

**Public Accounts Committee:
*Its Role in Bangladesh***

A Dissertation by

Md. Shahidul Islam

BU ID NO. 07272005

MA in Governance & Development Course
BRAC University, Dhaka

Approved as to style and content by

Professor Taiabur Rahman
Department of Development Studies
University of Dhaka.

Dissertation submitted for fulfilling the partial requirements for the
Degree of MA in Governance & Development



**Institute of Governance Studies
BRAC University, Dhaka.**



November 2010

Acknowledgements

I convey my sincere thanks and gratitude to Dr. Taiabur Rahman for giving me innovative ideas, valuable suggestions and relevant information to prepare this study. I am indebted to my supervisor, Dr. Rahman, for his valuable supervision and support.

I would like to take the opportunity to convey my utmost thanks and gratitude to Dr. Rizwan Khair, Academic Coordinator of the MAGD course, for his meticulous guidance and essential tips for writings. My special thanks and gratitude are due to Dr. Saleh Uddin Ahmed, Pro-VC of BRAC University and Barrister Monzoor Hasan, Director of IGS for arranging such a unique initiative of conducting MAGD program. Major credit goes to IGS management for arranging such wonderful and well designed courses for the professional civil servants in Bangladesh

Finally, I would like to thank all participants of this course for providing me good ideas and stimulation regarding housing in Bangladesh.

Md. Shahidul Islam

Abstract

Committees are an important feature of the modern legislature and Public Accounts Committee (PAC) is one of the permanent parliamentary committees in Bangladesh Jatiya Sangsad. PAC owes its origin to, and gain legitimacy from, two sources: the constitution and the Rules of Procedure of the Parliament. The nature, scope and scale of activity of the PAC like all parliamentary committees-financial and oversight-increased considerably since the election of the fifth parliament in 1991. This study places a special focus on the role of the PACs in fifth, seventh and eighth parliaments. The PAC in the fifth parliament outdistanced its predecessors in almost every respect although it discussed mainly the age old audit objections. The PAC in the seventh parliament took initiative to discuss the recent audit objection along with the old ones. Besides, the committee took some other very important policy decisions to ensure government accountability. The PAC in the eighth parliaments though formed 18 months after the first sitting of the parliament disposed of audit objections involving larger amount of money than the previous ones and formed a tripartite forum to discuss long pending old audit objections and also suggested some policy decision forecasting far reaching impacts in controlling government behavior. Yet the general conclusion that emerges is that the PAC in Bangladesh remains deficient in several respects in exercising oversight over government in general, and expenditure in particular. The PACs in different parliaments do not appear to be good watchdog; nor can the various individual techniques of accountability be seen as having much influence over the ways the government plans and spends public money. It remains a failure for the PAC towards controlling the unbridled exercise of arbitrary power by the executives and makes the government accountable of its behavior. What is needed is to take measures to make the existing mechanisms of PAC control more effective.

Table of Contents

Abstract	iii
List of tables	vi
List of Diagrams	vii
List of charts	vii
CHAPTER I	
SETTING THE BACKGROUND	1-8
1.1 Introduction	1
1.2 Background & Significance of the Study	2
1.3 Objectives of the Study	5
1.4 Justification of the Study	6
1.5 Methodology	6
1.6 Limitations of the Study	7
1.7 Chapter Outlines	8
CHAPTER II	
CONCEPTUAL DIMENSIONS	9 - 27
2.1 Literature Review	9
2.2 Defining Accountability	14
2.3 Defining Parliament as an Instrument of Ensuring Accountability	17
2.4 Significance of Parliamentary Accountability	19
2.5 Parliamentary Committees (PC)	21
2.6 Role of Parliamentary Committees in ensuring Accountability	22
2.7 Role of Public Accounts Committee	26
CHAPTER III	
PAC IN BANGLADESH: HISTORICAL GROWTH & FORMAL INSTITUTIONAL ARRANGEMENT	28 - 46

3.1 Parliamentary Committees in Bangladesh	28
3.2 PAC: Pre-independence stage	30
3.3 PAC in Bangladesh	31
3.4 Constitutional basis of PAC	32
3.5 Structure and Function of PAC	34
3.6 PAC's relationship with other Important Bodies	37
3.6.1 PAC and C&AG	38
3.6.2 PAC and Bureaucracy	42
CHAPTER IV	
ROLE OF PAC IN BANGLADESH	47 - 68
4.1 Role of PAC in Securing Accountability	47
4.2 PAC in the 7 th Parliament	51
4.2.1 Some Major Service Delivery of PAC in the 7 th parliament	54
4.3 PAC in the 8 th Parliament	55
4.3.1 Some Major Service Delivery of PAC in the 8 th Parliament	58
4.4 PAC's role as Parliamentary Oversight Body	59
4.5 Comparison of PAC's role (5th, 7th and 8th Parliament)	65
CHAPTER V	
ASSESSMENT OF PAC ROLE	69 - 79
5.1 Analysis of PAC's role in the last three Parliaments	69
5.2 Key factors behind PAC's Failure	75
CHAPTER-VI	
CONCLUSION AND RECOMMENDATIONS	80 - 83
6.1 Conclusion	80
6.2 Recommendations	81
REFERENCES	84 - 85

List of Tables

	Page No.
Table 1	
<i>Structure and composition of parliamentary committees in Bangladesh</i>	29
Table 2	
<i>Formation of the PAC in 7th Parliament</i>	51
Table 3	
<i>Overall status of audit reports placed in the 7th parliament (June, 2001)</i>	52
Table 4	
<i>Formation of the PAC in 8th Parliament</i>	55
Table 5	
<i>Overall status of audit reports placed in the 8th parliament (Feb, 2005)</i>	56
Table 6	
<i>Nature of activism of PAC since independence.</i>	63
Table 7	
<i>Role of PAC in exacting Financial Accountability</i>	65
Table 8	
<i>Operation of PAC in 5th, 7th & 8th Parliament</i>	66
Table 9	
<i>Activities of PAC compared with other Financial Committees</i>	67
Table 10	
<i>PAC Activities in 5th, 7th & 8th Parliaments</i>	72
Table 11	
<i>Background information of PAC in 5th, 7th & 8th Parliaments</i>	75
Table 12	
<i>Party distribution of total PAC Chairs & Members in % (proportion & actual)</i>	76
Table 13	
<i>Role of Parliaments in activating PAC</i>	77

List of Diagrams

	Page No.
Diagram 1	
<i>Six Basic Principles for Accountability Design</i>	17
Diagram 2	
<i>PAC's relationship with other important bodies</i>	38
Diagram 3	
<i>Work-Flow of Performance Audit</i>	41
Diagram 4	
<i>Flow chart of PAC activism in Bangladesh.</i>	48

List of Charts

	Page No.
Chart 1	
<i>PAC activism in Financial Accountability (up to 65 meeting)</i>	53
Chart 2	
<i>Activism of PAC in the 8th parliament</i>	57
Chart 3	
<i>PAC Financial Activism in 7th & 8th Parliament</i>	66
Chart 4	
<i>Status of Ministry wise delay to respond Audit objections</i>	74

Chapter: I

Setting the Background

1.1: Introduction

The Committee system assumes great importance in a parliamentary system like ours. Executive accountability to the parliament has become the sine qua non to make the parliamentary system of governance effectively functional in a present day democratic polities. The basic principle that parliament embodies the will of the people empowers it to supervise the process and practices of implementation of the public policy laid down by the parliament itself. The exponential growth of government activities has made the task of parliament very complex and diversified. By its very nature, parliament, as a body can not have an effective control over the executives and its whole gamut of activities. As a result administrative accountability to the legislature- to the people's representative in true sense through parliamentary committees has been the hallmark of our political system. And Public Accounts Committee (PAC) as a pioneer one enjoys the place of pride in our parliamentary committee system (*Lok Sabha*, Committee on Public Accounts). Another important function of granting supply and authorizing expenditure is done by the parliament. It is the area of control over public purse that so called "sovereignty" of parliament (Ahmed:2006). This study explores the role of PAC with special focus on fifth, seventh and eighth parliaments and attempts to explain how far it has been successful to shoulder its responsibility in light of the Constitution and the Rules of Procedure of the parliament. This paper is divided into five chapters: Introduction, conceptual framework, Historical growth of the institution, Role of PAC and its assessment. This chapter deals with background, objectives, methodology and significance of the study.

1.2: Background & Significance of the Study

The existing mechanisms used for ensuring financial control and accountability within the government appear to be defective. A World Bank document, citing C&AG document, observes that there is apparently a complete breakdown of the internal control mechanism within the administrative system as a whole. The huge number of irregularities and incidence of malfeasance in public expenditure and investment can be directly attributable to the failure to comply with a well-structured internal control system. Under the existing system, the overall responsibility for exercising internal control over the state's finance rest with the Ministry of Finance. The permanent secretary of each ministry, who is also the principal accounting officer (PAO), is charged with the responsibility of ensuring that all transactions are duly approved and authorized under the law and the secretary is now assisted by a chief accounts officer (CAO).The CAO prepares monthly accounts to enable the secretary to review the finances and propriety of expenditure in all departments and offices of the ministry/division. In practice, it is always very difficult to keep track of what happens in different transactions. One of the important reasons is the serious weakness inherent in the system itself compounded with the absence of an inward sense of personal obligation. Perhaps the most important reason accounting for the decline in hierarchical control is the existence of pervasive corruption at different tiers of administration specially when the superior and the subordinate in connivance with each other resort to unlawful activities such as embezzlement of funds and the use of public office for private gains- as we see almost everywhere in Bangladesh. Thus, in turn, necessitates the introduction and strengthening of external control through parliament over the activities of the government (Ahmed, 2006:7).

One of the important sources of external control in Bangladesh is the *Jatiya Sangsad* - the national parliament. Notwithstanding several shortcomings, parliamentary surveillance can still act as deterrent

and can provide a major improvement over other external means of guarding against the abuse of administrative/financial power in Bangladesh which are extremely weak, if not totally ineffective. (Ahmed, 2006:9)

There is no “one best way” of ensuring the accountability of the government. But it is now generally recognized that one of the important ways of making the government behave is to oversee in a regular and effective manner the ways it raises and spends public money. Formally, a parliament can exercise control before the money is appropriated; provisions also exist for legislative monitoring of public expenditure after it has been approved by parliament. The legislative control through the activism of parliamentary committees over public expenditure rests on the assumption that as the premier representative body, a parliament has a responsibility to assure the electorate that the public money is not wasted: rather it is used economically and effectively. (Ahmed, 2006:9)

Most of the parliaments patterned after the Westminster model utilize almost similar techniques to require the government to account for its actions in respect of financial management. This can broadly be grouped into two categories; individual and collective. The best example of the collective method is a system of financial committee-specially the Public Accounts Committee. The widespread use of Public Accounts Committee can provide an effective means of underpinning the authority of legislature against the executive. Two parliamentary financial committees which are said to have an unequal influence in controlling public expenditure are the Public Accounts Committee (PAC) and the Committee on Estimates (PEC). The former is concerned with what can be called ex post facto control, while the PEC scrutinizes expenditure mainly it is incurred. The PAC has to examine the facts of past expenditure-that can be an important source of financial control and accountability in Bangladesh (Ahmed, 2006:10).

One of the important problems confronting Bangladesh is to identify the ways to ensure responsible government behavior. In particular, it has long been recognized that the task of making the government accountable for proper use of public funds appears to be extremely difficult. Thus, notwithstanding a general call for restraint, the size of public expenditure has grown overtime.

