

COMMONWEALTH PARLIAMENTARY ASSOCIATION – UNITED KINGDOM

# 2nd Westminster Workshop:

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The Public Account Committee 12 – 15 March  
2012

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**Member for North Metro Region**

A report to the members of the WA Branch of the Commonwealth Parliamentary Association following my attendance at the 2nd Westminster Workshop on behalf of the Parliament of Western Australia.

## **Introduction:**

In order to qualify to attend this workshop the participants had to be Members (for the MP Attendees) or Clerks (for Non MP attendees) of a Public Accounts Committee in the jurisdiction they come from. As a Member of the Legislative Council's Standing Committee on Estimates & Financial Operations I qualified as a delegate.

The workshop was held in Westminster over the period of 12–15 March, 2012 and although an incredibly heavy meeting load during the workshop, was very worthwhile and allowed me to expand my knowledge of matters pertaining to Public Accounts Committees in many other Commonwealth jurisdictions.

I was also asked to participate by way of delivering a paper at one of the sessions which I was very happy to do. The subject of my paper was "How can PACs retain independence from government without direction or intervention from the executive".

The aim of the workshop was to enhance the capacity and effectiveness of Members and Clerks working on Public Accounts Committees. The stated objectives were by way of using the Westminster model as the focus of discussion; to explore through a series of briefings, discussion sessions, practical observation and workshops:

- The key features of an effective PAC
- The skills and knowledge required to be an effective PAC Chair and Member
- The skills expected of PAC Support staff
- The relationship between the PAC and its audit office

## **Delegates**

There were 56 delegates and 8 observers from 29 Commonwealth jurisdictions. There were 2 representatives from Australia, myself and Mr Michael Daley MP a Labor State MP from New South Wales.

Other jurisdictions represented were:

**Bermuda, Falkland Islands, Hong Kong, India (both Federal and State reps), Isle of Man, Jersey, Kenya, Kiribati, Malawi, Malaysia, Maldives, Malta, Mauritius, Nigeria, Oman, Pakistan, Rwanda, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, The Gambia, Trinidad & Tobago, Uganda, Vanuatu.**

There were several opportunities to interact with other delegates both in a workshop situation during the day and also in the evening at organised and ad hoc social events.

One highlight of the trip for me was to be chosen as one of the 15 delegates who attended the Commonwealth Day celebrations at Marlborough House at a reception in honour of Her Majesty Queen Elizabeth II and the Duke of Edinburgh. I was presented to the Her Majesty and spent a wonderful 2 or 3 minutes speaking with her about her trip to Western Australia for CHOGM in October 2011.

I actively participated in all of the business sessions and believe that I was able to demonstrate that the Western Australian Parliament is quite advanced in the committee work it does in the area of public accounts and that we enjoy a distinct separation between the Executive and the committee system, something which a number of jurisdictions appeared quite jealous about.

Since returning from the workshop I have maintained contact with a number of the delegates that I met and we have been able to exchange some useful ideas and tips for each other in assisting in our public accounts committee work.

In the following pages I have included a more detailed account of the background of the workshop and the challenges and prospects facing public accounts committees and I would like to take this opportunity to thank the WA branch of the CPA for the opportunity to represent them at this most worthwhile workshop.

Hon Liz Behjat MLC  
Member for North Metro Region  
2 November 2012

## **Background and Issues\***

### Public Accounts Committees: Challenges and Prospects

Holding the Executive to account for its use of public money is one of the key roles of parliamentarians. Across the Commonwealth one of the principal vehicles for doing this is through Committees of Public Accounts (PAC). PACs scrutinise expenditure by the Executive to assess whether funds have been used efficiently, effectively, and in the intended fashion.

The mandate and practices of PACs can vary considerably between legislatures. Each PAC operates within a different political context and faces issues unique to the legislature it serves. Large countries PACs often face very different challenges to those faced by PACs in small countries. That said, many common principles exist across Commonwealth PACs, and much can be learnt through sharing experiences and exploring examples of best and emerging practice in Parliaments around the world.

Effective PACs should be representative of all main parties in Parliament and should be chaired by a senior politician from the main Opposition/Minority party. The PAC should be ably supported by professional clerical staff. To avoid political wrangling, the major focus should be on the administration of policy rather than policy itself and a well-functioning PAC tends not to split along party-political lines.

