

**The Public Accounts Committee  
of the Parliament of Ghana**

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# FOREWORD

The Parliamentary Centre has engaged the Parliament of the Republic of Ghana in several capacity building initiatives since 1994. In an effort to strengthen the performance of Parliament as an institution the Centre have given special attention to the Public Accounts Committee (PAC) which is one of the key accountability Committees of Parliaments. Our collaboration with the Committee as well as other Parliamentary Committees has led to several innovations in the work and performance of Parliament over the years.

Although Parliamentary Committees are allowed to open their committee work to the public we believe the evolution of the proceedings of the PAC to a point where they opened up PAC proceedings to the public significantly boosted Parliament's effort to promote accountability, combat corruption, strengthen budgetary oversight and improve resource allocation.

The essence of this publication by the Centre is to help document some of the changes that

have taken place in the way the PAC conducts its work in Parliament. The publication is for the benefit of Parliament, new MPs and the public. The publication also highlights the challenge of resource availability to the PAC and other committees of parliament in the discharge of their oversight duties.

As we draw attention to the resource gap facing Parliamentary Committees in the discharge of their duties we want to acknowledge our sponsors including CIDA, DFID, WBI and USAID who sponsored and continue to sponsor our engagement with the Parliament of the Republic of Ghana. In particular we want to emphasize our indebtedness to the United Kingdom's Department for International Development (DFID) who willingly funded the financial scrutiny project which produced this documentation.

Whilst acknowledging our several years of fruitful partnership and co-operation with the Parliament of the Republic of Ghana we are particularly indebted to Staff and Members of Parliament who facilitated this publication.

**Anthony Tsekpo, PhD**

*Budget Expert, Parliamentary Centre*

# *1 Legal Background*

The Public Accounts Committee (PAC) is one of the 11 Standing Committees of Parliament. The PAC like all other Committees of Parliament derives its existence from Article 103 of the 1992 Constitution of the Republic of Ghana which states that “Parliament shall appoint Standing Committees and other Committees as may be necessary for the effective discharge of its functions”. In accordance with this provision, the PAC was established by Order 151(2) of the Standing Orders of the Parliament of Ghana.

The Committee, according to Order 165(1), must consist of not more than 25 Members and under the chairmanship of a member who does not belong to the party which controls the Executive branch of government and for that matter the “Public Purse”. By practice and convention, the Committee has since the beginning of the Fourth Republic been chaired by the Leader of the officially designated Minority Party in Parliament. However, during the 4<sup>th</sup> Parliament the Minority Leader relinquished this responsibility to another senior member of

the Minority Party. By this singular decision, the Committee was endowed with the privilege of having a Certified Public Accountant in the person of Hon. Samuel Sallas Mensah to chair the Committee in the 4<sup>th</sup> Parliament bringing to the position a lot of professional experience which undoubtedly enhanced the performance of the Committee.

Table 1: Chairs of PAC in the Fourth Republic

<b>Chairperson</b>	<b>Party</b>	<b>Committee Clerk</b>	<b>Date</b>
Hon. Dr. Owusu Agyekum	NCP	J.S.E De Graft	1993 - 1996
Hon. J.H. Mensah	NPP	Robert Apodolla	1997 - 2000
Hon. A.S. K. Bagbin	NDC	Cammilo Pwamang	2001 - 2004
Hon. Samuel S. Mensah	NDC	Cammilo Pwamang	2001 - 2008

The composition of the Committee, like any other Committee of the House, must as much as possible, reflect the different shades of opinion in Parliament as required by Article 103(5) of the Constitution. In terms of numbers this means that the composition of the Committee reflects the numerical strength of different political parties

in Parliament; however, it is not clear whether the numerical strength also reflects the caucuses in Parliament such as the caucus on Women and Children, caucus on Health, caucus on Population, caucus on Environment, etc.

## *The Power and Function*

In carrying out its functions, the Constitution in Article 103 (6) grants the PAC, like any other Committee of Parliament, the powers, rights and privileges of a High Court in relation to:

- i. enforcing the attendance of witnesses and examining them on oath, affirmation or otherwise;
- ii. compelling the production of documents; and
- iii. issuing of a commission or requesting to examine witnesses abroad.

The primary function of the Committee according to Order 165(2) is to examine the audited accounts of government showing sums granted by Parliament to meet public expenditure and of

such other accounts laid before Parliament.

Chapter thirteen of the 1992 Constitution, which deals with finance, grants Parliament extensive powers in financial management of the country. It is only Parliament that gives approval or otherwise for the imposition of taxes and it is only Parliament that determines the waiver or variation of any taxes imposed on individuals and businesses (Article 174); it is only Parliament that grants approval for the withdrawal of funds from the Consolidated Fund to meet the expenditures of government through the passage of the Appropriations Act (Article 178).

Having authorized the withdrawal of monies from the Consolidated Fund, Parliament exercises control over the expenditure of such monies through its PAC. It is for this reason that the Standing Orders preclude Members belonging to the political party controlling the Executive power from chairing the Committee. The rationale behind this arrangement is to ensure that the Executive is not a judge and a prosecutor in its own cause. The Minority (Opposition) taking charge of the Committee is to minimize the possibility of MPs sympathetic to the executive branch of government unduly influencing the parliamentary oversight of finances of the state.