What concerns the thoughts and minds of the common people of Bangladesh is not the rise in public spending per se; rather the extent to which public resources are being used properly. It is now conventional wisdom that a large percentage of public resources in Bangladesh is not used efficiently and effectively. Reports of widespread corruption and inefficiency in the administration of public expenditure almost routinely appear in national dailies and weeklies. Independent research and government's so called watchdog agencies have also confirmed large-scale misappropriation of public funds and wastes of resources(Ahmed,2006:6).This weakness in oversight performance consequently weakens the system and chain of accountability in governance.

A Comptroller and Auditor General (C & AG) also provided a vivid account of the nature of financial irregularities taking place in different public sector organizations in his 1998 annual report. The report identified several categories of lapses such as improprieties, loss, damage, wasteful or infructuous expenditure, theft, embezzlement and fraudulent cases. ¹ It observed that loss, damage and waste constituted the main sources of financial irregularities. Different parliamentary financial committees and standing committees on ministries (SCMs) have also unearthed many cases of corruption in the management of public resources. The share of unproductive expenditure has also increased over the years. "In 1991-1991, such expenditure, which does not contribute to future output, was 48% of ot the total public expenditure, while 1998-99, it stood at 56%. The budget for the fiscal year 2000-2001

¹ Comptroller and Auditor General of Bangladesh, Annual Report 1998 (Dhaka 1999).

envisaged that the share of unproductive sectors would rise above 60% percent of the total expenditure. (Ahmed 2006:7). Such kind of expenditure risen in unproductive sectors, in most cases, indulges in mismanagement and accommodates lapses in accountability to invite corruption.

1.3: Objectives of the Study

The *Jatiya Sangsad* (JS), as the parliament is called in Bangladesh, has traditionally made some use of Public Accounts Committee. But until recently, the committee did not experience balanced growth nor did its work arouse any serious public or political interest, mainly because of the country's lack of continuity in constitutional rule. It also remained a neglected field of academic inquiry still date. The main objective of the study is to explore the role of Public Accounts Committee to promote government accountability in Bangladesh by identifying the scopes and limits of the PACs of 5th, 7th and 8th parliaments controlling over public expenditure especially in different ministries. It focuses on both individual and collective methods of control over government expenditure and seeks to identify the constraints that limit its potential in ensuring responsible government behavior and conduct. The study compares the nature of activism of Public Accounts Committees during the immediate past three regimes.

The key questions of the study are-

- *To what extent has the PAC played its mandated role in making the government accountable ?*
- *What are the major impediments on its way of effective functioning and how these can be overcome?*

1.4: Justification of the Study

The study seeks the limits and loopholes of PAC for not playing its mandated role well and help finding out the way of strengthening the same. By ensuring accountability and transparency of public institutions PAC creates the bedrock of good governance and thereby establishes sustainable democracy. It acts as a watchdog of government activities and behavior. Although PAC is a key and crucial instrument of ensuring accountability in public expenditure, the field of this study has remain neglected in respect of academic inquiry. Still today there has been no study on PAC. So this study will hopefully create a platform for further exploration on PAC for better governance system of the country.

1.5: Methodology

The mere existence of a parliament may be a necessary but not a sufficient condition to ensure that it will work. Much of what a parliament can do in making government accountable is contingent upon a variety of factors. These can be grouped into two categories: structural and behavioral. Structure provides the framework for the work of a parliament and sets the scope and limits of parliamentary influence. Two important structural sources from which a parliament generally gains legitimacy and acquires power are the constitution and that constitution not only determines its existence but also stipulates its basic power and its relationship with other state organs and citizens. In other words, the constitutions prescribes the formal-legal status of the legislature and specifies the ground rules for its work (Ahmed, 2007:30)

This study examines the patterns and performance of PAC in comparison with the structure, mandate and functions as is laid down in the constitution of Bangladesh and enshrined in the Rules of Procedures of the Bangladesh *Jatiya Sangsad* (JS) in relation to ensuring political and administrative accountability. The role and performance of the PAC will be analyzed in the partisan composition of PAC, its nature of activism, the behavioral orientation of the members, the impact of institutional and political culture on the role of the PAC and its scope to influence government policies. All these issues together shape and define the role of the PAC as is to be explained and analyzed in this study.

This study will use secondary sources of information and would include several methods such as review of the existing studies on parliamentary committees, examination of the proceedings of the parliament and Public Accounts Committees, press reports on parliament and PACs. It would also use primary data in terms of in-depth interviews with PAC chairmen and members (if possible) to collect information. The proceedings of the parliament and resolutions of PACs will be thoroughly reviewed. A review of proceedings is necessary to collect information on a number of variables that is not otherwise easily available, number of meetings of the Committee held over a certain period of time, the nature of attendance of the members, the types of issues discussed in the committee meetings and the decision taken, the nature of implementation status of those decisions and the behavior of the members in processing the proposals placed before the committee.

1.6: Limitations of the Study

The study has been made within a very short period of time. Primary data collection was not possible due to time constraints. The data used in this paper are mostly secondary data and they are collected

from different books and annual reports of Bangladesh *Jatiya Sangsad*. To add authenticity attempt has been made to arrange close interview of PAC chairman or members but due to the long breach of parliament and subsequent non-existence of such committees, none of them was available for interview during my study work. However, this is the first attempt to explore on PAC. No such study has been made earlier on this particular issue. As a result proper consultation of related books and papers could not be made satisfactorily. After all, each and every aspect of the PAC may not be discussed or focused properly due to the prescribed size of writing and time constraints.

1.7: Chapter Outlines

For sequential development and convenient discussion the whole study has been broadly divided into six chapters. Chapter one provides introduction of the study along with its significance, objectives and methodology. Chapter two describes the conceptual dimensions with literature review. It defines and clears out the meaning of accountability, parliamentary accountability and the role of parliamentary standing committees in ensuring accountability. Chapter three focuses on historical growth and constitutional basis of PAC. It also delineates the structure and function of PAC. Functional relationship of PAC with other related bodies like CA&G and Bureaucracy (Executives) is shown in this chapter. Chapter four discusses the core issue; the role of PAC in securing accountability. It mainly focuses on 7th and 8th parliamentary committees and provides a short brief on PAC's role as parliamentary oversight body. It has also made a comparison among PAC's of different parliaments. Chapter five has made an analysis and assessment of PAC's role especially in the last parliament. It has pinpointed the key factors behind the failure of PAC. Finally, chapter six includes formal conclusion of the study with recommendations.

Chapter: II

Conceptual Dimensions

This chapter starts with the review of literature related with parliamentary committee and more specifically with PAC and then discuss about accountability; what type of accountability is relevant and related to this study. The significance of parliament in ensuring and exacting accountability and how parliamentary committee specially the PAC activism both in financial and oversight function is used as an instrument of transparency and accountability towards good governance.

2.1: Literature Review

A good number of literary works has been done on Parliamentary Committees while very little is found on Public Accounts Committee (PAC) in specific term. Miah . (1999) states “PAC gives its views on the reports of the Comptroller and Auditor General (C & AG) and places recommendation in parliament for implementation by the respective ministry. It is the responsibility of the concerned ministry to implement the report of the PAC. Should a ministry be unable to implement any of the recommendations, the same has to be conveyed to the committee in the form of clarification. This has become an unwritten rule which is applicable to most other committees of the parliament “. The study also maintained that the committee wing of the parliament secretariat is responsible for rendering secretarial service to PAC like issuing notice of meetings, preparation of working paper (sometimes by the concerned ministry) , preparation of minutes and its circulation, calling for papers and witness, arranging field visit of sub-committees and report presentation to the parliament. Committee resources, jurisdiction, functional aspect and constitutional arrangement for formation of committees are touched

upon too. Lok Sabha Secretariat, New Delhi 2000 records the function and achievements of PAC for enforcement of accountability with the functional evolution of PAC, scope and function of PAC, reports presented by PAC and actions taken on its recommendation in a succinct way. Lok Sabha Secretariat, New Delhi (1988) has briefly surveyed the committee structure –the types of parliamentary committees, their composition, and functions-keeping view of the functioning of the committees in a number of countries, such India, Australia, Canada, France, Germany, Japan, Korea, New Zealand, Senegal, UK and U.S.A.

Griffith J.A.G. & Ryle M. (1989) described committee system in parliament especially in UK. “Parliament’s consideration of the annual estimates-the key constitutional control –remains largely a formality” observed by PAC of British parliament in 1987. (pp 269-280). The study noted,” PAC in British parliament was initially appointed only from session to session. But the reality and experience increased its importance so much so that a new procedure was adopted in 1974 under which PAC like some other well established committees was set up for the whole of that parliament. By 1983, the procedure was taken to its logical conclusion and all the regular committees like PAC were appointed by standing order from then on to continue from one parliament to the next. But the membership has to be nominated for the life of one parliament only (pp247-254). The study revealed how PAC evolved out of British Parliament in course of time but the present day problems and difficulties faced by PAC is not explored and addressed. Cruzan 1947, (1953) explained why and how committees are appointed in parliament, qualifications of committee members, motions to refer to a committee, action and reports of committees with a touch of professional expertise. He also finds a workable relationship between committees and Board of Directors. Duties and credentials of committees are also clarified here along with the institutional and functional scrutiny of parliamentary committees. May E. 1989,) discuss the Public Accounts Commission, the Comptroller and Auditor General and the parliamentary commission of administration (pp194-199). A short but succinct picture of PAC is drawn as “ (i) There

shall be a select committee to be called committee on public accounts for the examination of the accounts showing the appropriation of the sums granted by parliament to meet the public expenditure and of such other accounts laid before parliament as the committee may think fit to consist of not more than fifteen members, of whom four shall be a quorum. The committee shall have power to send for persons, papers and records, to report from time to time and to adjourn from place to place.(ii) Unless the House otherwise orders, each member nominated to the committee shall continue to be a member of it for the remainder of the parliament". Actually this provision is considered to form the origin of the committee system in parliament. Basic layout of PAC is conceptualized in this study but problem and prospect in ensuring accountability in public expenditure and management remain unattended.

Stapenhurst et al 2006 has a case study on the performance of Public Accounts Committee of Canada. In the study the book gives details on committee's role as exacting accountability, public transparency and improving financial and accountability policy.. It says," Committee management receives special focus on four areas: share understanding of committee role, capacity building, annual reporting and reviewing and political party issues are emphasized with special attention (pp 93-99)." Kaul & Shakhder (1991: pp 732-745) and Kashyap 1991, "- both provide a good rationale for PAC's existence and the importance of PAC functioning. Composition and functions of PAC , its functional relationship with C&AG, examination of C&AG reports, its working groups as subcommittee detailing their investigation in excess expenditure , report preparation and presentation and also the implementation of the recommendation are well discussed –which only gives a general overview on PAC. The study provides some tips and ways of making PAC role effective with collaboration of C&AG and implementation authority. Mathur (2002) asserts). Selection of PAC member which always involves political motives and government's interference in independent functioning of PAC are not

rightly taken into account for academic interest (421-430).” Types and tenure, jurisdictions and number and size of committees are also considerably influential in shaping up the role of PAC.