- Effective PACs will receive good quality audit reports from their independent Audit Office within an agreed timeframe
- They will hold public hearings to discuss the results of these audits
- Senior civil servants from the audited Ministries will appear before PACs well briefed and able to respond accurately to probing questions, and will treat the hearings with respect
- Following a hearing, effective PACs will produce a short report highlighting areas where the audited Ministry can reduce waste or improve performance
- The Executive will respond to these reports promptly, indicating what changes it plans to introduce as a result of the report
- In due course the PAC will follow up to ensure that commitments by the Executive have been implemented

This accountability mechanism will be well understood and supported by the Executive, public servants, parliamentarians, the media and the general public.

Unfortunately this benchmark model for what makes an effective PAC is far from widespread across the Commonwealth and indeed around much of the world. By no means are all PACs functioning as intended. The Public Expenditure and Financial Assessment reviews conducted by the World Bank and other

development partners consistently find that PACs are the weakest links in the public financial management systems.

PACs often are faced with many different problems including:

- **SKILLS OF MEMBERS** – in many legislatures, Members of PACs lack an understanding of the workings of government and are ill-equipped to ask probing questions of those who appear before them. Some also are unclear of their role in holding the Executive to account on its spending, having the misconception that criticism of the performance of their own government is a form of political disloyalty
- **RESOURCES** – in many small legislatures, it is often difficult to find enough parliamentarians to form strong committees, and few have access to adequate skilled support from parliamentary staff
- **RULES & PROCEDURES** – the powers of PACs are often not clear, with some unable to hold hearings in public, or unable to release reports until they are approved by their Parliaments – something which often can take years
- **POLITICAL VOLATILITY** – frequent party changes, a high turnover of MPs, or unstable political systems can make it all but impossible for a PAC to work effectively
- **CORRUPTION** – if some MPs see their work in Parliament as a way of gaining personal wealth or rewarding their own constituencies, or if judicial systems or policing are tainted by corruption, even the most transparent and open PACs may have difficulty making an impact
- **LIMITED SUPPORT FROM THEIR SAI / AUDIT OFFICE** – while many SAI/Audit Offices have improved in recent years, others still produce poor quality audit reports a long time after the end of a financial year and also do not see it as their role to provide support and briefings for the PAC

## PROGRAMME

This PAC Workshop will provide delegates the opportunity to review the position of PACs within the Commonwealth.

It will show what can be achieved when PACs and SAI/Audit Offices forge strong working relationships; and will give visibility to some of the different ways Commonwealth PACs are seeking to overcome barriers and more effectively hold their Executives to account.

The Workshop also will provide an opportunity for some of the smaller legislatures within the Commonwealth to share their own experiences. One form of PAC arrangement may not fit all – but there may be some interesting alternatives to current practice.

Through briefings, discussion sessions, practical observation and workshops, the programme will explore Parliament's role in financial oversight and what factors make for a successful PAC.

It will examine how PACs interact with their SAI/Audit Offices and will consider key themes around public procurement, curbing corruption and fraud, and achieving value for money.

Sessions for Members will look at how PACs can find support and resources, achieve impacts, and monitor their recommendations. Sessions for Clerks will explore the skills and knowledge required by PAC Clerks to support their committees effectively by interpreting audit reports and in carrying out the committee's programme of work.

Delegates will have the opportunity to:

- Hear from and question international experts, high profile parliamentarians, and officials from key organisations
- Explore examples of best and emerging practice
- Participate in workshops and knowledge exchanges
- Raise concerns and challenges
- Identify further training that would be helpful to assist PACs in their work

## EXPECTATIONS

By bringing together PAC Chairs, Members, and parliamentary staff, we are hoping collectively to develop a better understanding of the strengths and weaknesses of current approaches to holding Executives to account for their public expenditure and to begin formulating new approaches to dealing with the challenges.

This approach may involve more international and/or regional training, the production of better guidance materials, using international fora such as CHOGM to raise the profile of PACs and SAIs and gain greater commitment to stronger and more independent institutions; and other suggestions which will emerge during the Workshop.

Delegates should arrive at the Workshop prepared to present details of the challenges her/his own PAC faces and ideas on how to tackle them.

The Workshop is a major investment, financially and in terms of the time of participants and presenters. Therefore it is essential that the return from this investment is maximised and that the Workshop produces practical suggestions for a follow-up programme of action.

Prior to arriving in London, participants should:

- Discuss with colleagues what they see as the strengths and weaknesses of the way in which their PAC currently operates, and identify key challenges their committee currently faces
- Familiarise themselves with the attached UK National Audit Office VFM report, PAC report and Treasury Minute – and in particular consider what question they might ask the Accounting Officer of the auditee during the PAC hearing

- Identify at least one action he/she would wish to come out of the Workshop which might help strengthen Commonwealth PACs globally, and one which might help strengthen her/his PAC and SAI/Audit Office

\*This information is taken directly from material provided to delegates prior to the workshop.