Article 187(2) of the 1992 Constitution states that:

*“The public accounts of Ghana and of all public offices, including the courts, the central and local administrations, of the universities and public institutions of like nature, of any public corporation or other body or organization established by an Act of Parliament shall be audited and reported on by the Auditor-General”.*

It is the financial transactions (including efficiency and cost effectiveness) of these Institutions together with the foreign exchange transactions of the Bank of Ghana referred to in Article 184 of the Constitution, which invariably come under scrutiny during the operations and functions of the PAC.

It appears from the provisions of the Constitution and the Standing Orders detailed above that the Committee’s work is limited to examining only reports presented by the Auditor-General (A-G). However, many have questioned if it will not be proper for the PAC to carry out pre-emptive investigations in the performance of its function as a watchdog Committee of Parliament in matters of public finance. It has been suggested when

there are hints of malfeasance in public financial management the PAC must be empowered to institute immediate investigation into any credible allegations with the view of preventing fraudulent, inefficient and less cost effective application of public resources.

## *3 Procedures of the Committee*

The Public Accounts Committee was faced with the challenge of dealing with a backlog of Auditor-General's Reports at the onset of the 4th Republic. The situation has arisen because the financial regulations required the Auditor-General to continue the production of audit reports even in the absence of Parliament. Review of the backlog of reports presented its own challenges to the new PAC in 1993. There was very little or no memory of past PAC proceedings but several outstanding reports to tackle. This required some amount of ingenuity. The challenge deepened when many MPs in the plenary considered that the reports being considered were too back in time to make the findings of the Committee relevant to minimising the losses of the state.

A combination of factors including the backlog of Auditor-General's Reports, the thinking that the review of long-dated reports by the Committee was irrelevant and resource constraints largely influenced the procedures discussed in the following paragraphs. It will also be clear that as the decision to limit PAC reviews to Auditor-General's Report produced after 1992 to coincide with the constitutional era was agreed to by Parliament. PAC reports became increasingly relevant to financial transactions that could easily be traced and corrected. Accordingly, there has been new emphasis on the follow-up to the PAC's recommendations on the Auditor-General's Report in recent times. Overall, it is important to observe that the procedures employed by the Public Accounts Committee to discharge its functions experienced slight changes over the years till 2007 when there was a major shift in the Committee's manner of conducting business from closed doors to public meetings.

### **3.1 *Procedure of Examination of the Audited Public Accounts***

In the first Parliament of the 4<sup>th</sup> Republic when the Auditor-General's Report was referred to the

Committee, the Committee wrote to invite the auditees to a closed hearing. At the hearing, the Auditees were asked to respond to queries raised in the Auditor-General's Report. They were free to provide evidence contrary to that presented by the Auditor-General in the report under review. From the responses provided the Committee compiled its Report for onward submission to the House for debate. This procedure continued up to 1998 in the 2<sup>nd</sup> Parliament, when it was slightly altered based on the reactions of some of the auditees appearing before the Committee. The alteration was informed by the fact that some auditees appeared before the Committee to plead ignorance of the queries they were being asked to respond to. This prolonged the sittings and rendered them ineffective because most auditees appeared before the Committee with very little information which was unhelpful to the committee in its bid to do a complete investigation.

## 3.2 *Revised Procedure in the 2<sup>nd</sup> Parliament*

The main innovation in the 2<sup>nd</sup> Parliament was the Committee's decision to request written answers

from auditees prior to its sittings. Hence, auditees were provided with copies of the queries and could no longer appear before the Committee to plead or fake ignorance of the Auditor-General's queries. Thus, written submissions were added to the oral cross-examination during the 2<sup>nd</sup> Parliament. The Committee reports to the House for debate and adoption were therefore stronger on evidence.

The revision of procedures offered auditees the opportunity to examine the issues thoroughly before they appeared before the PAC. The Committee in turn got the opportunity to study the formal responses before the hearing. These improved the speed of deliberations and made more cost effective the use of time and human resources.

### 3.3 *Revised Procedures in the 4<sup>th</sup> Parliament*

In 2006, the Committee instituted a feedback mechanism. The procedures remained largely the same but the Committee's report to the House after the examination of the Auditor-General's

Report consisted of samples of issues which were not satisfactorily addressed together with appropriate recommendations on them for debate and adoption by the House. The recommendations of the Committee which after the adoption of the Committee's Report became the recommendations of the House were then forwarded to the Auditees for implementation and, more importantly, also constituted feedback to the Committee on the status of implementation.

Following from a number of benchmarking activities and consultations in other jurisdictions, the Committee in 2007 identified practices such as specialization by Committee members, working in sub committees and opening its sittings to the public as best practices that could enhance efficiency and effectiveness of its work. This came with a number of changes in the procedures the Committee had used so far. To undertake an effective public hearing, the Committee introduced a further step between the receipt of written submission and oral cross examination of auditees by the Committee. During this stage the Committee constituted a Steering Committee to examine the responses and the pieces of evidence accompanying them. The Steering Committee selected those issues that had not been satisfactorily responded to for examination at its public sitting (hearing) and not all the issues

as was previously the case (See Boxes 1 and 2 below for objective and the criteria for selection of queries for public hearing). The selected issues were then forwarded to the Auditees indicating subjects to be addressed during the hearing.