Ahmed (2001), focused in detail on the parliamentary control and financial accountability-specially the parliamentary financial control and nature of the activism of financial committees like PAC, PEC and PUC . The study mainly emphasises on financial accountability - accountability in respect of performance, efficiency and effectiveness remain unexplored. Ahmed & Obaidullah (2007 reviewed the committee system of Bangladesh *Jatiya Sangsad* with comparison to Westminster model. A clear understanding is conveyed on the working style of Parliamentary committees and their relation with administration and government specially in case of financial transparency on public expenditure . Ahmed (2006) compares the nature of activism of four parliaments and identifies the constraints that affect the MP’s control over finance. The study maintains “parliament through committee system still provides the main forum for the review of government’s financial proposals and with change in party competition and procedures in recent years, its capacity to conduct, at last, ex-post-facto scrutiny has increased.” It suggests that lawmakers be encouraged to make the best use of the existing opportunities along with the substantial changes in the bureaucratic structure and the political party system. It also defines the role and responsibility of Public Accounts Committee, its transparency and how to strengthen its control over public expenditure through post-expenditure review. (Ahmed ,2000:151-153).

Younis & Mostafa 2000, made discussion on functional aspect of accountability of bureaucracy, public representatives and political leadership through legislature (pp51-89). The discussion extends into problems, types, mechanism, obstacles and solutions in public management particularly in Bangladesh with a comparison to UK, India and Sri Lanka. The study provides a subtle dealing with systemic

loopholes and gaps of accountability of public management with some solution-based suggestions for better functional accountability through parliament. Ahmed (2002:107-128)) in “The Parliament of Bangladesh” analysed functional behavior of parliament through parliamentary committees under the title ‘parliamentary surveillance ‘ (pp107-128). Here the author emphasizes on ground rules of parliamentary surveillance, nature of MP activism with relevant data and the focus on oversight role with evolution of new mechanism. He also gave a detailed account of parliamentary committee system with specific focus on legal framework, structure and nature of composition, and nature of activism of parliamentary committees (pp129-165). However, in-depth study of PAC and its role in ensuring accountability of the executives remain unattended.

Rahman (2008) argued “Legislation making and oversight functions of the parliament are intertwined with policy-making and with power relations in and around committees. The strength of committees was interpreted in terms of a number of variables: party control, constitutional framework and developmental factors (p 70).This study titled “Parliamentary Control and Government Accountability in South Asia: A comparative analysis of Bangladesh, India and Sri Lanka.” identifies key factors determining committee strength as two broad headings: One is Contextual political institutional factors subdivided into three categories-constitutional arrangement, bicameralism/ unilateralism and political party. The other one is intra-institutional factors subdivided into three other categories- functional arrangement, structural arrangement and procedural arrangement which includes agenda setting, committee assignment, chair selection and allocation, committee resources, committee openness in hearing and documents and committee stage in deliberation. All these points can be used in isolation to analyze PAC formation and function and thereby justify the role of PAC in Bangladesh. The study also provides data and some exclusive information on operational aspect of PAC in the 7th parliament which is instrumental to determine the degree of success or failure of PAC in Bangladesh.

2.2: Defining Accountability

Accountability is a concept in ethics with several meanings. It is often used synonymously with such concepts as answerability, enforcement, responsibility, blameworthiness, liability and other terms associated with the expectation of account-giving. As an aspect of governance, it has been central to discussions related to problems in both the public and private (corporation) worlds. (wikipedia, the free encyclopedia).

Simon et al (1991) define responsibility as responsiveness to administrative decision and accountability as the enforcement of it. By accountability they include those methods, procedures and forces that determine what values will be reflected in administrative decisions.

Accountability is not only the foundation of any governing process but is also a check on power and authority exercised by both politicians and administrators (Jabbra and Dwivedi, (1988:8). Mosher (1968) argues that subjective or psychological responsibility is a feeling of responsible behavior that is more synonymous with loyalty, identification and conscience than it is with accountability and answerability.

Accountability of administrators internally and externally ensures the democratic process of government. Therefore, as a definition, accountability means to give account or explain one's decision or action to another authority and accept any consequence therefrom. For public administrators or management, accountability functions as a means of monitoring any wrongdoing and to correct the mismanagement or maladministration and to pursue the efficiency, effectiveness, and responsiveness of government (Asian review of public administration, 2000).

Accountability also requires openness .If the process of decision making is open and visible to the electorate ;it can be seen to be fair. Accountability thus deals with effective scrutiny which implies effective access to information, without this, those in power can not be held responsible. Finer(1996) says, “In the first definition , the essence is the externality of the agency or persons to whom an account is to be rendered. “

Bruce ,.Dwivedi, and Jabbra(1988) list 8 types of accountability, namely : moral, administrative, political, managerial, market, legal/judicial, constituency relation, and professional. Here we are taking about political and administrative accountability. The case in which the Congress or the legislature holds other civil servant accountable and it is a part of political accountability. Mechanisms of political accountability are generally mentioned in constitution, either written or unwritten, or statute and implemented in three dimensions: election, Legislature and ministerial.

Election is the most direct way of exercising accountability, and is a way for enforcement. An election gives a chance for the proposed cabinet and proposed legislators to run for campaigns and attend forums so as to explain and inform their purposes and goals if they are elected. Constitution or equivalents, on the other hand, empowers legislature to hold civil servants accountable. Firstly, legislature may invite public servants for inquiry sessions to explain explicitly planning or policies made, or to unfold any misappropriates. Further, legislature can organize an investigation committee for particular issue by inviting outsiders committees. Above mentioned are mechanisms aiming to compel civil servants into dialogue and hence give answerability. It can introduce motions for impeachment and no-confidence in case of misbehavior or misconduct of persons steering constitutional watchdog.

Ministers, as conceived as the top of the hierarchy of the ministry, are supposed to hold accountable for every affair in the ministry; as all civil servant within are merely cogs and wigs and operate in the light of the minister's vision. However, ministerial accountability is vague in parliamentary system. The parliamentary system has to constitute the cabinet to operate the government, yet, holding the executives accountable as above mentioned.

Political accountability, however, in practice is intertwined with administrative accountability which in turn, entails internal rules and norms as well as some independent commission as mechanisms to hold civil servant within the administration of government accountable. Within department or ministry, firstly, behavior is bounded by rules and regulations; secondly, civil servants are subordinates in a hierarchy and accountable to superiors. Nonetheless, there are independent 'watchdog' units like C&AG office and Public Accounts Committee to scrutinize and hold departments accountable; legitimacy of these commissions is built upon their independence, as it avoids any conflicts of interest. Apart from internal checks, some "watchdog" units accept complaints from citizens, bridging government and society to hold civil servants accountable to citizens, but not merely governmental departments (Wikipedia, the free encyclopedia)

Accountability is based on six basic principles (Diagram:1). Without these components accountability can not be established or effectively workable.

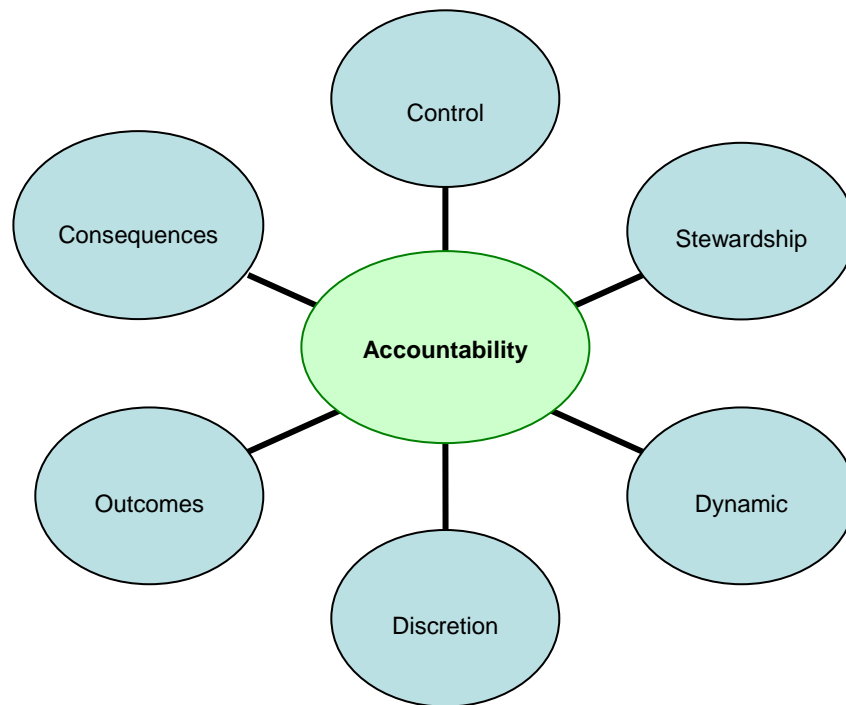


Diagram 1: *Six basic principles for Accountability Design*
 Source: Younis & Mostafa (2000)

2.3: Defining Parliament as an Instrument of Ensuring Accountability

There is an absence of performance standards to inform public servants about their responsibilities. Above all, agencies are unresponsive to people's needs; citizens have little access to information about government process and decisions and lack any effective means of obtaining redress when officials abuse their power. This lack of accountability applies to every level of government, ranging from the relatively low-ranking bureaucrats who deal with the general public, up to those in the central secretariat or field offices who formulate policies and decisions. Consequently it spirals upwards to their

political masters who establish policies and programs. And finally, it reaches to the parliament of the constitutional and political structures that regulate accountability and transparency.

Public accountability pertains to the obligations of persons or entities entrusted with public resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them, and to report to those that have conferred these responsibilities. It is clear that the public entities that utilize public resources have an obligation to account for the way these resources are allocated, used and the results these spending have achieved. In other words, the main objectives of all public accountability initiatives are to ensure that public money is spent most economically and efficiently, that there is minimum of wastage or theft and finally that public actually benefit from public finance.

In response to this accountability requirements of public sector spending, most governments have put in place various expenditure tracking and reporting systems and of these, the most important one happens to be the audit. The supreme audit institutions (SAI) has been set up in most countries to conduct regular audit of public expenditure and report , where such arrangement exist, to the Public Accounts Committee (PAC) of the parliament for review and scrutiny of the veracity of such expenditure. The whole idea of SAI audit and reporting is to detect anomalies (if any) and by doing so, ensure cost –efficiency and integrity in public expenditure. Indirectly, the objective of SAI audit and thereupon analyzed and issuing directives by PAC is to curb malfeasance in public expenditure and thus ensure accountability and a results-based outcome of public finance (Khan & Chowdhury .: 2007).

2.4: Significance of Parliamentary Accountability

Parliament is the supreme forum of discussion and producing decision on how the state will run to deliver maximum benefit to the citizen. It is a bridging fit between the government and the citizen to provide fundamental decisions and thereupon action for public welfare in one hand and to make the government accountable of its activities and performance to the public representatives and through them to the people. Parliamentary accountability, thus has been the bedrock of good governance in a democratic system. Members of parliament have a responsibility to keep a continuous watch on government-ensuring that it is responsive to the needs of the general public it serves, accountable for tax payer's money, and addresses the real concerns of the electorate (PARC, 2000 :35)

Based on democratic process and in the light of modern changes in administration , the whole machinery of government in all its levels and corners including civil servants, administrative agencies, and non-departmental public bodies should equally be accountable to parliament, parliamentary committees, electorates, the courts and citizen (Turpin, 1996:35-47).

Public administrators are not politically accountable. Instead, ministers are accountable for decisions and actions made on their behalf to parliament, president, prime minister, ombudsmen and public audit officers. The understanding of this political aspect of accountability depends on the relationship between civil servants and ministers and the recent administrative and civil service reform and its impacts on the traditional concept of political responsibility. In light of recent reforms, it is assumed that civil servant should be more accountable and take more responsibility in exercising administrative powers.

