and Planning

- Agreement on role of PAC to strengthen public administration?
- Importance of the chair's role in setting the non-partisan objective of the hearing? (Opposition members can be chairs?)
- Government commitment to process?
- Steering committee?
- No ministers as members/witnesses?

3. Holding an Effective Hearing

- Committee briefed in advance of hearing?
- Review of regularity audits in a systemic manner?
- Review of performance audits?
- Focus on solutions and implementation of recommendations?
- Witnesses comfortable answering questions?
- Ability to call witnesses and access documents?

Source: CCAF-FCVI Inc. Training for Oversight Committees

An Effective PAC: Basic Criteria (2 of 2)



4. Bringing About Corrective Action

- Does the PAC issue reports to the Legislature?
- Does the PAC have the power to issue recommendations?
- Is the government compelled to respond to a PAC report?
- Can the PAC initiate inquiries outside of business referred by Legislature?



5. Communicating with the legislature, media and public

- PACs permitted to answer media queries?
- Who decides the timing of the PAC approaching the media?
- PAC meetings open to the public?

Source: CCAF-FCVI Inc. Training for Oversight Committees

1. Prerequisites for an Effective Committee



Is your PAC able to conduct its business with minimal interference from government or the legislature?

Does your PAC has sufficient staff support to allow it to function effectively?

Is your PAC using committee staff to their full potential?

Source: CCAF-FCVI Inc. Training for Oversight Committees

2. Constructive Partisanship and Planning



Does your PAC spend sufficient time developing a workplan and planning for hearings?

Is your PAC able to operate with minimal partisanship?

Is the chair (and where applicable, vice-chair) of your PAC work(s) to maintain minimal partisanship?

Source: CCAF-FCVI Inc. Training for Oversight Committees

3. Holding an Effective Hearing (1 of 2)



Does your PAC receive, in advance of a hearing, sufficient background information on the subject of the inquiry?

Does your PAC review compliance audits in a systemic manner?

Are you satisfied with the number of performance audits reviewed by your PAC?

Does your PAC review financial statements and any qualifications the auditor might have?

Source: CCAF-FCVI Inc. Training for Oversight Committees

3. Holding an Effective Hearing (2 of 2)



Are you satisfied with the extent to which the auditor general participates, or is permitted to participate, in PAC hearings?

Are you satisfied with the extent to which PAC members' questions focus on understanding what went wrong and on what corrective action will be taken?

Is your PAC appropriately briefed on matters for consideration at future hearings, either by the auditor general or by committee staff?

Are you satisfied with the clarity and frankness of responses by witnesses during PAC hearings?

Source: CCAF-FCVI Inc. Training for Oversight Committees

4. Bringing About Corrective Action (1 of 2)



Is your PAC doing all it can to keep departments and agencies “on their toes” by prompting them to bring about corrective action?

Are you satisfied with the quality and the timeliness of the information provided to the PAC with respect to the implementation of recommendations made by the PAC and/or legislative auditor?

Are you satisfied that departments and agencies are taking appropriate corrective action to address PAC and/or auditor general recommendations?

Source: CCAF-FCVI Inc. Training for Oversight Committees

4. Bringing About Corrective Action (2 of 2)



Are PAC staff sufficiently engaged in the follow-up process?

Is your PAC doing all it can to hold follow up hearings on previous recommendations issued by the auditor general and/or PAC?

Source: CCAF-FCVI Inc. Training for Oversight Committees

5. Communicating with the Legislature, Media and the Public



Are you satisfied with the extent to which your PAC plans and delivers information about its effectiveness to the legislature, media and public?

Is the public is aware of the work of your PAC and the impact it has?

Source: CCAF-FCVI Inc. Training for Oversight Committees

Challenges: Canada



- Staff capacity limited
 - Most clerks serve other committees
 - Maximum number of researchers is two
- Training for MPs in effective questioning of accounting officers limited
- Government majorities on committee can restrict effectiveness of PACs
- Partisanship/lack of unanimity undermines PAC process
- Limited media coverage—government side usually reticent to promote media profile of PAC
- Provincial level: Some audit reports not always viewed by PACs as “hard hitting”

Challenges: The Caribbean and Africa



- Caribbean small islands: PACs not active
- No research staff capacity—entirely reliant upon Auditor General
- Focus on regularity rather than performance audit/limited focus on “the big picture”
 - Can be frustrating for PAC members
- Weak follow-up procedures
- Audit offices not fully independent (i.e. hiring of staff/financial independence)
- Reliance on audit office to follow up rather than pressing government to provide follow up information

Questions for Discussion

