Assessing the Effectiveness or Otherwise of the Public Account Committee Role in Protecting the Public Purse in Ghana

Abstract: The 1992 Constitution of Ghana empowers Parliament to exercise oversight functions over public revenues and expenditures (Article 124) through all the budget cycles (approval, appropriation and auditing). By law the Auditor General’s Office (AG) through Article 187(2) of the 1992 Constitution is mandated to audit all the public accounts of Ghana and present to parliament for scrutiny. The financial oversight of Parliament is exercised through its Public Accounts Committee (PAC). In line with the provisions of Article 103, the PAC examines the audited accounts of government showing sums granted by Parliament to meet public expenditure and how these monies were actually used. The PAC assists the process of public audit and at the same time helps to achieve the parliamentary objective of ensuring that government is held accountable on behalf of the electorate, in particular for its use of public money. Guided by relevant legal frameworks such as the Public Financial Management (PFM) Act, 921 of 2016, Public Procurement Act, 366 of 2003 as amended among others. The Public Accounts Committees (PACs) play a crucial role in augmenting monitoring and accountability pertaining to the utilisation of public expenditures. This study aims to consolidate many perspectives and viewpoints on the effectiveness of the public account committee (PAC) role in protecting the public purse in Ghana. Additionally, this study offers an examination of the theoretical framework, actual encounters, and obstacles encountered by Public Accounts Committees (PACs) in the discharging of their responsibilities. It recommends that punitive punishment and surcharges and possible life-imprisonment of offenders may make an impact in deterring offenders.

Key words: public account committee, role, effectiveness, public purse.
I. Introduction

Within the democratic framework, the authority of the populace is vested in the Parliament, which assumes the crucial responsibility of overseeing and ensuring governmental accountability. The establishment of accountability to the public is a crucial factor in enhancing the legitimacy of the State. In the Parliamentary system, many committees are established with the aim of augmenting its overall capacity and mandate. This study aims to consolidate many perspectives and viewpoints on the effectiveness of the public account committee (PAC) role in protecting the public purse in Ghana, (Auditor-General of British Columbia 1989).

II. History of the Public Accounts Committee

The origins of the Public Accounts Committee can be traced back to the Westminster tradition. The United Kingdom was the inaugural nation to implement the Public Accounts Committee, doing so in the year 1861. The primary objective of the Public Accounts Committee (PAC) is to uphold transparency and efficacy in the utilisation of public funds by the government, as well as to enhance the responsible management of tax-generated revenues. In contemporary governance, the function of the Public Accounts Committee (PAC) extends beyond the mere supervision of governmental financial responsibility, encompassing the aspect of performance accountability as well. The significance of the Public Accounts Committee (PAC) in overseeing government performance has grown pivotal due to the emergence of performance audits, often known as value for money auditing.

Different nations have different names for the Public Accounts Committee. In the United Kingdom, the parliamentary body responsible for overseeing public accounts is referred to as the Public Accounts Committee. Similarly, in Ghana, this committee is also known by the same name. In Australia, the equivalent committee is called the Joint Committee on Public Accounts and Audit, while in India, it is referred to as the Committee on Public Accounts. Parliamentary oversight mechanisms are established to ensure the accountability of government expenditures. The establishment of the Public Accounts Committee effectively resolved the quandary around the question of whether parliamentary oversight of public expenditure should be conducted internally or entrusted to a specialised committee possessing greater technical expertise as opposed to political acumen.

Since 1994, the Parliamentary Centre has actively collaborated with the Parliament of the Republic of Ghana in various endeavours aimed at enhancing its capabilities. In order to enhance the efficacy of Parliament as an institution, the Centre has prioritised the Public Accounts Committee (PAC), a crucial parliamentary committee responsible for ensuring accountability. The collaboration between our organisation and the Committee, together with other Parliamentary Committees, has resulted in numerous advances in the functioning and effectiveness of Parliament throughout the years, (Pelizzo & Stapenhurst, 2006).