In this traditional model, a minister is the head of his or her department, and takes formally all important decisions based on the advice of department officials. Civil servants are assumed anonymous, permanent and politically neutral (Drewry and Butcher, 1991; Kavanagh, 1996 cited in “Asian review of public administration, 2000). The minister should take constitutionally all blame for failure of his or her department officials, and if necessary, to resign, redress and compensate (Turpin, 1994 cited in *ibid*). Civil servants are neither identified nor are they constitutionally answerable to parliament or parliamentary committees (Asian review of public administration, 2000).

The individual category includes a number of techniques such as questions, debate and adjournment motions. On behalf of the people, the member of the parliament asks questions to ministers to provide information about matters within their official responsibility. Like Britain, Bangladesh has introduced the Prime Minister’s question time in 1997 (Younis & Mostafa, 2000:19).

The best example of the collective method is of Parliamentary Committees (PCs). The House itself and the PCs are the legitimate authorities to examine the public expenditures and the performance of the public servants. In this context, principal Parliamentary Committees are the Public Accounts Committee (PAC) concerned with providing legitimacy of the public expenditures; the Public Estimate Committee (PEC) concerned with budget estimation, efficiency and economy of expenditures; the Public Undertaking Committee (PUC) concerned with the accountability of non-bank public enterprises. Besides these, there are 37 Standing Committees on Ministries (SCMs) for each of the 37 ministries to account the public servants of the concerned ministry. Compared with other techniques, committees have a better scope to go much deeper into a particular issue, examining in greater detail and exploring possible remedies. Committees enjoy the power to send for persons, papers and documents. This has an immediate effect. Those responsible for governing have to account for their

actions to a small body; this enables members to keep them (officials) on their toes more effectively and thus the accountability comes under democratic control. Despite some drawbacks, questions do serve to keep ministers on their toes. The exposure of secrecy, the puncturing of arrogance, the embarrassment of incompetence or the ridicule of inconsistency can be more effectively projected at question time than any other time. Questions constitute some sort of mechanism to facilitate some degree of openness in government; it requires ministers to keep on top of their subject and be able to defend their positions in a public and critical forum. A poor performance in question time can undermine the morale of the governing party and have an important ripple effect in terms of the government's standing in the opinion polls. Similarly, debates, notwithstanding some drawbacks, can still be seen as a valuable safeguard because they can on occasion provide a necessary forum—a platform for expression of alternative views and a public forum to challenge a government. They also serve an important tension release function and can draw attention to an issue and force a response and even compromise from the government.

A parliament, however, has relatively better scope to exercise control over government activities if it is not always dominated by a single party. Balance in partisan composition helps a parliament become more effective in at least two ways; first, it can provide some safeguard against the arbitrary use of power by the executive; and second, it can induce the government backbenchers to become assertive, seeking a more participatory role in the parliamentary process (Ahmed, 2007: 29-33)

2.5: Parliamentary Committee (PC)

Committees are ubiquitous; they are seen in all types of legislature: old or new; large or small. As Longley and Agh observe: “Parliamentary committees figure prominently on all continents and in most

countries of the world, increasingly serving as the main organizing centre of both legislation and parliamentary oversight of governments. The widespread use of committees is justified on the grounds that they are capable of offering MPs a variety of rewards and opportunities such as encouraging them to build up a more specialized knowledge of policy areas providing a means of keeping them busy and feeling useful and granting them more active and rewarding participation in the governing process (Ahmed, 2007: 23-24).

2.6: Role of Parliamentary Committees in ensuring Accountability

Standing committees are seen one of the most effective means of underpinning the authority of the assembly against the executives. In short they are considered to be more capable of influencing the behavior of the government and administration than the individual methods of accountability.

Perhaps the most important feature of standing committees is that they relate the concerned issue to the breadth and depth of scrutiny. Compared to other technique, they have better scope to go much deeper in to a particular issue, examining it in greater detail and exploring possible remedies and the process produces immediate effects. It is because of the activism of the Standing Committees that keep the governing bodies-the executives on their toes to exact effective accountability.

Standing committees enjoy deterrent power to conduct enquires. Like individual devices, which can at most prompt conduct inquires, committees can do them on their own. Civil servants are not aware that their work may be subject to inquiry, an awareness that encourages more rigor in working practices as well as greater sensitivity to possible parliamentary reaction. Standing committees in many countries

have the right to ask public submission raising complaints and asking for remedies which reveals itself as an important institutional device to raise matter of important (Ahmed, 2006: 23-24)

Parliament can ensure financial accountability of government by extending its role throughout the budget cycle. The role can be accomplished through the works of parliamentary committees like PAC and SCMs or through individual MPs. Involving parliament more in the budget cycle can create a greater sense of public ownership in economic strategies, realign government priorities and help fight corruption. As a matter of fact, accountability is seen as a two-way traffic suggesting that in addition to bureaucracies being held accountable to the elected officials, those same elected officials also should be held accountable for their direction of the bureaucracy . These twin themes of accountability constitute government accountability (Mulgan 2000, Pyper 1996 cited in Rahman . 2007 :36)

Committees generally operate along non-partisan lines and work mostly on a cross-party basis unlike plenary session which works with strong partisan overtones. They provide an setting for inter-party bargaining and compromise and decisions made by committees are often seen as consensual measures. Experience shows that ministers find it difficult to ignore the unanimous recommendations of a bi-partisan committee, particularly when the minister's own party has a majority on the committee. In most cases Standing committees are multi-functional bodies. They are charged with scrutinizing bills as well as overseeing the operations of various governmental departments. One major advantage of keeping the two functions apart is to enable more members to engage in committee activities, thus to help them gain experience and acquire expertise. And committees are seen as vehicles of specialization and may even provide alternative career structure.

In general, experience shows that parliamentary standing committees matter more than the individual methods in ensuring government accountability. Moreover, the traditional means of parliamentary accountability and committees are not mutually exclusive. They can reinforce each other in a number of ways. In fact, committees, especially oversight committees, in different Westminster systems have been adopted deliberately as a means of supplementing the more traditional accountability mechanisms, although they have now acquired greater importance (Ahmed, 2006: 23-29).

The standing committees on ministries can review the enforcement of laws and the activities of the ministries or inquire into any activity or irregularity or serious complaints. The Standing committees in *Jatiya Sangsad* enjoy authority and can exercise powers of a kind not to be found in other parliamentary systems. Rule 203 of the Rules of Procedure empowers a Committee to summon any records, documents and persons that it may require for investigation. The report of the committees has to be presented within a month of the date on which reference to the committee was made, if the House has not fixed any time.

Many of the important parliamentary oversight and legislative functions should be performed by standing committees. But these are largely ineffective. Under the Rules of Procedures, these committees have very limited functions, and they are further weakened by a fundamental conflict of interest- each is chaired by the ministers whose ministry is being overseen. Opposition MPs or ruling party backbenchers thus have very little opportunity to act as watchdogs.

Accountability and openness are fundamental issues and Bangladesh needs to arrive at a broad consensus for achieving them. It is a vital for good governance that all concerned should make a very special effort to increase the effectiveness and raise the status of parliament in national life (PARC, 2000 :35).

The functions of the parliamentary committees, in a nutshell, are to:

- ❖ Examine draft bills and legislative proposals.
- ❖ Inquire into any activity or irregularity or complaint in respect to the ministry.
- ❖ To review the work relating to the ministry.
- ❖ To examine any other work within its jurisdiction.
- ❖ Submit reports to the parliament as per their specific terms of reference.
- ❖ Ensure transparency and accountability in the working of the ministries.
- ❖ Ensure reflection of the people's hopes and aspirations in the appropriate manner to the implementing ministries.
- ❖ Suggest and recommend measures relating to its functions to the speaker, parliament and the leader of the House, as it deems fit under the purview of the committee.
- ❖ To maintain cooperation among the committee members, government organizations and people on matters relating to the public interest
- ❖ Introduce and maintain democratic, political and parliamentary culture.

(Report on conference, May ,27-28,1999, on parliamentary committee system , :32 IPS)

2.7: Role of Public Accounts Committee

The important of the PAC stems from the fact that it is the most powerful parliamentary committee created by the constitution for safeguarding public interest through critical examination of the operation of the public sector enterprises. The CAG audit is the mechanism through which such responsibility is normally discharged by the PAC. The CAG report of the audits conducted on the affairs of the various public sector enterprises is submitted to the members of the PAC. The PAC meetings are held on the basis of such reporting with the representative from the CAG auditors, the audited entity and the relevant ministry and necessary actions are recommended (BIPS, 2001:21)

PAC's work depends a great deal upon the results of audit and examination of the Accounts of the government carried out by Comptroller and Auditor General (C&AG). At the beginning of its term every year, the committee makes a selection of audit paragraphs included in the various reports of C&AG for in-depth examination. After holding deliberations and taking note of the time available at its disposal, the PAC selects the most important paragraphs from the audit reports for detailed examination and submits its reports to the House on them (Loksabha, Committee on Public Accounts).

The fifteen-member PAC enjoys an exalted status in Bangladesh. It is authorized to examine the statements of accounts showing the income and expenditure of the state corporations, autonomous and semi-government bodies, and the reports of the Comptroller and Auditor-General (C&AG). While scrutinizing the appropriation accounts of the government and reports of the C &AG, this committee seeks to ensure that the disbursed amounts shown in the accounts are duly applied for specific purposes and the expenditure including every re-appropriation conform to the authority which governs it. The PAC, therefore, considers whether approved procedures have been followed in public money expending with proper exercise of government's financial powers. If any sum of money is spent on any

service during a financial year in excess of the amount granted by the Parliament for that purpose, the committee may examine with reference to the facts of each case the situation leading to such excess and make appropriate recommendations as deemed necessary. Thus PAC conducts ex-post-facto scrutiny of public expenditure and thereby controls government future behavior. (Ahmed & Obaidullah ,2007:44)

Chapter: III

PAC in Bangladesh: Historical Growth and Formal Institutional Arrangement

This chapter focuses on evolution of PAC in pre-independence stage, development of its structure and function in Bangladesh, the constitutional basis of its origin and other guiding principles to shape up its role and activities. It also discusses its (PAC) relation with C&AG office and Bureaucracy; one unfolding the basis of PAC action and the other being the recipient of its action result.

3.1 Parliamentary Committees in Bangladesh

Parliamentary committees in Bangladesh owe their origin to, and gain legitimacy from, two sources: the constitution and the *Rules*. The Constitution makes it mandatory for the parliament to set up a PAC and a Privileges Committee and empowers it to constitute as many committees as it considers necessary. The *Rules*, on the other hand, specify the actual number of committees to be set up and delineate their formal scopes of operation. The parliament has traditionally set up three types of committees: Finance and Audit committees, Standing Committees and Ad hoc Committees. The main difference among the committees centers on their nature of appointment. Finance and Audit committees and standing committees are relatively permanent ; they are normally constituted for the duration of the parliament .On the other hand Ad hoc committees are cease to exist when their job is completed. Table-1 shows the nature and number of committees set up by different parliaments in independent Bangladesh. Although the Rules framed in 1974 provided for setting up 11 important committees, the first parliament did not take any initiative in this respect. Three fourth of the total committees were first established by the second parliament in 1980. Finance and Audit committees like and PUC and PEC

were first established after the liberation of Bangladesh in 1971. The PAC, however, predates most other committees; it was first established in the early 1920 after the democratization of the *Council*.