During the hearing all other queries that the Committee considered properly answered were further excluded. The rationale was to reduce the volume of queries the Committee would be reporting on as well as create more efficient use of time. After the hearing, a transcript of the proceedings was forwarded to all those who appeared before the Committee for them to verify if they had been properly represented.

Recipients were normally given two weeks to forward corrections to the Committee. On the expiration of this period, the Committee may assume the accuracy of the records as captured and proceed to work with them. Upon receipt or otherwise of these corrections, the secretariat would then proceed to produce the Committee's Report with the assistance of the Liaison Officer from the Audit Service for debate and adoption by the House.

After the adoption of the Committee's Report, the Committee will then write to the affected Ministries, Departments and other Agencies of the

Central Governments (MDAs) and request them to implement the respective recommendations as captured in the Official Report of the day the Committee's Report was debated before the House. The MDAs were normally given approximately one month to implement the recommendations and report back to the Committee indicating the status of the implementations.

Towards the end of the 4<sup>th</sup> Parliament the Committee decided to conduct follow-up visits on some of the issues to ascertain whether its recommendations were being implemented as expected. This way the Committee planned to collate first-hand information on the status of its recommendations (See Box 3 below for a sample outcome of such follow-ups).

The detailed steps in the processes of the PAC review of the Auditor-General's Reports at the end of the 4<sup>th</sup> Parliament which is likely to remain the standard practice in the 5<sup>th</sup> Parliament (albeit with some modifications) are as shown in table 2 below:

Table 2: List of PAC Processes

Step	Activity
1.	Auditor-General Submits a Report to the Table Office
2.	The Business Committee schedules and lays the Report before the House and then it is referred to the PAC for consideration and report.
3.	The PAC Secretariat writes to all MDAs queried in the Report of the Auditor- General forwarding respective portions of the Report that pertains to them and then requests that they forward their responses and comments if any on the Report within a stipulated time frame, usually two weeks.
4.	A sub-committee of PAC reviews the responses and submits a report to the Committee recommending which MDAs should be invited for public hearing based on the criteria in Box 1.
5.	The PAC then schedules a date for the hearing and instructs the secretariat to write to all the selected MDAs inviting them to respond to the queries they failed to address sufficiently and/or systemic problems that should be raised for the benefit of all MDAs.
6.	A date for the public sitting is published in the print and announced in the electronic media for the benefit of the Press and all interested stakeholders.
7.	A public meeting is conducted where auditees are given the opportunity to explain their own viewpoint on the Auditor-General's queries while Members of PAC who have studied the issues in detail with the help of the Audit Service Staff cross-examine the auditees.

8.	The Committee then compiles its report and makes recommendations on the Auditor-General's Report to the House for debate and adoption.
9.	After the adoption of the Report by the Plenary, the PAC secretariat writes to all MDAs named in the report requesting them to implement the recommendations and report back to the Committee within a month. The Attorney General at this point is invited to commence prosecution of criminal cases referred to that Office.
10.	The PAC takes a sample of feedbacks and follows up to ascertain the veracity of the reports and progress of implementation of its recommendations.

***Box 1: Review of Responses to PAC***

- This is done with the aid of Auditor-General's Officials.
- In the process the PAC compares responses received from MDAs to responses to management letters issued immediately after the audit with the aid of experts from the Audit Service.
- The PAC flags cases of non-response and cases of inadequate/inappropriate responses.
- The ultimate objective is to determine the materiality of findings in the Auditor-General's Report through evaluation of:
  - i. the gravity of the findings of the Auditor-General;
  - ii. the frequency of occurrence of particular lapses or malfeasance across MDAs;
  - iii. the magnitude of public funds involved; and
  - iv. other administrative lapses which the committee deems necessary for correction.

***Box 2: Criteria for Selecting Cases for Public Hearing***

- A query is considered satisfactorily answered – auditee is discharged;  
A query is considered partially answered and without adequate documentation - verification by the Audit Service required;
- A query is badly answered and requiring further probing - the auditee is invited to testify before PAC in public;  
No response at all - the auditee is required to appear before the PAC in public to explain their inability to respond to the management letter from Audit Service and the query from the PAC; and  
Responses are adequate but the nature of the problem is such that PAC prefers to highlight it for the attention of all institutions working to secure judicious application of public resources – auditee is invited to explain actions and inactions before the Committee and for the benefit of the public and other MDAs.

***Box 3: Follow-up visit to selected project sites in Accra-Tema and Kumasi Metropolitan Areas from 6-9 May, 2008***

In its Report, which was adopted by the House on 29th January, 2008 the PAC recommended that an amount of GH¢260,000 which was paid as mobilization to a contractor, Messrs Yiadom Builders Limited, should be recovered by 31st March, 2008. This was in respect of works on a 600 meter coastline protection project which was to be completed in five months but remained uncompleted after four years.

The Minister for Water Resources, Works and Housing promised during the Committee's Public Sitting to recover the amount from the contractor since the Contractor had some outstanding payment certificates with the Ministry.

But during the follow-up visit, the Committee observed that the Ministry rather directed that the contractor be allowed to continue with the project, contrary to its earlier recommendation to the Regional Tender Board to terminate the contract. Following from the Committee's visit the contract was terminated, but the Contractor petitioned the Committee. The petition was referred to a Sub-Committee of the PAC for consideration.

