Strengthening Parliament-
Parliamentary Financial Scrutiny

11 - 22 February 2007, Melbourne, Australia

INTRODUCTION

On February 11-22, 2007 some 40 Chairs and Members of Public Accounts Committees and Budget and Finance Committees, Committee Clerks, and Auditors General from Ghana, Indonesia, Laos, Malawi, Nigeria, Pakistan, Papua New Guinea, Solomon Islands, Sri Lanka, and Tanzania, came together in Australia for a seminar and study tour on Strengthening Parliament – Parliamentary Financial Scrutiny. The seminar was held in partnership with the Commonwealth Parliamentary Association (CPA), the World Bank Institute (WBI), the Centre for Democratic Institutions (CDI) and the Public Sector Governance and Accountability Research Centre (PSGARC) of the Faculty of Law and Management of La Trobe University.

Participants had the opportunity to learn more about parliamentary oversight of the budget process in the Australian context through a study tour of the Parliament of Australia and the State legislatures of Victoria, Australian Capital Territory (ACT), and New South Wales.

At the close of the seminar, each delegation was tasked with developing an action plan to improve financial oversight in their own parliaments, with a focus where possible on achievable goals for the Public Accounts Committee (PAC) and the office of the Auditor General (A-G).

For several delegations who also participated in the 2006 seminar entitled Parliamentary Financial Scrutiny: the Role of the Public Accounts Committees (PACs) the 2007 Action Plans built on their 2006 Action Plans. Reports from these delegations indicated many of the measures called for in 2006 had been implemented or were under way.
GHANA

Opening of Meetings to the Public

- Meetings to be opened to the media and the public by June 2007.
- Seek the opinion of Civil Society Organizations (CSO) to enrich the work of the committee, especially ICA.

Independent Investigations

- Seek leave of the Speaker to conduct at least two independent investigations within the year.

Pursue Financial Independence of Auditor General

- Implement recommendation for the budget of the A-G to be approved by the PAC.
- Pursue the need for the A-G to charge fees for the cost of Audit of some parastatals.

Timely Review of Reports of A-G

- Major reports to be deliberated upon within six months, e.g. Consolidated Fund, MDAs, Foreign Exchange Receipts and Payments of the Central Bank.
- Effectively use sub-committees to carry out tasks.

Information Exchange

- Pursue information exchange with other PACs both within and outside Africa (particularly with African PACs).

Resourcing the PAC

- Establish a fund for hiring experts and consultants as and when necessary.
- Establish a liaison office between PAC and A-G.
INDONESIA

1. We need to improve our cooperation and working relationship with the House of Representatives. First, in the formulation of our national budget, in which there is a need for us to cooperate with regional Members of Parliament in the formulation of a national budget that adheres to the interest of our provinces. Second, in our role to scrutinize the implementation of budget, it is important that both houses can cooperate together in following up the report from the State Audit Board.

2. Internally, the House of Regional Representatives needs to improve the role of its members in conducting their functions and responsibilities, especially for the members within the 4th Ad-hoc Committee that mainly dealt with the implementation and supervision of budget. In this case, training programs and a support system within the committee need to be developed further. Hopefully, this will lead to improvement of our performance which will further improve the relationship with the media and constituents at the regional level.

3. In our relations with the State Audit Board, this relationship should be improved to the next level, in which after the release of the report from the State Audit Board to our institution, the consultation and discussion between our institution and the State Audit Board should be conducted intensively.

4. Externally, our relationship with the provinces and constituents in the regions should be improved. In this case, through meetings with provincial governments and also with civil society agencies such as NGOs, particularly in dealing with corruption cases affecting the implementation of national budget.
LAO PDR

- Establish a Financial Taskforce Unit and provide qualified personnel and resources.
- Improve coordination between the Committee for Economic, Planning and Finance Affairs and the Government.
- The Parliament has to be involved in the budget preparation process jointly with the Government at the beginning stages.
- Coordinate with the Government in providing financial information and data as well as set timing for the budget process and review.
- Build-up financial capacity for parliamentarians and technical staff.
- Prepare a questionnaire for the Parliamentarians for better understanding the budget preparation process in order to effectively conduct oversight of Government performance.
MALAWI

1. Establishment of an independent Parliamentary Budget Office.

2. Conduct a study tour to countries which have established Parliamentary Budget Offices.

3. Strengthening the oversight functions of the PAC and Budget and Finance Committees through training of both the Members and the Secretariat.

4. Strengthening the National Audit Office through recruitment and training.
NIgeria

Auditor-General

- Endeavour to bring up to date statutory audit reports
- Training will be given special attention, especially in forensic auditing
- Will try to ensure that five or six performance audits are carried out during the year.
- It is hoped that, under the new Act soon to come into operation, the Audit Commission that will result therefrom, will be able to agree to a reasonable remuneration package with the Government which will enable the Commission to engage more professionally qualified staff to enhance the quality and the speed of producing reports.

