

ROUTLEDGE CRITICAL STUDIES IN PUBLIC
MANAGEMENT

Making Governments Accountable

The role of public accounts committees
and national audit offices

Edited by Zahirul Hoque

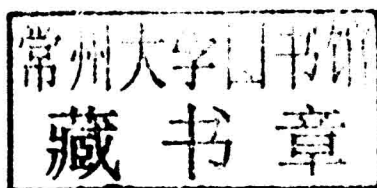
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This book considering the role of Public Accounts Committees and national audit offices provides a timely and original contribution to the literature. Its significance lies in its focus on matters of governance and accountability at the government level, an area that has not been well studied in the accounting domain. This particular text significantly extends our understanding by providing consideration of these institutions in regions across the globe and in continents that are, despite their importance to the global economy, very much under-researched. To add to the richness of the material, practitioners as well as academics have contributed to the book. This should be a "must read" for researchers, students and practitioners working in the area.

Jane Broadbent, *Professor, Royal Holloway, University of London, UK*

This research monograph is an excellent analysis of the importance of public accounts committee and audit offices in making governments accountable in contemporary times. The selection of papers by leading international authors provides a contemporary perspective that is geared to comprehend the current and future challenges and provides sign-posts for students, academics and public sector actors to strategically act on these challenges.

James Guthrie, *Professor, Macquarie University, Australia and University of Bologna, Italy*

This book gives a unique insight into the way in which public sector accounts committees and national audit offices contribute to accountability in the public sector. Its uniqueness particularly stems from the types of contributions, from both practitioners and academics, and covers practices in developed countries, such as the UK, Australia and Denmark as well as developing countries, like India, Bangladesh and Kenya.

Jan van Helden, *Emeritus Professor, University of Groningen, the Netherlands*

Democratic accountability for the authorisation and use of public monies is one of the bedrocks of our various systems of modern government. This book has produced an excellent collection of studies of these systems, covering some 14 countries/regions across the globe and even including Sweden which operates without a public accounts committee. Their expert analyses reveal the investigative roles of public accounts committees, how well they work with other accountability agents, their effectiveness and the benefits overall to good governance. With an informative introduction, this volume offers a definitive contribution which will be of interest to scholars of various disciplines, parliamentary practitioners, accountability actors, interest groups and the media, as well as the general reader interested in how modern-day accountabilities are exercised.

John Wanna, *Professor, Australian National University, Australia*

Making Governments Accountable

Over the past two decades, there has been a paradigm shift in public administration and public sector accounting around the world, with increasing emphasis on good governance and accountability processes for government entities. This is all driven both by economic rationalism, and by changing expectations of what governments can and should do. An important aspect of this accountability and governance process is the establishment and effective functioning of a Public Accounts Committee (PAC), a key component of democratic accountability.

With contributions from renowned scholars and practitioners, and using case studies from around the world, this research-based collection examines the rationales for current roles of the PACs and explores the links between PACs and National Audit Offices. It also compares PAC practices from developing and developed countries such as Africa, Asia, Pacific Islands and Europe with both Westminster and non-Westminster models of government.

This will be valuable reading for academics, researchers and advanced students in public management, public accounting and public sector governance.

Zahirul Hoque is Professor and Head of the Department of Accounting at La Trobe Business School, La Trobe University, Australia and the founding Editor-in-Chief of the *Journal of Accounting & Organizational Change* (Emerald).

Routledge critical studies in public management

Edited by Stephen Osborne

The study and practice of public management has undergone profound changes across the world. Over the last quarter century, we have seen:

- increasing criticism of public administration as the over-arching framework for the provision of public services;
- the rise (and critical appraisal) of the 'New Public Management' as an emergent paradigm for the provision of public services;
- the transformation of the 'public sector' into the cross-sectoral provision of public services; and
- the growth of the governance of inter-organizational relationships as an essential element in the provision of public services.

In reality these trends have not so much replaced each other as elided or co-existed together – the public policy process has not gone away as a legitimate topic of study, intra-organizational management continues to be essential to the efficient provision of public services, whilst the governance of inter-organizational and inter-sectoral relationships is now essential to the effective provision of these services.

Further, whilst the study of public management has been enriched by contribution of a range of insights from the 'mainstream' management literature it has also contributed to this literature in such areas as networks and inter-organizational collaboration, innovation and stakeholder theory.

This series is dedicated to presenting and critiquing this important body of theory and empirical study. It will publish books that both explore and evaluate the emergent and developing nature of public administration, management and governance (in theory and practice) and examine the relationship with and contribution to the over-arching disciplines of management and organizational sociology.

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The role of public accounts committees and national audit offices
Edited by Zahirul Hoque

I dedicate this book to my primary school teacher, *Mr Fazlur Rahman*, who had touched my life in so many ways as a teacher, mentor and friend. Thank you *Sir* for guiding me, inspiring me and making me what I am today! The dedication is also to my elder brother, *Mr Shah Alam*, for his support when I needed it. Special dedication to my wife, *Shirin*, for her endless love, support and encouragement in producing this book.