Committees	No of Members	Chairman	Appointing Authority	Remarks	Rule(s)
<i>Finance & Audit Committees</i>					
Public Accounts Committee	15	Backbencher	House	No minister can be a member	233-4
Estimates Committee	10	Backbencher	House	No minister can be a member	235-7
Public Undertakings Committee	10	Backbencher	House	No minister can be a member	238-9
<i>Standing Committees</i>					
Ministerial committees	10	Backbencher	House	Ministers are not eligible to chair	246-8
Committee on Privileges	10	Usually speaker	House	To be formed in the first session	240-3
Petition Committee	10	Usually speaker	Speaker	No minister can be a member	231-2
Committee on Govt. Assurance	8	Not specified	House	-	244-5
Business Advisory Committee	15	Speaker	speaker	-	219-21
Committee on Pvt. Members' bills	10	Backbencher	House	-	222-4
Committee on Rules of Procedure	12	speaker	House	-	263-5
House Committee	12	Not specified	Speaker	It perform advisory function	249-56
Library Committee	10	Deputy Speaker	Speaker	-	257-8
<i>Adhoc Committees</i>					
Select Committee on Bills	-	-	House	-	225-30
Special Committee	-	-	House	-	266

Source: Ahmed (2002)

Table 1: *Structure and composition of parliamentary committees in Bangladesh*

Parliament shall, as soon as may be, after the inauguration of each new parliament, appoint the standing committees on each ministry. The salient and distinctive features of the Standing Committees nominated by the Speaker are as follows:

- ❖ A minister can not sit as a chairman or as a member of the committee on Petitions.
- ❖ The speaker and Deputy Speaker act as ex-officio chairman of Business Advisory Committee and Library Committee respectively.
- ❖ The chairpersons of the House Committee and Committee on petitions are nominated by the Speaker.
- ❖ Speaker is the ex-officio chairman of the committee on Rules of Procedure.
- ❖ The Chairmen of the rest standing committees are appointed by parliament.
- ❖ Members of all standing committees are appointed by the House.
- ❖ No minister can sit as a chairman or as a member of any financial committees like PAC, PUC or PEC.

The were 46 standing committees in the 7th parliament and the number remained more or less constant in the following parliament. The voluminous number of the standing committees in the parliament speaks of a significant development in parliamentary democracy in our country.

(Report on conference, May, 27-28, 1999, on parliamentary committee system , :30-32, IPS)

3.2: PAC : Pre-independence Stage

Parliamentary committee system has developed in south Asian region in a gradual manner since the British colonial days. As such PAC had existed in Bangladesh before it emerged as a sovereign state in 1971. Legislatures elected in accordance with the provisions of the Bengal Legislative Council Act of

1861 made some use of committees to perform certain functions, such as Select Committee to scrutinize the Bengal Tenancy Bill of 1885. This committee system continued when the legislative bodies were democratized following the recommendations of the Montagu-Chelmsford Report of 1917 (Malhotra G.C. (2002: 422). However, the PAC was first set up in February 1921 following the Montague-Chelmsford reforms. Though modeled on the pattern adopted in the British Parliament, it functioned more or less as an adjunct of the finance Department until 1950 (Ahmed & Obaidullah, 2007:108) After the formation of Pakistan in 1947 the federal legislature had constituted a number of committees including Public Accounts Committee. Under the 1962 constitution, the National Assembly again set up a number of standing committees together with PAC. But the then PAC proved to be ineffectual mostly because of very weak constitutional status and lack of power and responsibility (Malhotra (2002: 422).

3.3: PAC in Bangladesh

After the emergence of Bangladesh as a sovereign and independent state, the constitution came into force in December 1972 and made elaborate provisions regarding the functioning of the PAC. Constitutional measures as per Article 76, the Rules of Procedure of Parliament (ROP), first framed in 1974, parliamentary conventions, and rulings of the speaker regulate the terms of reference, composition, and activities of the PAC within the parliament. Over the last three decades, some significant changes have been made in the composition and functions of PAC and the scope of its activities has been enlarged.

Parliamentary Committees in Bangladesh undertake a range of functions including control of financial job and expenditure of the executive by PAC, review of functions of different ministries by ministerial

standing committees, examination of facilities of members of parliament (MPs) by Privilege Committee and other specific issues by other committees (N. Ahmed & Obaidullah, 2007 : 40) .

3.4: Constitutional basis of PAC

The committee system in Jatiya Sangsad has its roots in the constitution itself. The foundation of the system has been laid down by its Article 76 which is quoted below:

“Article 76 (i). Parliament shall appoint from among its members the following standing committees, that is to say-

- A. A public Accounts Committee
- B. Committee of Privileges and
- C. Such other standing committees as the Rules of Procedure of parliament require.

In addition to the committees referred in clause (i) , parliament shall appoint other standing committees , and a committee so appointed may, subject to this constitution and to any other law-

- A. Examine draft bills and other legislative proposals;
- B. Review the enforcement of laws and propose measures for such enforcement;
- C. In relation to any matter referred to it by parliament as a matter of public importance, investigate or inquire into the activities or administration of a ministry and may require it to

furnish, through an authorized representative, related information and to answer questions, orally or in writing;

D. Perform any other function assigned to it by parliament.

(3) Parliament may by law confer on committees appointed under this article powers for-

A. Enforcing the attendance of witnesses and examining them on oath, affirmation or otherwise;

B. Compelling the production of documents”

These provisions in our constitution are unique in the sense that provision relating parliamentary committees are not generally mentioned in the constitution of a country. The aforesaid article of the constitution has given our standing committees- specially the PAC mentioning by name the status of constitutional bodies.

Public Accounts Committee is a parliamentary committee which has a technical meaning and can be properly used only by a body appointed by one or both of the House of Parliament. PAC as a parliamentary committee can not include in it any person who is not a member of parliament. It must be set by or under the authority of parliament. It has been clearly defined in the Rules of Procedure of Bangladesh *Jatiya Sangsad* (Rules) as a committee set up by or under the authority of parliament and includes its sub committees. Formation of PAC, its powers and responsibilities as well as procedures followed by it or in respect of it are regulated by relevant provisions in the constitution, the Rules of Procedure, Parliamentary conventions and rulings of the speaker (Miah 1999, pp25-27).

Public Accounts Committee shall exist for examination of the accounts showing the appropriation of the sums granted by parliament to meet the public expenditure, and of such other accounts laid before parliament as the committee may think fit, to consist of not more than fifteen members, of whom four shall be quorum. The PAC shall have powers to send for persons, papers and records, to report from time to time and to adjourn from place to place. Unless the House, otherwise, orders each member nominated to the committee shall continue to be a member of it for the remainder of the parliament (May E. 1989, P-1013)

3.5: Structure and Function of PAC

Public Accounts Committee consists of not more than fifteen members who shall be appointed by the House: provided that a minister shall not be appointed a member of the committee; and that if a member, after his appointment to the committee, is appointed a minister he shall cease to be a member of the committee from the date of such appointment (Rules 234). No member shall be appointed to PAC who has a personal, pecuniary or direct interest in any matter which may be considered by that committee; nor a member be appointed if he is not willing to serve on it.

The term of the office of PAC shall be valid during the duration of the parliament provided that PAC may be reconstituted by the House, if necessary. The chairman of the committee shall, unless designated by the House, be elected by the committee from amongst the members of that committee and the quorum to constitute a sitting of the committee shall be , as near as may be, one third of the total number of members of the committee. All questions at any sitting of a committee shall be determined by a majority of votes of the members present and voting.

The PAC may appoint one or more sub-committees, each having the powers of the undivided committee, to examine any matters that may be referred to them, and the reports of such sub-committees shall be deemed to be reports of the whole committee, if they are approved at a sitting of the whole committee. The sitting of the committee shall be held in private on such days and at such hour as the chairman of the committee or the secretary in his absence may fix. PAC shall have the power to send for persons, papers and records and may administer oath (or affirmation) to a witness examined before it ; a witness may be summoned by an order signed by the secretary and shall produce such documents as are required for the use of a the committee. The report shall be presented within one month of the date on which reference to the committee or to its sub-committee is made provided that the time for the presentation of the report by the committee is extended to a specified date by the House through a motion. The report may be either preliminary or final which shall be signed by the chairman of the committee. The PAC may, if it thinks fit, make available to the government any part of its report before presentation to the House. Such reports shall be treated a confidential until presented to House.

PAC has the power to regulate its own procedure and may obtain co-operation and advice from any expert in its respective field if deemed necessary. If any doubt arises on any point of procedure or otherwise, the chairman may, if he thinks fit, refer the point to the speaker whose decision shall be final. The secretary of the parliament secretariat is the ex-officio secretary to every of PAC like every other committees and he may authorize any officer of the secretariat to perform such duties as he may direct (Rules 188-218)

1. Public Accounts Committee shall examine the accounts showing the appropriation of sums granted by the House for the expenditure of the government, the annual finance accounts of

the government and such other accounts laid before the House as the committee may think fit. Upon examination of irregularities and lapses of institutions, the PAC shall report to parliament with recommendations of remedial measures.

2. In scrutinizing the appropriation accounts of the government and the report of the Comptroller and Auditor-General thereon, it shall be the duty of the committee to satisfy itself-
 - a. that the money shown in the accounts as having been disbursed were legally available for, and applicable to, the service or purpose to which they have been applied or charged;
 - b. that the expenditure conforms to the authority which governs it ; and
 - c. that every re-appropriation has been made in accordance with the provisions made in this behalf under rules framed by competent authority.

3. It shall also be the duty of the committee-
 - a. to examine the statement of accounts showing the income and expenditure of state corporations, trading and manufacturing schemes, concerns and projects together with the balance-sheets and statements of profit and loss accounts which the president may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading or manufacturing scheme or concern or project and the report of the Comptroller and Auditor-General thereon;
 - b. to examine the statement of accounts showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which may be conducted by the

Comptroller and Auditor- General of Bangladesh either under the directions of the President or by a statute of Parliament; and

- c. to consider the report of the Comptroller an Auditor-General in cases where the president may have required him to conduct an audit of any receipts or to examine the accounts of stores and stocks.
4. If any money has been spent on any service during a financial year in excess of the amount granted by the House for that purpose, the PAC shall examine with reference to the facts of each case, the circumstances leading to such an excess and make such recommendation as it may deem fit (Rules 233)(Bangladesh *Jatiya Sangsad*:2001).

3.6: PAC's relationship with other Important Bodies

PAC works on the reports of C&AG and thereby employ oversight role on administration and ensures accountability of the executive. The C&AG is a constitutional watchdog body and the executive includes the ministers and the bureaucracy. So PAC functioning involves and revolves around C&AG and Bureaucracy. The relationship among these three institutions is inseparable (Diagram 2).

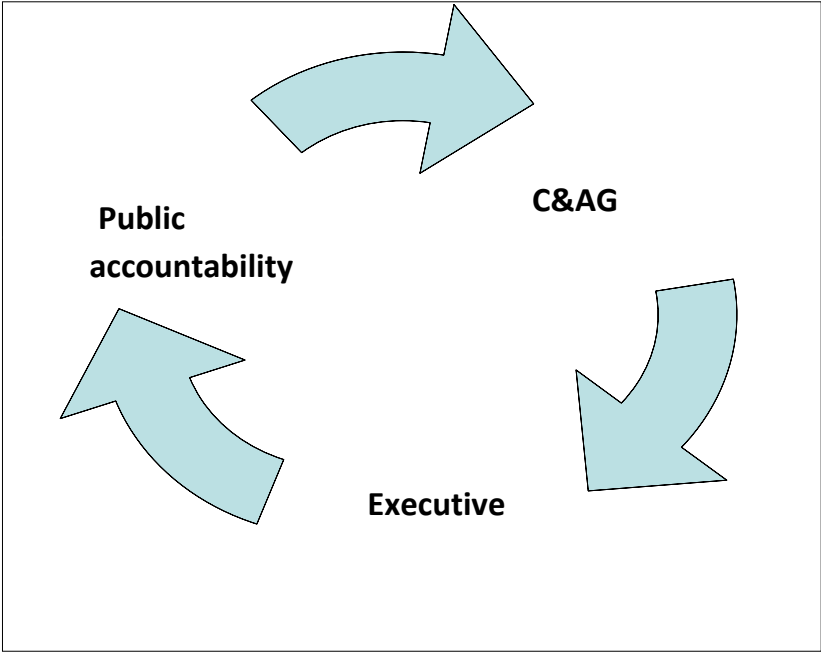


Diagram 2: PAC’s relationship with other important bodies

3.6.1: PAC and C&AG

CAG holds a constitutional position and enjoys the same protection in terms of security of tenure as is applicable to a judge of the Supreme Court except that the CAG holds office up to the age of 60 years. According to Article 128(1) of the constitution, the C&AG is not subject to the direction or control of any other person or authority. In Bangladesh the chief responsibility for financial monitoring of the Bangladesh lies with office of the CAG. This office is responsible for verifying ex-post that all public expenditure conforms to administrative, legal and legislative requirements (Public Fund Digest, Feb 2005:76).