PAC

- Reduce the size of the House PAC following the April elections. The House PAC currently has 44 members, many of whom do not attend. The Senate PAC has 7 members.
- Special induction workshops should be run for new PAC Members to provide them with the specialized knowledge needed for their new role.
- The PAC should take action to ensure follow up on the status of implementation of its recommendations.
- Rationalisation of PAC structure should be considered in the next Constitutional reforms so that the PACs in both chambers can work together and co-ordinate investigations. They are currently required to work separately which creates duplication. This is a long-term goal.
- The PDP election campaign platform includes public sector financial reforms. If the PDP is elected, the PACs will be charged with following up on this commitment.
PAKISTAN

- Hold a pre budget session of the Parliament to discuss the possible suggestions to be included in the next budget.
- Allow public complaints against Government Departments to be heard in the PAC.
- Allow the PAC to take suo moto actions regarding any complaints received against Government Departments.
- Restrict the Auditor General to minimize audit paras on important issues.
PAPUA NEW GUINEA

Papua New Guinea is preparing for the 2007 general elections and is therefore in a period of change and transition. Actions will focus on:

- Preparing an induction course for new and returning parliamentarians in July/August 2007. The induction course should focus first on parliamentary administration, parliamentary procedure, and parliamentarians’ policymaking role.

- Publicly launching the 2007 induction course. It is important to communicate the desired benefits to the public. It has been suggested that the Prime Minister (or alternatively the Minister of Finance) announce on the floor of parliament that the parliamentary Services will be conducting a training course for all parliamentarians.

- Identifying potential support/partners for the induction course. So far discussions have been held with UNDP, CDI, NRI, Ausaid, Ombudsman Commission, Auditor General's Office, and the Registrar of Political Parties. Partners should be those concerned with maximizing greater awareness among parliamentarians.

- Continuing to work with key partners such as CDI and NRI and to leverage local contacts and networks.

- Continuing discussions with UNDP to evaluate past difficulties and explore potential areas for further support and cooperation through their parliamentary support program.
SOLOMON ISLANDS

1. Continuous Professional Training – PAC Members and Secretariat

2. Resources/ Facilities – Parliamentary website to be launched end of February 2007

3. Civic Education – role of the legislature/ separation of powers/ provincial strengthening (Visit by provincial authorities to Parliament)

4. Gender Awareness – equal gender representation in Parliament

5. Legislative Review – Standing Orders, Privilege/ Evidence Act, OAG Review

6. Code of Ethical Conduct for Members of Parliament – to enhance accountability and transparency

7. Annual Conferences for Parliamentary PAC, Auditor – General & Provincial Treasurers to allow closer coordination

8. Independent Parliament Budget

NB: Actions 1, 2, 5 and 6 are currently being undertaken through the UNDP Parliamentary Strengthening Project
SRI LANKA

Establish a Parliamentary Budget Office

- At present the estimates and proposals for taxation are not made available to Parliament.
- We do not have an Estimates Committee.
- We propose that a Budget Committee be established in the Parliament.
- Secretariat needs to recruit qualified officers who would give independent advice to the members when analysing the government’s financial proposals.

Ensure Ministerial Accountability

- In Sri Lanka the Secretary to the Ministry is its Chief Accounting Officer and appears before the PAC.
- We would propose that the Minister should appear before the PAC with his Officials and bear the responsibility.

PAC/COPE Sessions open to Media

- At present the committees are not open to the media.
- Media scrutiny and reporting is bound to inject the needed dynamism to committee activities.
- We will place a proposal before the Speaker to open the committee meetings to the media.

PAC/COPE Annual Conference

- We have nine Provincial Councils.
- Finance Commission is charged with the task of allocating funds to various Provinces.
- Accounts of these Councils are audited by the Auditor General.
- We propose that PACs of these Councils should meet annually in the Parliament in order to do a comparative study with the aim of improving their performance.

Enact the Proposed Audit Act

- Setup of a Parliamentary Committee to secure financial & operational independence.
- A-G to be an Officer of Parliament.
- A-G to audit all Government owned Companies.
- Retirement age of the A-G to be increased to 65 years.
- Summon any officer for collecting audit evidences.
- A-G can impose surcharges on fraud, corruption, negligence and non compliance with rules and regulations against any person.
- We seek the assistance of the World Bank to implement the above mentioned proposals.
**TANZANIA**

1. Capacity building of the PAC and LAAC:
   - increased secretariat capacity
   - equipment
   - trainings
   - own budget

2. Revise Standing Orders to allow PAC and LAAC:
   - sessions to be open to the media.
   - to consider issues of concern outside the CAG’s report.

3. Introduce new legislation to govern the office of the CAG with emphasis on independence – budget and required staff.

4. Parliament to introduce review mechanism for the budget and setting up benchmarks for the next budget.