Tables

3.1	Group of interviewees	38
4.1	Chapters discussed most by PACP (2001–11)	66
4.2a	Distribution of PACP debates by subjects covered in chapters	70
4.2b	Distribution of chapters (complete or partial) produced by the AG by subjects covered	72
5.1	Overview of empirical corpus	86
5.2	Quantum of performance audits mandated by the DPAC, 1998–2013	86
6.1	PAC select committee activity	110
7.1	Decisions at the SNAO board, concerning performance audit reports, in the years 2004 to 2010	130
A8.1	Websites – Public Accounts Committees	155
10.1	PEFA performance indicators and scoring dimensions	175
A10.1	Summary of the PEFA assessment for each country by relevant performance indicators	189
12.1	Assessment of the effectiveness of Malaysia’s Federal PAC	225
13.1	Descriptive statistics relating to the PACI recommendations, comments, responses and outstanding actions required	236
14.1	BAKN (Indonesian PAC) members, November 2013	256
15.1	Comparison between PAC in Thailand and ideal PAC	269
16.1	Scope, nature and follow-up of external audit – score	286
17.1	A comparison between Jamaica and Trinidad and Tobago	295
17.2	Total number of meetings held by Joint Select Committees (JSCs), PAC and PAEC in Trinidad and Tobago between June 2010 and August 2014	301

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Foreword

A well-accepted role of parliaments around the world, whether elected by the people or established through other means, is to hold the executive government to account. A leading means by which the Parliament does this is through the establishment of a public accounts committee, or equivalent, that generally has a focus on government expenditure and matters of public administration. Public account committees also commonly have a formal relationship with Auditors-General to reinforce the special relationship between the Auditor-General and the parliament, and as a means of reviewing the reports of the Auditor-General.

Public accounts committees have a very long history, with their origins having been traced back to the nineteenth century in both the British and Canadian parliaments. In recognition of the importance of the role of public accounts committees, the 2011 Commonwealth Heads of Government Meeting reaffirmed that strong and independent parliamentary oversight plays an important role in preserving the trust of citizens in the integrity of government, through public accounts committees that are effective, independent and transparent.

A particular characteristic of public accounts committees is that the membership is generally drawn from representatives of the main political parties represented in their respective parliaments. As such, when a committee speaks with one voice, it sends a powerful message to government that the views expressed represent a cross-party position. Governments are much more likely to respond positively to a committee's views and recommendations in these circumstances.

At the federal level in Australia, reports of the public accounts committee of the Australian parliament have, over many years, been a rich source of information on many aspects of public administration as well as issues of the day that have involved spending by the executive government and contemporary issues of public administration. In recent times, the committee has played a key role in scrutinising key public sector reforms and reforms to the mandates of the Auditor-General. Given the standing of the committee, the parliament as a whole has been guided by their views in considering the legislative proposals involved.

Over many years, the federal public accounts committee has had a key role to play in relation to the budget and work program of the Australian National Audit Office (ANAO) and has a positive influence in strengthening the mandate of the ANAO, particularly to the broadening of its performance audit mandate that, in

certain circumstances, allows the ANAO to assess the performance of the recipients of Commonwealth funding and contractors engaged by the Commonwealth – commonly referred to as follow-the-money powers.

Against this background, this volume provides a very useful and informative collection of views and commentaries into the operations of a number of public accounts committees and national audit offices around the world, covering both developed and developing countries. It draws out the strengths of current practices but also points to some concerns. Most importantly though, it builds on the body of knowledge of the activities of public accounts committees, and highlights issues for further research that, over time, will assist committees, audit institutions and other stakeholders to better appreciate the factors that can contribute to effective committees, including their interaction with audit institutions.

Ian McPhee
Auditor-General for Australia
November 19, 2014

Preface

An important aspect of government accountability and governance process is the establishment and effective functioning of the Public Accounts Committee (PAC). The PAC is a part of the parliamentary infrastructure of a democratic government that helps to ensure that governments account for their operating policies and actions, and their management and use of public resources. Over the recent decade, the public sector of most countries has undergone substantial reforms centred on the emergence of New Public Management (NPM) ideals, improvement of accountability and governance, efficiency and effectiveness. Our understanding of how the PACs on government entities function to strengthen public accountability, financial scrutiny and good governance worldwide is limited. The idea of this book is to establish a dialogue – a bridge of ideas – between public sector accounting and development studies academics, researchers, parliamentarians, parliamentary oversight bodies and public sector practitioners and consultants.

This research monograph focuses on both conventional and contemporary issues facing PACs around the world and the role of national audit offices therein. The overall aim is to provide an international overview, comparison and commentary on the role of public accounts committees and national audit offices in public accountability.

This book incorporates PAC practices in both developed and developing democratic nations in a single volume investigating how various internal and external institutional agents may shape the development and working of a PAC. In addressing the above issues the book provides not only a comparative set of insights but allows the development of themes that are now emergent.

The chapters in this volume will be useful to academic researchers in public administration and development studies fields as they will help researchers grasp the potential external and internal forces that are likely to influence PAC structures and practices. The insights offered by a country-specific PAC will also be useful to parliamentary bodies and governments in other countries implementing similar PAC structures and practices and facing similar socio-political environments. This book will also help in gaining an understanding of the issues of government accountability from a management point of view as well as from a socio-political point of view.