The workforce of the existing audit office consists of 9 audit directorates. Even though the total number of existing workforce is 3500, the number of cadre officers is only 50 (1.4%). The main function of audit is to draw up plan, collect data and evidence, compile reports etc. But these functions are carried out by clerical and lower level officials. Since audit is a research-oriented and judgmental work, the desired standard can not be achieved through lower level clerks and officials. Again the present organizational structure of the audit department is 25 years old. During the last three decades, there has been a massive change in nature, objective and scope of audit. In almost every country of the world, performance or value for money audit of the government departments and organizations has been introduced in addition to financial and transaction audit. Equal importance is being laid on auditing the management effectiveness of government revenue earnings side by side with the audit of government revenue expenditure. Because it is contended that government's earnings can be increased to a great extent by identifying the prevalent faults and deficiencies of assessment and realization of income tax and customs duties through this type of audit under supreme supervision of PAC (5th report of 7th parliament, :23).

The audit by the C&AG is comprehensive and manifold. It involves among others, (a) Accountancy audit, (b) Regularity audit, (c) Appropriation audit, (d) Propriety audit or what is known as Discretionary audit and (e) Efficiency –cum-performance audit. In recent years, the technique of efficiency-cum-performance has been attempted in the audit of developmental schemes. The audit examines as how far the implementing agency is adequately discharging its financial responsibilities in regard to the various schemes undertaken by it and ascertains whether the schemes are being executed effectively and their operations conducted economically and whether they are producing the results expected of them. In fact, the Institution of audit plays a crucial role in the functioning of the committee on Public Accounts and the Comptroller and Auditor General is often termed as “friend, philosopher and guide” of PAC (*Loksabha, Committee on Public Accounts:2001*).

The PAC in Bangladesh compares somewhat favorably with its counterparts in the region. However, the extent to which it can exercise its permissive power properly depends, among others, on the quality of audit conducted and report prepared by the C&AG. The C&AG formally holds a very important position. Although he is still not an office of the parliament, the C&AG nevertheless has close relations with the latter. The Constitution provides that the public accounts of the Republic and all courts of law and all authorities and officers of the government shall be audited and reported on by the Auditor General and for that purpose he or any person authorized by him in that behalf shall have access to all records, books, vouchers, documents, cash, stamps, securities, stores or other governmental property in the possession of any person in the service of the Republic.

The primary duty of C&AG is to see that the executive has adopted all canons of financial propriety in the process of spending the public funds. Every year he submits an annual report relating to the account of the Republic to the President who, in turn, presents it to the parliament and finally it comes to PAC for scrutiny. The report explains the extent to which the expenditure voted by the parliament has been incurred as per prescribed rules, regulations and laws and also the extent to which it has been incurred with faithfulness, wisdom and economy. It also calls the attention of the parliament about improper expenditure and wastage of public money. The C&AG provide expert advice and support to the PAC. And the PAC, in fact, cannot examine any account, the audit of which is yet to be carried out by the office of the C&AG. There are sufficient legal provisions to ensure the autonomy and independence of the C&AG; which, in turn, is likely to help him to provide a very solid source of support to the PAC (Ahmed, 2007: 52) A work-flow of performance audit is shown below:

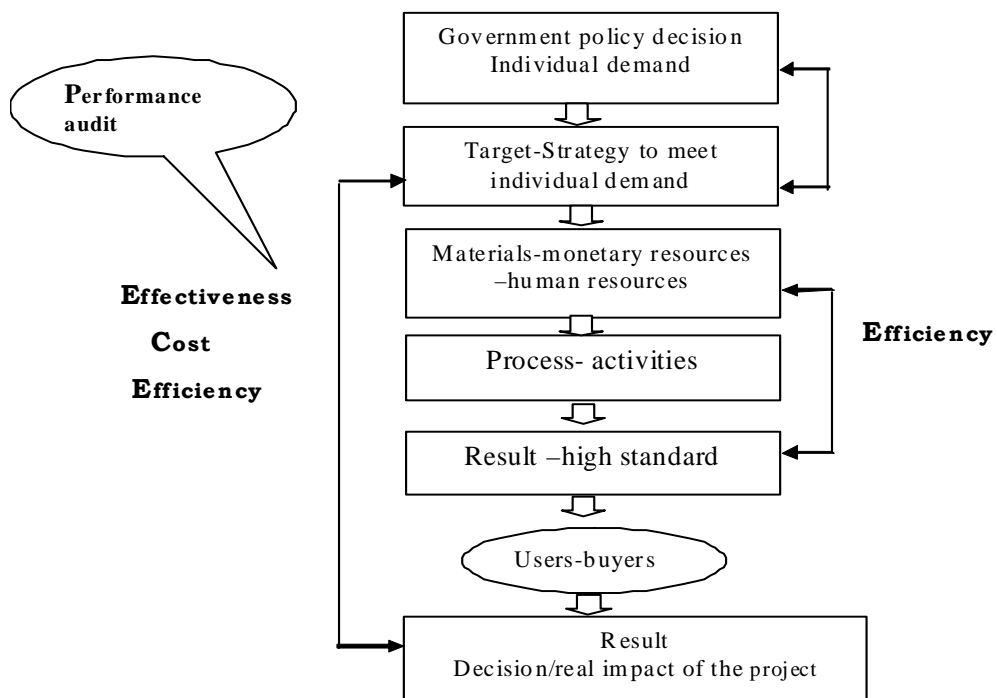


Diagram 3: Work-Flow of Performance Audit

The CAG currently carries out regulatory and certification audit audits of all GOB agencies, SOEs, and Project Implementation Units (PIUs). These conventional audits are meant to detect deviations from rules or any losses of public money through negligence or fraud. To a lesser degree, these audits are also used to detect the misuse or abuse and wastage of public resources (Canadian Comprehensive Auditing Foundation :1987) Since parliament and its Public Accounts Committee have to rely on the reports of the CAG, its proper functioning has a serious effect on government accountability. When the official witnesses are examined by the PAC, the C&AG sits to the right of the chairman and assists him while the evidence is taken. With the permission of the chairman , he may ask a witness to clarify a point and may further make a statement on the facts of the case. To assist the committee in examination of matters contained in audit paragraphs, the C&AG furnishes to the committee a

Memorandum of Important Points (MIP) on each selected by the committee. Advance information of these points is called from the ministry. The MIP is then further supplemented by questions framed by secretariat of the committee in the light of advance information from the ministry, tour notes of the committee, relevant debates of the House, replies to the question in the House, press reports and previous reports of the committee on the subject, if any. These questions form the basis of examination of representatives of the organization or ministry concerned (Kaul & Shakhder, 1991:740)

3.6.2: PAC and Executives

According to H. Finer, Bureaucracy(Executives) is an institution composed of “government officials who are permanent, paid and skilled” (Bhuyan 1998, cited in Public Fund Digest, Feb 2005:69). Bureaucracy has been defined as a government by officials who tend to dominate in policy –making . It is also seen as a system of rule. German Sociologist, Max Weber called it a rational-legal authority which operates on the basis of formal rules and regulations (Weber, 1948). Since the bureaucratic system of rule is based on the knowledge and the expertise of officials, there is a potential for erosion of the power of the non-specialist, who is placed in command of the bureaucratic administration (Warwick, 1974: 2 cited in *ibid*).

Nowadays, the issue of Executives accountability is gaining importance in both democratic and non-democratic political systems. For the working of a bureaucratic polity, public executives must be accountable, open and transparent (Bhuyan 1998, cited in Public Fund Digest, Feb 2005:70). Several mechanisms have been developed with the passage of time to control the growing power of bureaucracy in order to establish an accountable and responsible government in both central and local government. Basically, the procedure of accountability can be divided into three categories;

Administrative, legislative and judicial. Within these categories PAC is related to legislative control to exact executive accountability.

In democratic society, there is a constitutional arrangement that both the political (minister) and the permanent executives (civil servant) will be accountable to the parliament for the execution of public policies, programs and activities. Parliament has elaborate mechanisms to control bureaucratic actions, such as budget investigation, parliamentary questions and answers, parliamentary committees, debates and discussion, table motions and resolutions on specific administrative issues and actions, post-audit supervision by PAC.

Parliamentary oversight is dependent on three elements. Firstly, the power of parliament to hold the government account. The ultimate power of parliament is to send the government packing (through a vote of no-confidence). Secondly, the willingness of parliament to keep the executive to account. Willingness refers to the duty of parliament to hold the government accountable, in spite of partisan/coalition politics. Thirdly, the resources of parliament refer to parliamentary staff, budget, library and infrastructure (and the resources available to fulfill its oversight function) (Born and Urscheler, 2002:10 cited in Public Fund Digest, Feb 2005:71)

The restoration of electoral democracy in 1991 paved the way to transparency and accountability of the executive to the parliament. In Bangladesh the following administrative mechanisms are practiced to ensure bureaucratic accountability.

- ❖ Hierarchy: This hierarchy is maintained through top to bottom. Every official is accountable to his boss. And the top boss is accountable to his political boss, who is accountable to parliament.

- ❖ Annual Confidential Report (ACR): The superior authority, on whom the rewards, punishment, promotions, and demotions of a particular civil servant largely depend, writes his ACR. Beside the above mechanism, there are other mechanisms employed to ensure administrative accountability, such as supervision and inspection, written report, government service conduct rules, audit etc.

Ahmed (2002) in his study indicated that administrative mechanism seen to have not been functioning well in Bangladesh. For instance, in the Secretariat Instructions, specific time limit for disposal of cases by civil servants is prescribed but there is no monitoring and evaluation or enforcement of the time to set. The Rules of Business that govern business and decision making procedures and processes in public administration sector in Bangladesh was first introduced in 1975 and largely remained unchanged, not only until the formal and substantive end of the Presidential system in 1991 but even after the institution of a Parliamentary Cabinet type of Government with the Prime Minister as the Chief Executive. Before 1996, the permanent secretaries and civil servant officials (but not the Ministers though they were elected members of the parliament) were executive Heads and Principal Accounting Officers (PAO) of the ministries. The ministers, however, were required to supervise the work of the secretaries serving under them. The Awami League Government (1996-2001) amended the Rules of Business and made the ministers executive heads of the ministries. The impact of this change is still not very clear as the secretaries continue to be PAO of the ministries. (Shelley, 2000:172-174 cited in Public Fund Digest, Feb 2005:73) . Thus the difficulties and complications of the relationship between politicians and bureaucrats in the government continue.