The Public Accounts Committee (PAC) is a constituent of the 11 Standing Committees of Parliament. The Public Accounts Committee (PAC), like other parliamentary committees, is established under Article 103 of the 1992 Constitution of the Republic of Ghana. This article stipulates that Parliament has the authority to establish Standing Committees and other Committees as deemed essential to ensure the efficient execution of its responsibilities. The establishment of the PAC in Ghana was carried out in accordance with the provisions outlined in Order 151(2) of the Standing Orders of the Parliament of Ghana. As per the stipulations outlined in Order 165(1), the composition of the Committee should not exceed a total of 25 Members. Additionally, the Committee's chairperson must be a member who is not affiliated with the political party that holds authority over the Executive arm of the government, and consequently, the allocation of public funds. The Committee has traditionally been led by the Leader of
the officially designated Minority Party in Parliament, in accordance with established practice and convention, since the inception of the Fourth Republic.

Nevertheless, in Ghana’s 4th Parliament, the Minority Leader abdicated this duty to another esteemed member of the Minority Party. As a result of this particular decision, the Committee was granted the opportunity to appoint Hon. Samuel Sallas Mensah, a Certified Public Accountant, as the chairperson for the 4th Parliament. Hon. Mensah's extensive professional experience undoubtedly contributed to the Committee's improved performance.

(Jacobs & Moloney, 2007).

III. Public Account Committee Role:

The role of the chair

The chair of the committee should be a member of a recognized opposition party.

In terms of role the PAC remains committed to prioritizing the economic and responsible allocation of government funds.

Collaborates with the committee to establish meeting objectives and formulate long-term goals.

The individual in question assumes the responsibility of overseeing the proceedings of meetings, ensuring decorum, directing participants' attention towards meeting objectives, and making determinations on matters of procedure.

Serves as the official representative for the committee. Also, collaborates in a bipartisan manner to establish a consensus in political action committee (PAC) deliberations, reports, and recommendations. Establishes a strong professional rapport with committee employees, auditors, personnel from the audit office, and government authorities.

The Function of the Vice Chair

Typically, an individual tends to align themselves with the governing party. The individual assumes the responsibilities of the Chair in the event of his or her absence. Collaborates with governmental entities to cultivate backing for the committee. Establishes a collaborative atmosphere within the committee.

The Role of a Member

A member is involved the preparation of meetings through the process of familiarizing with the reports by reading through materials before sitting. The individual participates in pre-meeting briefings with auditors and or researchers in order to gain comprehension of the subjects and details covered in the reports, as applicable in certain jurisdictions.

It is imperative for individuals to acquaint themselves with the fundamental concepts of public sector accounting. They inquire about matters pertaining to administrative procedures as opposed to policy matters. The committee should direct their initial inquiries and subsequent follow-up questions in a manner that ensures obtaining clear and concise responses from individuals who are presenting before them. The member should collaborate well with individuals affiliated with alternative political factions in order to attain mutual agreement, whenever feasible. (Meyer, A. 2011)

The role of the Steering Committee

The steering committee is a group of individuals responsible for providing guidance and direction in the decision-making process. The steering committee consists of the Chair, Vice Chair(s), and members from other parties serving on the committee. They propose potential agenda items for next meetings, typically derived from audit reports, subject to committee endorsement. The process of arranging meeting.
arrangements is typically conducted with a lead time of 3-5 weeks. They consent to the inclusion of witnesses to be summoned for forthcoming meetings. (Jones & Jacobs, 2006)

IV. The Function of Public Account Committees on Enhancing Service Delivery

Inadequate service delivery has resulted in significant financial losses for the government and has contributed to an escalation in service delivery protests. Public Account Committees (PACs) play a crucial role in assuring the delivery of high-quality services to the public.