A review of 5 out of 75 road sector projects captured in the January 2008 PAC Report showed that two have been completed; one is yet to commence even though the Ministry of Transportation indicated that it had been completed, the other two were at various stages of completion.

## 3.4 *Lessons*

The lessons from the exercise of follow-up and verification suggest that parliamentary oversight is not very helpful if it ends with the review of ministerial reports by Parliament. It is neither complete with the issue of directives to rectify anomalies by Parliament. Spot checks must necessarily be part of the menu of oversight tools even though they may be more expensive. Follow-up to ensure compliance must therefore go beyond the receipt of reports from auditees to actual verification. While Parliament may rely on the Audit Service to carry out such verifications, spot checks by the PAC are absolutely essential to motivate recalcitrant MDAs to carry out corrective actions recommended by Parliament.

# 4 *The Auditor-General's Reports*

From the First Parliament till now, that is from 1997 to 2008, a total of 48 reports from the Auditor-General have been laid and referred to the Public Accounts Committee. The Public Accounts Committee has been able to deliberate and submit Reports on 36 of these Reports (see Annex 1). The gap between the number of reports submitted by the Auditor-General and the number of reports reviewed by the PAC is principally as result of the time lag between the submission of the Auditor-General's Report to Parliament and the decision of the Business Committee of the House to list the report on the Order Paper for the consideration of Parliament. Insiders argue that the lag is often motivated by political considerations of the impact of such reports during politically active periods such as election years. At the time of conducting this study, the Auditor-General's Reports on MDAs, during 2006 and 2007 financial years as well as the Report of the Auditor-General on the District, Metropolitan and Municipal Assemblies were in the mail room yet to be considered by the Business Committee and referred to the PAC.

Beyond the time lag, resource constraints and the parliamentary calendar may be contributory factors to the lag between rate of submissions by the Auditor-General to Parliament and the pace of reviews by Public Accounts Committee.

Per the requirements of the Standing Orders of Parliament, the Committee is expected to work on at least two reports in a year. (A table showing the Auditor-General's Reports laid, dates submitted, dates motions were taken as shown in Annex 1).

## **5** *Training Activities and Growth of the PAC*

The qualitative improvements in the performance of the PAC are the result of a combination of factors including training and support from an array of stakeholders. The major collaborators of the PAC in the pursuit of its oversight function include the Audit Service, the Controller and Accountant General's Department, the Parliamentary Centre (PC), Institute of Economic Affairs (IEA), Friedrich Ebert Stiftung, Danish International Development Agency (DANIDA), World Bank Institute and the Commonwealth Parliamentary Association.

Beginning 1994, the Parliamentary Centre and the Institute of Economic Affairs started the PAC on an Annual Seminars Series targeted at improving parliamentary oversight. The series which also covered the Finance Committee at the initial stages was extended to other Committees of Parliament.

A key element in Parliamentary Centre's collaboration and strengthening of the work of the PAC evolved during the period 2001-2003 when the Public Accounts Committee (PAC) and the Finance Committee (FC) joined forces with the Committee on Gender and Children, Local Government and Rural Development Committee, and the Government Assurances Committee to carry out joint investigations and public consultation on new and emerging priorities including the poverty reduction strategy, NEPAD and gender budgeting. During the period the PAC introduced the use of on-the-spot reviews by sub-committees to provide assessment and backup information for the implementation of recommendations of the Committee.

A greater degree of co-operation and joint work has also been developed with the Auditor-General's office.

The Public Accounts Committee has over the years organized in-house capacity building workshops normally for new Members. In 2001, Parliament/Friedrich Ebert Stiftung organized a capacity building workshop for new members of the Committee. The objective was to take the new members through the various processes involved in audit and audit reporting.

In 1997, DANIDA sponsored some members of the PAC to Denmark on a benchmarking visit. This was to expose the members to the work and procedures of PACs in other jurisdictions.

The PAC had picked a lot from the experiences of the Southern African Parliaments during benchmarking visits to the region. A delegation of the Committee in May 2006 attended a seminar on the “Oversight Responsibility of the Legislature” organized by InWent Capacity Building International in South Africa. The Committee witnessed and shared experiences with MPs from other Parliaments when it attended the Southern African Organization of Public Accounts Committee’s Annual Conference and Workshop on the theme “Effective Financial Accountability in Southern African Region” in August, 2006.

This was followed by a Parliamentary Centre sponsored benchmarking visit to the South African Parliament in September, 2006. Also a joint delegation of Members of the Public Accounts Committee and the Finance Committee embarked on another study visit under the theme “Understanding of Budget Legislation and Monitoring Public Expenditure” in South Africa.

A delegation of the Committee was in Tanzania in March, 2007 to attend a seminar on “Parliamentary Financial Scrutiny” designed to assist members appreciate the depth of their financial oversight function.

The series of visits by MPs to the Southern Africa Region was complemented by the Parliamentary Centre’s sponsorship of the Clerk to the Committee to undertake a three-week internship at the South African Parliament, Cape Town in May, 2007.

To learn from the Canadian experience, the Parliamentary Centre and the Canadian Comprehensive Audit Foundation organized a capacity building workshop for the Public Accounts Committee and some Senior Staff of the Audit Service in June, 2007 at Elmina. This was followed by the attendance of the chairman

of the PAC, Hon. Samuel Sallas Mensah to the annual meeting of the Canadian Council of Public Accounts Committees and Canadian Council of Legislative Auditors in Victoria, Canada in August, 2007.