The effective functioning of the administrative mechanisms is inhibited by a number of reasons. One prime reason might be the bureaucratic dominance over state power. The elected politicians largely

depend on the expertise of civil servants and thus civil servants play the crucial role both in policy making and policy implementation over politician. Moreover, the chaotic political environment has made civil servants imperious and indifferent to public sensitivities, highly bureaucratic, and self serving.

Parliament of Bangladesh exercises control over the executive and public services through the following instruments:

- (a) Parliamentary Questions: Members can put questions to ministers about the working of their departments. If a minister is questioned in the parliament for any of his act, the minister must question his subordinates.
- (b) Motions for adjournment on a matter of public importance provide an opportunity to the members to discuss the working of any department.
- (c) Debates and discussions on the floor of the House, whether legislative or budgetary, provide an important occasion to the members to review the functioning of administration.
- (d) Parliamentary Committees also exercise control by examining draft bills and other legislative proposals, reviewing the enforcement of laws and proposing measures for such enforcement, investigating or performing inquiry into the activities or administration or a ministry.
- (e) C & AG's audit of expenditure of public money is also used for controlling administration (Public Fund Digest, Feb 2005:6-72).

In fact, without bureaucratic cooperation and assistance and in absence of strong and modernized performance audit system PAC alone, whatsoever its power and authority is, can not do anything remarkable to influence government behavior. Yet PAC has asserted its highest endeavor towards establishing accountability and transparency in government behavior especially in public expenditure. The following chapter has a detailed note on the role of the PAC in Bangladesh.

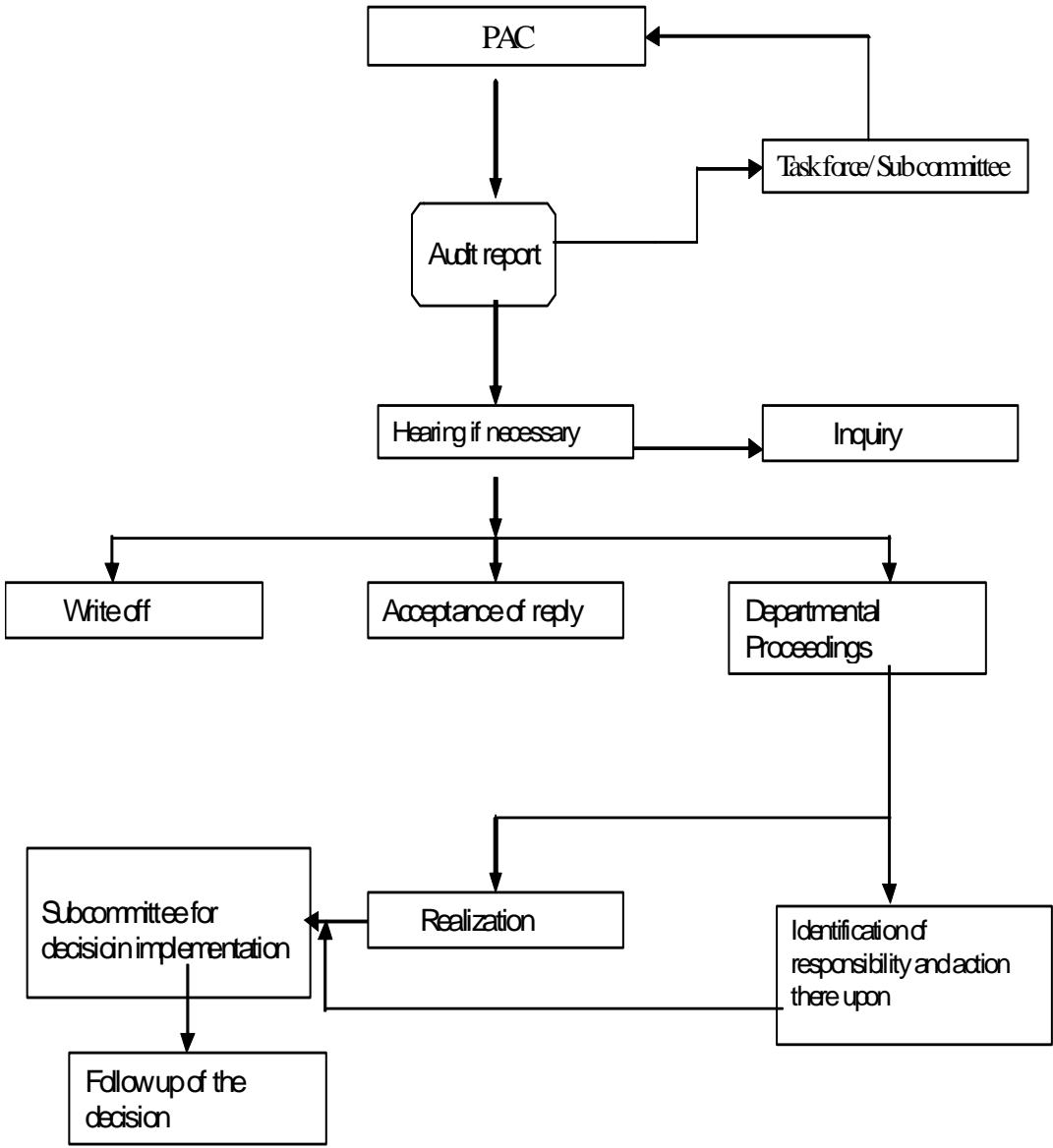
Chapter: IV

Role of PAC in Bangladesh

This chapter explains how PAC has shouldered its responsibility by discharging rule bound duties in different parliaments especially in fifth, seventh and eighth parliaments. It explores a comparative role of PAC in the last three parliaments.

4.1: Role of PAC in Securing Accountability

There are two aspects of committee system in Bangladesh *Jatiya Sangsad* and that are really unique. First, they arise out of the Constitution itself, and are not the result of the felt necessities of the time like the second one. What this indicates is that the framers of our constitution recognized the need for PAC and such other committees at the very outset. PAC like other committees has frequently been referred to as mini-parliaments as it does perform on behalf of the plenary house, albeit in a particular manner. The composition of PAC also reflects the relative political standing and strength of the parties in the House. And arguably, much more work gets done in PAC like other committees than in the House in much less time and in a much less charged atmosphere which is one of sober deliberation, yet relaxed, and conducive to an objective appraisal of the issues before the committee. A greater degree of flexibility and bi-partisan deliberation result, not frequently, in consensus on many important issues. In the event of a disagreement, the members disagreeing are free to give their notes of dissent which are appended to the report of the committee. The activism of PAC in exacting accountability can be shown in following flow chart:



Source: 1st report of 7th parliament.

Diagram 4: *Flow chart of PAC activism in Bangladesh.*

In a democratic system of government, the PAC plays an extremely important role in making the democracy work. Experience of recent years has also shown the fact that the parliament in Bangladesh

is all too often a hostage to a wide range of hostile exchanges on subjects dredged up from the past, which creates tremendous excitement inside and outside the House, but do not serve the cause of the parliament or the people.

The members of PAC are appointed by the parliament on a motion made by it, and the committee is composed of such members who are willing to serve on it, and more importantly, have neither personal nor pecuniary interest in any matter which may be considered by the committee. Unless designated by the House, the PAC elects its own chairman and it enjoys the power to appoint subcommittee with powers of the whole committee to examine any matter referred to it and the reports of the subcommittee if approved at a sitting of the whole committee. Although PAC may sit while the House is sitting except when the division bell is called in the House, in practice, most of the members prefer not to have committee meetings while the parliament is in session. Sittings of the PAC are in private, away from the public gaze. Only members of PAC and parliament secretariat officials can remain present; all others must withdraw whenever the committee is deliberating. This is unlike the practice in the UK where strangers are admitted except when the committee specially asks them to withdraw. The PAC has the power to regulate its own procedure, unlike the position in Westminster, and has the right to obtain cooperation and advice from any expert in its respective field if deemed necessary. (Ahmed & Obaidullah, 2007:31-36).

The Rules framed in 1974 by the first parliament (1973-75) provided for expanding the scope of activity of the PAC. It was empowered to undertake some new functions, especially to examine the statement showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which

might be conducted by the C&AG either under the directions of the president or by a statute of parliament . The new Rules further provided that if any money has been spent on any service during a financial year in excess of the amount granted by the House for that purpose, the PAC shall examine , with reference to the facts of

each case, the circumstances leading to such an excess and make such recommendations as it may deem fit. This was an important improvement over the functions performed by the PAC in the past and was likely to have some deterrent effect. For nearly two decades, the terms of reference of the PAC remained almost unchanged. It was, however, granted some additional powers in 1992 by the fifth parliament. The PAC can now examine the irregularities and lapses of government institutions and report to parliament with recommendations for remedial measures (Ahmed,2007:51).

PAC exacts accountability of the executives by confirming the findings and recommendations of the auditor general's reports with the responsible public officials. Because public officials dislike the negative public exposure implicit in this process, the PAC serves as an important incentive for the public service and ministers to manage public resources in line with public expectations. Public officials as representatives of their ministers at PAC hearings are not formally accountable to the committee, yet it is evident that the exposure to the committee can have an important impact. Exacting accountability can also recognize exemplary public service practices (Stapenhurst. , Johnston and Pellizo , 2006 :94)

4.2: PAC in the 7th Parliament

The 7th parliament was first convened on 14 September, 1996 after the government had been formed by Bangladesh Awami-league (AL). The PAC was constituted on 20 November 1996 in the second session of the parliament under Article 76(1) of the constitution and in accordance with the Rules 233-34 of the Rules of Procedures of the parliament with the following members of parliament:

Sl.	Name	Position in the Committee	Party	Educational Background	Professions	Experiences
1	Mr. SM Akram	Chairman	AL	MA IIB	Business	Minister
2	Mr. M Saifur Rahman	Member	BNP	CA	Professional	Minister/SCMs
3	Col. (Ret.) Showkat Ali	Member	AL	IIB	Lawyer	SCMs
4	Professor M Ali Ashraf	Member	AL	MA	Business	-
5	Mr. MK Anwar	Member	BNP	MSc	Bureaucrat	SCMs
6	Mr. MMjibur Rahman	Member	JP	BA B ed	Teacher	-
7	Vice-Principal M Abdus Sahid	Member	AL	MCom	Teacher	-
8	Mr. Abul Kalam Azad	Member	AL	MA IIB	Business	-
9	Mr. Mostafizur Rahman	Member	AL	MA IIB	Lawyer	-
10	Khan Kar Asduzzaman	Member	AL	MA	Politics	-
11	Mr. Nurul Islam Nahid	Member	AL	BA	Business	-
12	Mr. M Mashed Khan	Member	BNP	MSc	Business	-
13	Mr. Hafiz Uddin Ahram, Br Bikram	Member	BNP	MA	Politics	-
14	Mr. Abdul Miran	Member	BNP	MSc	Business	Minister
15	Mr. A HMMustafa Kamal	Member	AL	MA	Politics	-

Source : Prepared by the author from PAC report in 7th parliament ,2001.

Table 2: Formation of the PAC in 7th Parliament

The first meeting of PAC was held on 23 December 1996. The committee had held 103 meetings in its full tenure including 4 policy meetings to discuss audit objections of various ministries. To inform the plenary session of its activities PAC produced 5 reports serially on August, 1997, April 1998, October

1998 and August 1998. It formed one subcommittee which submitted a report to the main committee with due observation.