The roles performed by Public Account Committees (PACs) encompass the following:

- They engage in a thorough examination of the allocation and use of public monies on behalf of parliamentary bodies and legislative institutions.
- To ensure that government departments and public organisations utilise the available public resources in a manner that is effective, efficient, and inexpensive, with the aim of achieving delivery goals and benefiting the public.
- To achieve optimal performance while maintaining the high level of service provided to the general population.
- To establish mechanisms that promote the accountability of government departments and public entities in cases of noncompliance with regulations


V. Achievements and the Challenges of the Public Account Committee in the Fourth Republic

The actions of the Public Accounts Committee (PAC) have exhibited consistent advancement from the initial parliamentary session of the 4th Republic to its present stage, thereby enabling us to assert the resurgence of public engagement in matters pertaining to corruption, misuse of authority, and the misallocation of public funds. The Public Accounts Committee (PAC) has made significant contributions to enhancing public accountability by means of publicly exposing and condemning the actions of negligent public officials, facilitating the retrieval of misappropriated public funds, and providing recommendations that result in the legal prosecution of those involved.

The efforts of the Public Accounts Committee (PAC) throughout the latter part of the 4th Parliament of the 4th Republic have served as a clear indication:

The restoration of public trust in parliament as an institution with the capacity to address executive abuses has resulted in whistleblowers increasingly seeking recourse through the Public Accounts Committee (PAC) rather than resorting to the Commission on Human Rights and Administrative Justice (CHRAJ) or the Economic and Organised Crime Office (EOCO). Evidently, corruption extends beyond political office holders, as demonstrated by the diverse range of public officials and service providers who were summoned before the PAC. This indicates the widespread prevalence of corruption.

The emphasis on transactions within the various Audit Reports hinders the examination of broader systemic issues. It is crucial to address these issues at the level of central management agencies such as the Ministry of Finance and the Controller and Accountant General's Department in order to alleviate the repetitiveness observed in the individual reports. In specific cases, reports are dead or outdated by passage of time as perpetrators of the crime are long gone or even dead.

The problem of inadequate accountability in the public sector seems to arise from system failure rather than inadequate supervision by political authorities.

To tackle these difficulties, both the PAC and Parliament must have sufficient funding. Sufficient funding is necessary to allow the Committee to engage the services of experts as needed, in order to facilitate
productive discussions on the Auditor-General's Report. The Committee is required to establish effective collaboration with many stakeholders, including independent governance institutions and the Civil Society Organisation (CSO) community. This collaboration aims to optimise the utilisation of available resources and enhance openness and accountability in the allocation of public funds, (Pelizzo&Stapenhurst, 2012).

VI. Strategies for addressing prevalent obstacles and common challenges.

To address the issue of backlog, it is imperative that committees engage in proactive planning and adhere to a timely review process for the reports provided by the Auditor General (AG). Biased inquiries involve the redirection of inquiries from policy matters towards inquiries centered on governance.

In cases where witnesses are not adequately prepared, the chair has the authority to inquire whether the committee desires to summon the witness again at a future date, or alternatively, to require a comprehensive written response to the committee's inquiries.

Objective are to promote the collective commitment of all committee members towards the effective implementation of the auditor's recommendations.

Powers to PACs in contrast to nations like Australia, Public Account Committees (PACs) in Ghana currently lack comprehensive legislation to address transgressions. The influence wielded by Public Account Committees (PACs) in Ghana is constrained to the extent of providing recommendations to the legislative body. It is noteworthy that Public Account Committees (PACs) are commonly seen as the guardians of public monies; nevertheless, the media frequently asserts that these PACs lack the necessary enforcement mechanisms to hold accountable those individuals who engage in the misappropriation of taxpayer cash. The absence of power also leads to the non-implementation of other resolutions, (Routledge. Posner, P. & Park, C-K. 2007).

The available information indicates that the decision-making process of public account committee (PACs) is frequently impacted by political affiliations and factions, resulting in a representation that does not consistently align with the public's interests. These tactics undermine the effectiveness and efficiency of oversight and accountability efforts.

Another challenge is the integrity in financial concerns. The issue of maintaining integrity in financial concerns is a significant difficulty for Public Account Committees (PACs), as they must work to ensure that public resources are administered in a manner that is both effective and efficient, hence instilling confidence in the general public.