The Controller and Accountant General's Department organized two workshops in July and December 2007 to take MPs through pertinent issues pertaining to the preparation of the Public Accounts by the Controller. Stakeholders present included the Public Accounts Committee, Internal Audit Agency, Audit Service and representatives from the Ministry of Finance and Economic Planning.

In November, 2007, the Committee participated in a seminar on "The Role of Promoting Good Public Financial Management and Accountability in Africa" organized by the Joint Africa Institute, World Bank Institute and IMF in Tunisia.

The World Bank Institute in collaboration with the Commonwealth Parliamentary Association, Parliamentary Centre, Centre for Democratic Institutes and the Public Sector Governance and Accountability Research Centre of La Trobe University, Melbourne, Australia have since 2006 been organizing annual seminars for Public Accounts Committees of some Commonwealth

countries. The PAC of Ghana has participated in all three in the series held so far. In 2008, a special session was held for the Clerks of the various PAC's that attended on the side of the program for MPs.

What is evident from these capacity building activities including the benchmarking visits to other countries is that the impact on the performance of the PAC has not been measured and will be difficult to measure systematically. Thus, there is the need for a program of systematic development for Members of the PAC in the 5<sup>th</sup> Parliament. This is with the understanding that the membership of the Committee will remain unchanged throughout the life of the Parliament.

# 6 *The PAC, Parliamentary Centre, CIDA and DFID in Search of Good Governance*

This section highlights the special collaboration between the Parliamentary Centre and its partners in the progress made by the PAC over the years in the search for good governance. Ghana Parliamentary Committee Support Project of Parliamentary Centre funded by CIDA identified the PAC as one of the critical committees of Parliament. Indeed, the importance accorded the PAC emanates from the recognition that the PAC performs one of the constitutional functions of Parliament holding the executive to account on behalf of Parliament. Accordingly, the PAC was one of the six Committees of Parliament supported by the Parliamentary Centre as a follow-up on its Ghana Parliamentary Support program started in 1994.

The Ghana Parliamentary Committee Support Program was instrumental in organizing study tours and benchmarking visits to Australia,

Canada, Germany, South Africa, and United Kingdom and Tanzania for members and staff of the PAC. The Project also organizes outreach visits to metropolitan, municipal and district assemblies to facilitate Parliament's oversight of Local Government spending outcomes. These activities designed to observe and learn from best practices and share same with the Executive Branch increased the level of efficiency with which the PAC conducts the scrutiny of government spending.

A major outcome of the benchmarking activities of the PAC was the conclusion that the PAC will be more effective if it is able to conduct its function in the full glare of the public. Naming and shaming produces a strong deterrent effect on individuals working in public office. Consequently, the ability of the PAC to work with allies in the media and other independent governance institutions to promote transparency and accountability in public expenditure management was a challenge that must be surmounted. Whilst the PAC, Parliament and PC embraced this new challenge resources for effective delivery of Parliament's mandate on scrutiny of government spending remained an obstacle.

The resource requirement for furthering the forgoing agenda was an immediate hurdle to be

cleared. The financial constraints notwithstanding the Parliament, PAC and PC found a willing partner in the United Kingdom's Department for International Development (DFID). In the DFID's governance programming framework, deepening democracy through improved accountability and openness in public financial management is key. The agenda to open up PAC proceedings to the public targeted to boost Parliament's effort to promote accountability, combat corruption, strengthen budgetary oversight and improve resource allocation. Given the importance of responsive and accountable governance to sustainable development, the DFID readily provided support worth £332,412 to enable the Committee strengthen its liaison with the Audit Service and conduct public hearings. The main results of the two public hearings so far are the renewed confidence of Ghanaians in the ability of Parliament to have effective oversight of the Executive, the deterrent to spending officers in the public service and the renewed commitment to the establishment of the Financial Administration Tribunal. Indeed the PAC, PC and DFID collaboration has the potential of making a huge contribution to improved governance in Ghana.

# 7 *Resource Envelope of the Committee*

The Public Accounts Committee, like all the other Committees of Parliament has funded its activities from the resource made available to it by Parliament. The Committee regularly budgeted for its activities in the following areas:

- Committee Staff,
- Wages and Salaries,
- Study visits,
- Outreach,
- Meetings, etc.

But very often when the budget is incorporated into the budget of Parliament, it is difficult to distinguish the budget for the PAC and for that matter Committee activities from the overall budget of Parliament. Thus, while Parliament may release resources to the Committee for its work very often there is no link between the budget submitted by the Committee and the releases to the Committee.

In 2007, Parliament forecasted that the PAC will require GH¢ 70,000 to conduct its activities (see the report of the Special Budget Committee on the 2007 Annual Budget Estimates of the Office of Parliament). The amount represents one of the highest allocations to a Standing Committee of Parliament during the 2007 Financial Year. However, compared to the GH¢32,127.30 spent by the Financial Scrutiny Project implemented by the Parliamentary Centre in addition to Parliaments own expenditure during the first public sitting of the Committee between September and October, 2007 it is only fair to conclude that the allocation is only sufficient to fund the Committee's activities up to one quarter of the year. Apart from the limited resources allocated to the Committee and the overall work of Parliament the Special Budget Committee on the 2008 Annual Budget Estimates observed that performance of the Office of Parliament in 2007 was hindered by, among other things, the untimeliness of releasing funds to finance planned programs and activities and also inadequacy and insufficiency of logistical support for the business of Parliament. Indeed, enhancing Committee contribution to safeguarding the public purse requires improving the forecasting of the resource requirements of the Committee in particular and Parliament in general. Beyond accurate forecasting of resource requirements making sure the resources are available as and

when they should be deployed is key to efficient use of resources.