According to the Auditor-General of British Columbia in 1989, the restoration of public confidence can be achieved if the Committee is able to offer the aforementioned assurance. Nevertheless, the presence of evidence indicating corruption and the improper use of public funds poses a significant challenge for the Committee in offering the public a substantial level of certainty. (Canada. Office of the Auditor-General of British Columbia, Canada. http://www.ccpace.ca/docs/Guidelines-1989.pdf. Accessed on 27 July 2023).

In order to maintain the momentum of meetings, chairs have the ability to identify deficiencies in witness responses and, at the conclusion of the hearing, ask questions to address any remaining issues. Additionally, it can be advantageous for individuals to condense the primary arguments and any decisions made during the discussion, (Hedger, E., &Blick, A. 2008)
VII. The concept of the ideal Public Accounts Committee (PAC)

The World Bank Institute has formulated a conceptualization of the desired attributes of an exemplary Public Accounts Committee (PAC), drawing upon the insights obtained through a survey conducted among Commonwealth PAC Chairs to assess the effectiveness of PACs.

The important requirements are that an ideal PAC should have small number of members, about 5-11 members. Again, senior opposition figures should be involved and possibly chair it and be a senior, with fair-mindedness respected parliamentarian. Moreover, it should be adequately staffed, clearly understood mandate with the holding of regular and frequent meetings. However, hearings are opened with transcripts which are made publicly available. Additionally, a steering committee plan their work typically taking evidence from an official.

The audit reporter referred automatically to the PAC with the Auditor meetings them for discussion although the PAC sometimes investigate issues other than those raised by the Auditor. The PAC strive for consensus and reports to the Parliament at least annually. They set up measures for the monitoring and the implementation of recommendations. The auditor serves as an adviser and reports are debated annually in parliamentary debate of its work, (Stapenhurst et al., 2007).

VIII. Methodology

The paper adopted the qualitative paradigm. The data collected from the interviews conducted with Members of Parliament, Internal Auditors, as well as Audit Firms, Academiawas analyzed mainly qualitatively into theme, (Yin 2013). This has the added advantage of broader contact and flexibility to cover emerging important and interesting revelations from respondents.

IX. Findings

1. Integrity, Control and Accountability Accounting Policies:

All reports should be accompanied by a concise overview of pertinent accounting policies. The accounting foundation employed (such as cash or accrual) for report preparation should be explained, together with any variances from generally accepted accounting principles. It is imperative to employ consistent accounting rules throughout all fiscal reporting. In the event that a modification in accounting policies becomes necessary, it is imperative to provide comprehensive disclosure regarding the nature and rationale behind such a change. It is advisable to make appropriate adjustments to the data from earlier reporting periods in order to provide meaningful comparisons between these periods.

2. Systems and Responsibility:

It is essential to have a dynamic internal financial control system, which encompasses internal audit, in order to ensure the integrity of the information presented in the reports. It is imperative that every report includes a declaration of accountability from both the finance minister and the senior person who is tasked with its production. The minister affirms that the report includes all government decisions that have a financial impact. The top official affirms that the finance ministry has exercised its utmost professional discretion in the creation of the report.

3. Audit:

The year-end report ought to undergo an audit conducted by the Supreme Audit Institution, adhering to the principles and standards of generally recognised auditing practices. It is imperative that Parliament conducts a thorough examination of the audit reports generated by the Supreme Audit Institution.
4. Public and Parliamentary Scrutiny:

It is necessary that Parliament be granted both the chance and the requisite resources to thoroughly scrutinise any fiscal report it considers pertinent. It is vital that all fiscal reports referenced in these Best Practices be made accessible to the public. This encompasses the accessibility of all reports without any cost on the Internet. It is imperative for the finance ministry to proactively foster comprehension of the budgetary procedure among ordinary citizens and non-governmental organisations.

X. Key considerations for assessing the effectiveness of Public Account Committees (PACs)

i. What annual percentage of chapters within the auditor's reports and other obligatory reports does the committee scrutinise?

**Figure 1: Are the auditor's reports and others scrutinized by PAC**

![Chart showing scrutiny of auditor's reports and others by PAC](chart1.png)

ii. Is the annual attest audit of the public accounts (financial statements) reviewed by the PAC on a yearly basis?