It is important to observe that since resources for the performance of the Committee's oversight responsibilities have always come from the internal sources it is necessary for Parliament to budget for continuous public hearing and research support for the Committee by establishing a budget line for the public meeting of the PAC in the budget of Parliament.

However, the support from the Department for International Development (DFID) of the United Kingdom through Parliamentary Centre under the Financial Scrutiny Project worth £332,412 to deepen oversight activities of Parliament with emphasis on the review of the Auditor-General's Report point to the fact that the multi-donor group can be interested in supporting the work of Parliament. Indeed all who support the budget want to be assured that the taxpayers' monies are properly accounted for. Thus, Parliament may consider ways and means of attracting additional funding from bilateral and multilateral agencies that are willing to collaborate with Parliament towards ensuring effective oversight of public finances.

# 8 *Collaboration with Independent Government Institutions*

The Committee has collaborated with independent governance institutions in the execution of its mandate. The limited resources of the Committee notwithstanding it maximized the acquisition and judicious use of information as well as verification of data by relying effectively on the Serious Fraud Office (SFO), the Commission on Human Rights and Administrative Justice (CHRAJ) and the Criminal Investigations Department of the Ghana Police Service. The PAC is determined to enhance the collaboration with these agencies and other watchdog institutions located within the Civil Society sector.

# 9 *Achievements and the challenges of the PAC in the Fourth Republic*

The activities of PAC have progressed steadily through the first parliament of the 4<sup>th</sup> Republic to its current state where it is possible to speak of the revival of public interest in issues of corruption and abuse of office including misappropriation of public resources. Through the naming and shaming of irresponsible public officers, recovery of public resources wrongly appropriated, and recommendations leading to the prosecution of offenders, the PAC has contributed to the improvements in public accountability.

Indeed the activities of the PAC in the second half of the 4<sup>th</sup> Parliament of the 4<sup>th</sup> Republic has signalled:

- The restoration of public confidence in parliament as an institution that is capable of dealing with the excesses of the executive to the extent that whistleblowers are turning to PAC instead of going to CHRAJ or SFO.
- Clearly, that corruption is not limited to political office holders; the many categories of public

servants and service providers that appeared before the PAC, indicate the pervasive nature of the canker of corruption.

- The focus on transactions in the different Audit Reports does not allow for a focus on the system wide issues; issues to be tackled at the level of central management agencies like the Ministry of Finance and the Controller and Accountant General's Department must be taken on board to reduce the monotony in the individual reports.
- System failure rather than poor supervision by political authorities appears to be the cause of poor accountability in the public sector.

The PAC and for that matter Parliament must be adequately resourced to take up these challenges. The budgets must be enough to enable the Committee to hire the services of experts as and when it is required to support effective deliberations on the Auditor-General's Report. The Committee must also collaborate effectively with other stakeholders to make maximum use of available resources in all the independent governance institutions and among the Civil Society Organisation (CSO) community to improve transparency and accountability in the use of public resources.

# *Annex 1*

## *Schedule of the Auditor-General's Reports Presented to Parliament*

<b>TITLE OF THE AUDITOR-GENERAL'S REPORT</b>	<b>DATE OF THE AGR LAID</b>	<b>DATE OF PAC REPORT LAID</b>	<b>DATE OF MOTION &amp; PASSED</b>
1. The District Assembly and Traditional Councils for the period ending 31 <sup>st</sup> December, 1994	11 <sup>th</sup> Feb., 1997	10 <sup>th</sup> July, 1998	16 <sup>th</sup> July, 1998 and 17 <sup>th</sup> July, 1998
2. Public Boards, Corporations and other Statutory Institutions for the period ended 31 <sup>st</sup> December, 1994	11 <sup>th</sup> Feb., 1997	14 <sup>th</sup> July, 1998	12 <sup>th</sup> Nov., 1998 and 13 <sup>th</sup> Nov., 1998
3. Auditor-General's Report on the Statement of Foreign Exchange Receipts and Payments of the Bank of Ghana for the first and second half year ended 30 <sup>th</sup> June, 1995 and 31 <sup>st</sup> December, 1995	9 <sup>th</sup> July, 1997	4 <sup>th</sup> Dec., 1997	9 <sup>th</sup> Dec., 1997