**Figure 2: Review of Financial Statement**

![Chart showing review of financial statement](chart2.png)

Source: Auditor General’ Report (2022)

iii. Does the Public Accounts Committee (PAC) provide autonomous recommendations?

**Figure 3: Recommendation by PAC**

![Chart showing recommendations by PAC](chart3.png)

Source: Auditor General’ Report (2022)
iv. Is the endorsement of the Auditor's recommendations by the PAC evident?

The figures clearly indicate that the Public Accounts Committee (PAC) bears a significant role in terms of examining, evaluating, and providing necessary recommendations with regard to the auditors' comprehensive report. The general populace holds them in high regard, expecting them to enhance their efficacy by implementing appropriate measures and adhering to established norms.

XI. Conclusion

The findings indicate that there are delays in the completion of reports by the Public Accounts Committee. Hence, it is crucial for the legislative body to undertake a collaborative endeavour aimed at producing and disseminating the outcomes of the Public Accounts Committee (PAC), encompassing any pending reports that are yet to be formally presented in the parliamentary setting. The importance of this cannot be overstated as it facilitates the monitoring efforts of the Audit Committees (ACs).

Gaining access to the conclusive outcomes of the Public Accounts Committee (PAC) poses a formidable task, despite the public dissemination of PAC hearings on the Auditor General's report via radio and television platforms. It is crucial for Parliament to prioritise the availability of the PAC's reports to the wider public, with a specific focus on Civil Society Organisations (CSOs), in order to enhance public accountability.

It is suggested that the Metropolitan, Municipal, and District Assemblies (MMDAs) should strengthen the capabilities of the Audit Committees (ACs) and allocate adequate resources to their Internal Audit Units in order to facilitate their optimal performance. This would enable the Audit Committees (ACs) to efficiently implement the recommendations put forth by the Public Accounts Committee (PAC) or resolve any further audit inquiries pertaining to financial irregularities. According to Section 30 (1) of the Audit Service Act, 2000 (Act 584), it is mandatory for Metropolitan, Municipal and District Assemblies (MMDAs) to implement capacity building programmes for members of Audit Committees (ACs). The primary objective of these workshops is to offer a complete orientation and direction to members of ACs, with the intention of facilitating their understanding of their individual duties, responsibilities, and the importance of actively participating in AC activities.

Furthermore, it is the duty of the Ministry of Local Government and Rural Development (MLGRD) to ensure that the Audit Committees (ACs) adhere to the regulations stipulated in the Audit Service Act, 2000 (Act 584). It is imperative that the accountable entities (ACs) demonstrate a conscientious commitment to actively pursuing the implementation of the recommendations put out by the Auditor General. This involves the submission of written reports to the Public Accounts Committee (PAC) that outline the measures implemented to address the findings of the Auditor General's report, together with any further directions issued by Parliament. Furthermore, it is mandated that the Audit and Risk Committees (ARICs) deliver the officially approved status report to Parliament, the Office of the
President, and the Auditor General within a timeframe of six months subsequent to the parliamentary determinations made in relation to the report issued by the Auditor General.

The majority of audit inquiries, around 90%, primarily concern insufficient paperwork rather than the abuse of public funds. Therefore, it is crucial for the management of Metropolitan, Municipal, and District Assemblies (MMDAs) to adhere strictly to the guidelines specified in the Financial Administration Regulations (FAR), Financial Memorandum, and other pertinent financial instruments that govern the allocation and utilisation of public funds. The responsibility of imposing suitable consequences on management members of the Metropolitan, Municipal, and District Assemblies (MMDAs) who contravene the requirements stipulated in various financial instruments resides with the Administrative Review Panels.