4. Auditor-General's Report on the Account of the District Assemblies Common Fund for the year ended 31 <sup>st</sup> December, 1995	9 <sup>th</sup> July, 1997	16 <sup>th</sup> Dec., 1997	19 <sup>th</sup> Dec., 1997
5. Report of the Auditor-General on the Public Accounts of Ghana for the year ended 31 <sup>st</sup> December, 1996 – Ministries, Departments and Agencies of the Central Government	21 <sup>st</sup> Oct., 1997	31 <sup>st</sup> May, 2000	27 <sup>th</sup> June and 6 <sup>th</sup> July 2000
6. Auditor-General's Report on the Statement of Foreign Exchange Receipts and Payments of the Bank of Ghana for the first half year ended 30 <sup>th</sup> June, 1996	7 <sup>th</sup> Jan., 1998	20 <sup>th</sup> July 2000	25 <sup>th</sup> July 2000
7. Report of the Auditor-General on the pre-University Educational Institutions for the period ended 30 <sup>th</sup> June, 1996	12 <sup>th</sup> May, 1998	29 <sup>th</sup> June 1999	14 <sup>th</sup> July, 1999 and 20 <sup>th</sup> July, 1999

8. Report of the Auditor-General on the Public Accounts of Ghana (Ministries, Departments and Other Agencies) for the year ended 31 <sup>st</sup> December, 1997	11 <sup>th</sup> Nov., 1998	31 <sup>st</sup> May, 2000	11 <sup>th</sup> July, 2000
9. Report of the Auditor-General on the Statement of Foreign Exchange Receipts and Payment of the Bank of Ghana for the second half year ended 31 <sup>st</sup> December, 1996	11 <sup>th</sup> Nov., 1998	20 <sup>th</sup> July, 2000	25 <sup>th</sup> July, 2000
10. Report of the Auditor General on District Assemblies and Traditional Councils for the period ended 31 <sup>st</sup> December, 1996	11 <sup>th</sup> Nov., 1998	-	-
11. The Auditor-General's Report on the Statement of Foreign Exchange Receipts and Payment of the Bank of Ghana for the first half year ended 30 <sup>th</sup> June, 1997	12 <sup>th</sup> Jan., 1999	26 <sup>th</sup> July, 2000	28 <sup>th</sup> July, 2000

12. Report of the Auditor-General on the Public Accounts of Ghana for the year ended 31 <sup>st</sup> December, 1996 (Consolidated Fund)	8 <sup>th</sup> July, 1999	15 <sup>th</sup> Nov., 2001	30 <sup>th</sup> Nov., 2001 and 4 <sup>th</sup> Dec., 2001
13. Report of the Auditor-General on the Public Accounts of Ghana for the year ended 31 <sup>st</sup> December, 1998 (MDAs)	19 <sup>th</sup> Oct., 1999	17 <sup>th</sup> Dec., 2003	11 <sup>th</sup> March 2004
14. Report of the Auditor-General on the Accounts of the District Assemblies Common Fund for the year ended 31 <sup>st</sup> December, 1996	16 <sup>th</sup> May, 2000	-	-
15. Report of the Auditor-General on Statement of Foreign Exchange Receipts and Payments of the Bank of Ghana for the second half year ended 31 <sup>st</sup> December, 1997	16 <sup>th</sup> May, 2000	19 <sup>th</sup> Nov., 2002	28 <sup>th</sup> Nov., 2002

16. Report of the Auditor-General on the Public Accounts of Ghana for the three-year period ended 31 <sup>st</sup> December, 1999 (Public Boards, Corporations and other Statutory Institutions)	23 <sup>rd</sup> June 2000	-	-
17. Report of the Auditor-General on the Public Accounts of Ghana for the year ended 31 <sup>st</sup> December, 1999 (MDAs)	9 <sup>th</sup> May, 2001	17 <sup>th</sup> Dec., 2003	11 <sup>th</sup> March 2004
18. Report of the Auditor-General on the Public Accounts of Ghana (Consolidated Fund) for the period ended 31 <sup>st</sup> December, 1998	9 <sup>th</sup> May, 2001	15 <sup>th</sup> Nov., 2001	30 <sup>th</sup> Nov., 2001 and 4 <sup>th</sup> Dec., 2001
19. Auditor-General's Report on the Statement of Foreign Exchange Receipts and Payments of the Bank of Ghana for the first half year ended 30 <sup>th</sup> June, 1998	30 <sup>th</sup> May, 2001	19 <sup>th</sup> Nov., 2002	28 <sup>th</sup> Nov., 2002

20. Auditor-General's Report on the Statement of Foreign Exchange Receipts and Payments of the Bank of Ghana for the second half year ended 31 <sup>st</sup> December, 1998	30 <sup>th</sup> May, 2001	19 <sup>th</sup> Nov., 2002	28 <sup>th</sup> Nov., 2002
21. Auditor-General's Report on the Public Accounts of Ghana (Consolidated Fund) for the period ended 31 <sup>st</sup> December, 1999	31 <sup>st</sup> May, 2002	-	-
22. Performance Audit Report on the Distribution of Teachers in Public Basic Schools	18 <sup>th</sup> March, 2003	29 <sup>th</sup> June, 2004	15 <sup>th</sup> July, 2004
23. Performance Audit Report of the Auditor-General on Supply of Textbooks to Senior Secondary Schools	18 <sup>th</sup> March, 2003	22 <sup>nd</sup> June, 2004	29 <sup>th</sup> June, 2004
24. Performance Audit Report of the Auditor-General on the Functional Literacy Programmes	5 <sup>th</sup> June, 2003	22 <sup>nd</sup> June, 2004	29 <sup>th</sup> June, 2004