The Attorney General bears significant obligations in relation to the Financial Tribunals established under the Financial Administration Act, as well as the prosecution of instances involving the misappropriation of public funds. The Civil Society Organisations (CSOs) have a crucial role to play in actively engaging with the Public Accounts Committee (PAC) and closely monitoring the corrective actions undertaken by their respective Metropolitan, Municipal, and District Assemblies (MMDAs) in response to the PAC's recommendations, and possibly the findings presented in the Auditor General's report. The Ghana Anti-Corruption Coalition (GACC) possesses the capacity to utilise its Local Accountability Network (LANet) as a mechanism for promoting citizen participation in guaranteeing the accountable and efficient allocation of state resources by the Metropolitan, Municipal, and District Assemblies (MMDAs).

**XII. Recommendations**

The Public Accounts Committee (PAC) holds significant importance and is regarded as a longstanding institution within the parliamentary system. The zenith of parliamentary supervision of public finances is where it is situated. The brief analysis of comparative practice shown above suggests some recommendations that can be deduced.

Unless explicitly permitted by its mandate or evolving practices, a Public Accounts Committee (PAC) should refrain from scrutinising the underlying policy that informs spending decisions.

It is imperative to uphold a congenial professional rapport between the Public Accounts Committee (PAC) and the Auditor General.

The primary individual providing testimony before the Public Accounts Committee (PAC) is the accounting officer of a certain department, rather than the minister responsible for that department.

The selection of the chairperson of the PAC frequently involves choosing a member from the opposition benches, therefore highlighting the committee's commitment to a non-partisan approach.

The primary emphasis of PAC endeavours should revolve around assessing the alignment of expenditures with the explicit aims of the parliament, as well as with pertinent norms and standards.

Furthermore, Public Accounts Committees (PACs) are displaying growing apprehension regarding the evaluation of whether the government has achieved optimal cost-effectiveness in its allocation of public funds.

The Public Accounts Committee (PAC) should maintain a continuous and active communication with the auditor general to ensure timely provision of information in a format that is both accessible and beneficial.

It is imperative for parliaments to guarantee that their Public Accounts Committees (PACs) possess adequate resources.
Public Accounts Committees (PACs) ought to prioritise the attainment of consensus in their decision-making processes, especially in cases when such unanimity is not explicitly mandated.

It is imperative that committee debates remain accessible to the media and the general public, with any deviations from this principle requiring comprehensive justification that is both reasonable and limited to extraordinary situations.

The utilisation of sub-committees or rapporteur systems can be advantageous in effectively managing significant workloads, provided that the ultimate responsibility for deliberation and decision-making remains with the primary committee.

Additional parliamentary committees may also participate in the examination of pertinent audit reports, provided that such involvement is conducted in a manner that avoids the politicisation of the audit procedure.

Public Accounts Committees (PACs) must use meticulous discernment when determining the order of importance for the subjects of their investigations. It is advisable to seek the input of the auditor general on this matter; however, the committee has the authority to examine and discuss any element presented within an audit report.

Adequate time should be allocated for both committee members and witnesses to adequately prepare for a hearing.

The Public Accounts Committee (PAC) has the authority to request the presence of the auditor general in order to receive a comprehensive overview of the significant matters highlighted in an audit report. This briefing is expected to take place well in advance of any scheduled hearings conducted by the committee.

In cases where it is deemed appropriate, it is imperative to provide witnesses an opportunity to verify the correctness of the minutes of evidence derived from a hearing.

It is imperative to establish a follow-up process that enables the parliament to evaluate the government's adherence to the recommendations outlined in the Public Accounts Committee (PAC) reports. This can be achieved by implementing an additional monitoring report conducted by the audit institution.

The Public Administration Commission (PAC) could consider implementing surcharges and punitive measures as a means of deterring the repetition of offences. It is imperative that offenders be subjected to the most severe legal consequences through expeditious judicial proceedings, including the imposition of life imprisonment. It is imperative to establish an annual evaluation mechanism to assess the accountability and openness of all public institutions.

In order to mitigate the potential for external auditors to adopt a superficial approach of merely reproducing Internal Audit Reports, it is recommended that the Director General of the Internal Audit Agency directly submit these reports to the Public Accounts Committee (PAC). This would ensure that a comprehensive review of the system is conducted, allowing for an independent opinion to be expressed and thereby enhancing the value contributed to the governance structure.

**References:**