25. Report of the Auditor-General on the Statement on Foreign Exchange Receipt and Payments of the BOG for the Four and Half years of 1999 and 2000	22nd Oct., 2003	28th Oct., 2004	-
26. Performance Audit Report of the Auditor-General on Transport operation in the Ministry of Health for the period 1997 to 2001	18 <sup>th</sup> March, 2005	12 <sup>th</sup> July, 2007	20 <sup>th</sup> July, 2007
27. Performance Audit Report of the Auditor-General on Provision and Management of Government Bungalows	18 <sup>th</sup> March, 2005	27 <sup>th</sup> Jan., 2006	31 <sup>st</sup> Jan., 2006
28. Performance Audit Report of the Auditor-General on Management of Accra Metropolitan Assembly Markets for the period 1999 to 2001	18 <sup>th</sup> March, 2005	26 <sup>th</sup> July, 2005	8 <sup>th</sup> Nov., 2005

29. Performance Audit Report of the Auditor-General on Construction and Rehabilitation of School Buildings in Second Cycle Education Institutions for the period 1998 to 2000	18 <sup>th</sup> March, 2005	-	-
30. Report of the Auditor-General on the Public Accounts of Ghana (Ministries, Departments and Other Agencies) for the Year Ended 31 <sup>st</sup> December, 2003.	18 <sup>th</sup> March, 2005	20 <sup>th</sup> July, 2006	25 <sup>th</sup> July, 2006
31. Report of the Auditor-General on the Accounts of Pre-University Educational Institutions for the four years ended December, 2000.	18 <sup>th</sup> March, 2005	-	-
32. Report of the Auditor-General on the Public Accounts of Ghana (Consolidated Fund) for the Year ended 31 <sup>st</sup> December, 2002.	18 <sup>th</sup> March, 2005	26 <sup>th</sup> July, 2005	1 <sup>st</sup> Nov., 2005

33. Performance Audit Report of the Auditor-General on Management of Ghana's Castles and Forts for the period 1999 to 2003.	18 <sup>th</sup> March, 2005	12 <sup>th</sup> July, 2007	19 <sup>th</sup> July, 2007
34. Report of the Auditor-General on Statement of Foreign Exchange Receipts and Payment of the Bank of Ghana for two-and-a-half years 2001.	18 <sup>th</sup> March, 2005	27 <sup>th</sup> Jan., 2006	8 <sup>th</sup> March, 2006
35. Report of the Auditor-General on Statement of Foreign Exchange Receipts and Payment of the Bank of Ghana for two-and-a-half years 2002.	18 <sup>th</sup> March, 2005	31 <sup>st</sup> May, 2006	6 <sup>th</sup> June, 2006
36. Report on the Audit of the Accounts of the Office of the Auditor-General (1993-2002)	17 <sup>th</sup> June, 2005	15 <sup>th</sup> July, 2005	26 <sup>th</sup> July, 2005

37. Report of the Auditor-General on the Public Accounts of Ghana (Consolidated Fund) for the Year ended 31 <sup>st</sup> December, 2003.	7 <sup>th</sup> July, 2005	20 <sup>th</sup> July, 2006	26 <sup>th</sup> July, 2006
38. Report of Auditor-General on Public Accounts of Ghana (Consolidated Fund) for the year ended 31 <sup>st</sup> December, 2004	7 <sup>th</sup> July, 2005	20 <sup>th</sup> July, 2006	26 <sup>th</sup> July, 2006
39. Report on the 2005 Annual Report of the Office of the Internal Audit Agency	27 <sup>th</sup> June, 2006	2 <sup>nd</sup> Nov., 2006	8 <sup>th</sup> Nov., 2006
40. Report on the Audit of the Accounts of the Office of the Auditor-General (2003-2004)	29 <sup>th</sup> June, 2006	2 <sup>nd</sup> Nov., 2006	8 <sup>th</sup> Nov., 2006
41. Report of the Auditor-General on the Public Accounts of Ghana (Ministries, Departments and Other Agencies) for the Year Ended 31 <sup>st</sup> December, 2004.	22 <sup>nd</sup> Feb., 2007	4 <sup>th</sup> Dec., 2006	29 <sup>th</sup> Jan., 2007

42. Report of the Auditor-General on the Public Accounts of Ghana (Consolidated Fund) for the Year ended 31 <sup>st</sup> December, 2005.	7 <sup>th</sup> July, 2005	4 <sup>th</sup> Dec., 2006	31 <sup>st</sup> Jan., 2007
43. Performance Audit Report of the Auditor-General on Management of Foreign Scholarships.	22 <sup>nd</sup> Feb., 2007	-	-
44. Performance Audit Report of the Auditor-General on Provision of Safe Drinking Water	22 <sup>nd</sup> Feb., 2007	-	-
45. Performance Audit Report of the Auditor-General on Procurement of Drugs and other Items in the Ministry of Health.	22 <sup>nd</sup> Feb., 2007	-	-
46. Performance Audit Report of the Auditor-General into the administration of the Government of Ghana Scholarships in Second Cycle Institutions	22 <sup>nd</sup> Feb., 2007	-	-

47. Performance Audit Report of the Auditor-General on the Funding of Ghana Road Fund	22 <sup>nd</sup> Feb., 2007	-	-
48. Report of the Auditor-General on Statement of Foreign Exchange Receipts and Payment of the Bank of Ghana for two half years 2004.	22 <sup>nd</sup> Feb., 2007	-	-