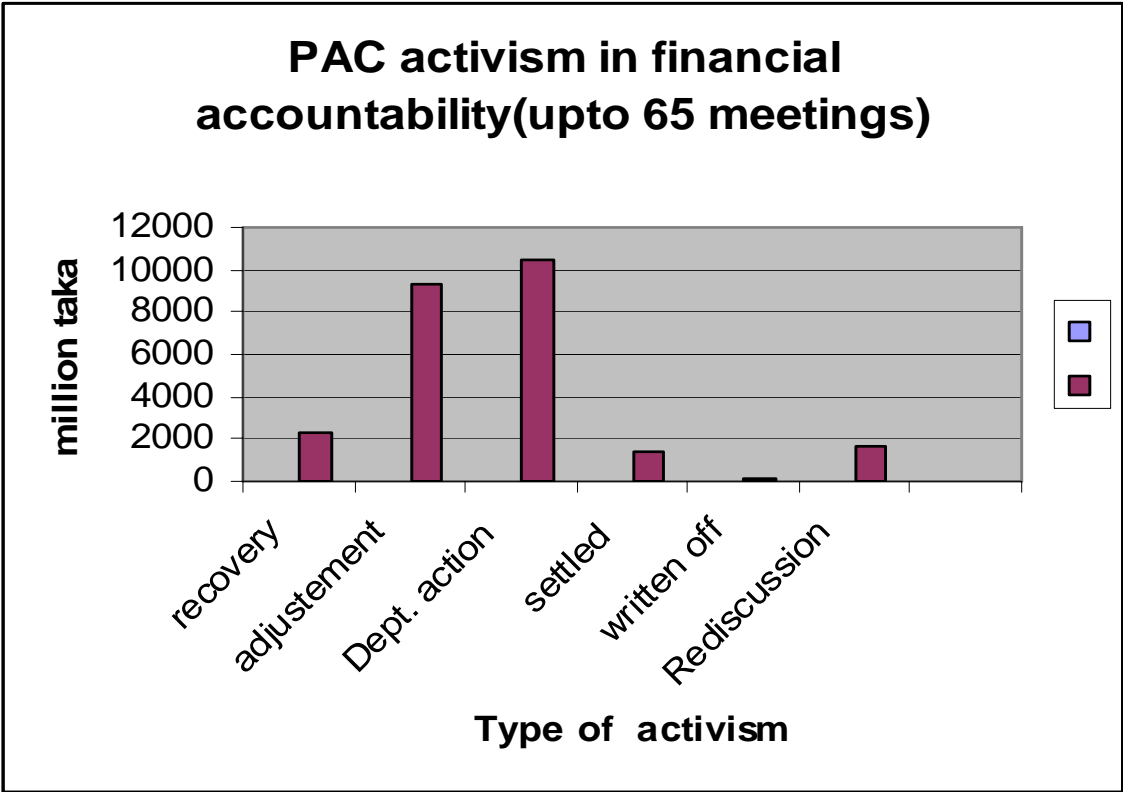
Of the audit reports placed in the parliament after independence more than 400 reports were awaiting discussion by PAC. As in June 2001, the overall status of audit reports placed in the parliament was as follows:

Number of annual reports	596
Number of special reports	46
Number of performance reports	01
Related audit objections	12,483
Amount involved	130,940 million taka

Source: PAC 1st report on the 7th parliament, 2001.

Table 3: Overall status of audit reports placed in the 7th parliament (June, 2001)

The PAC in the 7th parliament discussed more recent audit reports along with those of 1987-88. This committee had initiated discussion on audit reports of 1996-97 and 1995-96. Following the recommendations in the PAC's 3rd report, office of the Auditor-General has created Performance Audit Cell and conducted a survey on internal control system and internal audit. As a result, a large number of audit reports have been placed in the parliament. This committee also initiated discussion on 28 special audit reports.



Source: PAC 1st report on the 7th parliament, 2001

Chart 1: PAC activism in Financial Accountability (up to 65th meeting).

The committee revealed in its 5th reports that in pursuance of the decisions taken in the first 65 of its 103 meetings, about 2270 million taka has been recovered to the exchequer and 9290 million taka has been adjusted. In the case of objections and comments relating to 10430 million taka, the ministries have been asked to take departmental actions, and keep the committee informed. The committee decided to re-discuss audit objections and comments relating to 1630 million taka at an appropriate time.

4.2.1: Some major service delivery of PAC in the 7th parliament

- ❖ This committee instructed all ministries to expedite review of all audit objections and audit comments placed in the parliament till 1987 through bipartite /tripartite meetings with audit directorates.
- ❖ Following the recommendations of this committee, issue based special audit was undertaken by the audit department as a first step towards introducing performance audit and value for money audit.
- ❖ Committee advised to the Titas Gas authorities to take appropriate measures to reduce gas wastage to 4, 3, and 2 percent respectively within the next 3 years.
- ❖ Instruction to the ministry of Energy and Mineral Resources to send an unanimous recommendation to the PAC on the payment and allowances and other benefits outside the national pay scale in organizations under its jurisdiction within the next 6 months.
- ❖ Committee requested to consider its proposal for parliamentary discussion on the reports of the finance related committees.
- ❖ This committee requested to consider its proposal for allowing the media in committee meetings within reasonable limits.
- ❖ Committee did not find any justification for more than one telephone at the residence of our ambassadors posted in foreign countries. So it made an observation that special permission must be obtained from the proper authority, whenever, there is a need for an additional phone.

- ❖ The committee observed that sanction must be obtained from the concerned authorities for appointments made in excess of existing posts outside the organogram of different offices of BTTB within a given time limit. And measures must be initiated to recover the money from persons responsible for giving appointment.

4.3: PAC in the 8th Parliament

The 8th parliament was first convened on 28 October 2001 after the government was formed by Bangladesh National Party (BNP). The PAC was first constituted on 15 May 2003 in the seventh session of the parliament with twelve members only headed by BNP MP Advocate Harun-Al-Rashid. The committee was reconstituted three times and finally was set up in the 13th session of the parliament with the following fifteen members of parliament:

Sl.	Name	Position in the Committee	Party Affiliation	Educational Background	Professions	Experiences
1	Advocate Harun-Al-Rashid	Chairman	BNP	LLB	Lawyer	SCMs
2	Kazi Shah Mofazzal Hossain (Kaykobad)	Member	BNP	HSC + Title	Business	Minister/SCMs
3	Advocate Md. Mostafizur Rahman	Member	AL	MA, LLB	Lawyer	PAC
4	Mr. Showkat Ali	Member	AL	LLB.	Lawyer	PAC
5	Dr. Ziaul Hoque Molla	Member	BNP	MBBS	Physician	-
6	Majore (Retd.) Monzoor Kader	Member	BNP	MA	Professional	Minister/SCMs
7	Mr. M. Abdul Goni	Member	BNP	MA	Business	SCMs
8	Dr. Md. Salek Chowdhury	Member	BNP	LLB, Barrister	Business	SCMs
9	Mr. Shamsul Alam Pramanek	Member	BNP	MA,	Business	-
10	Mr. A.S. H. K. Sadek	Member	AL	MA	Bureaucrat	Minister
11	Syed Moazzem Hossain Alal	Member	BNP	MSS, LLB	Lawyer	SCMs
12	Mr. Md. Sultan Mahmud Babu	Member	BNP	BA	Business	SCMs
13	Chowdhury Akmol- Ibne- Yousuf	Member	BNP	BA	Politics	-
14	Dr. Syed Abdullah Md. Taher	Member	JAMAT	MBBS	Business.	-
15	Mr. Md. Mosiur Rahman Ranga	Member	JP	BCom	Politics	SCMs

Source: Prepared by the author from PAC report in the 8th parliament ,2005.

Table 4: Formation of PAC in the 8th Parliament

The first meeting of PAC was held on 31 July 2003. The committee had held 46 meetings in its full tenure including first policy meeting to discuss audit objections of various ministries. The committee produced two reports. The first one, published in June 2005 has covered the activities of first 65 meetings of PAC and the remaining 38 meetings are covered by the second report which is yet to be published. It also constituted 5 sub-committees for in-depth study of irregularities in different ministries and 3 sub-committees submitted their reports to the main committee.

The status of the audit reports placed in the parliament since independence and thereupon discussed by PAC in the 8th parliament up to April, 2004 is shown below:

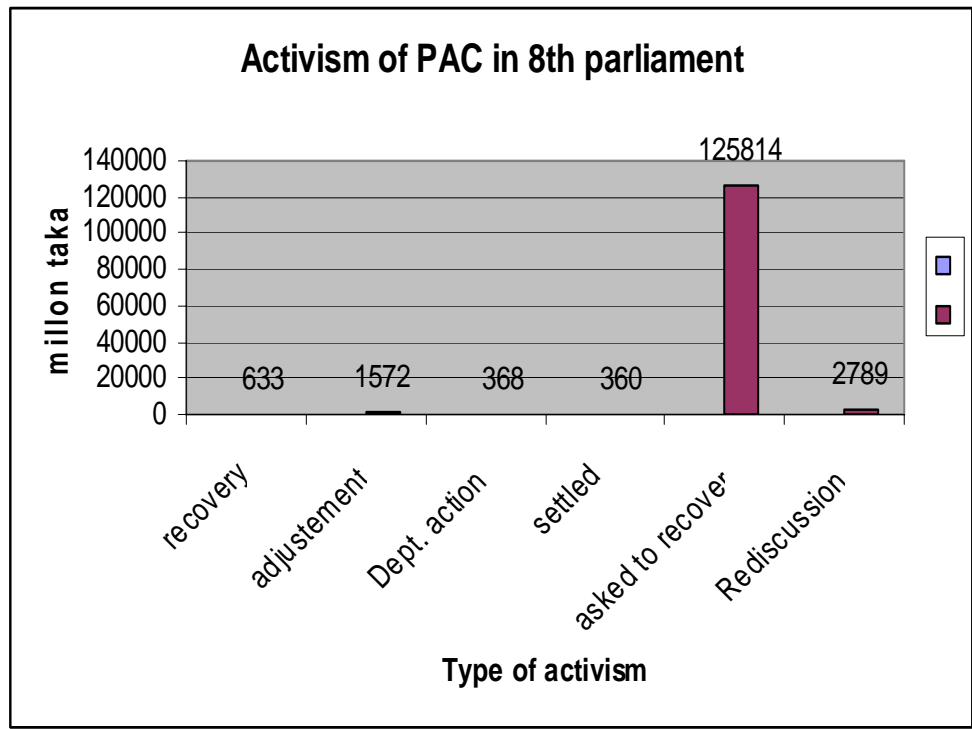
Name of the reports	Reports placed in the JS	Reports discussed by PAC	Reports awaiting discussion
Performance audit	05	01	04
Special audit	87	31	57
Annual audit	707	134	573
Total	799	166	633

Source: PAC 1st report on the 8th parliament, 2005.

Table 5: Overall status of audit reports placed in the 8th parliament (Feb, 2005)

The PAC in the 8th parliament met for the first time on 31 May 2003 to formulate action policy. The Committee received an actual idea of the pending works of PAC in the 7th parliament and requested the C&AG to present a ministry/dept.-wise report on unsettled audit objections amounting TK. 240000 million.

In the first 25 meetings of PAC in the 8th parliament the committee discussed 149 audit objections of 15 ministries and recovered about Tk. 637 million. In pursuance of the decisions taken in the meetings, 1572 million taka has been adjusted. In the case of objections and comments relating to 369 million taka, the ministries have been asked to take departmental actions, and keep the committee informed. The committee decided to re-discuss audit objections and comments relating to 2789 million taka at an appropriate time. An adjustment was made for around TK. 1572 millions and directive was issued by the committee to recover TK. 125814 millions from the concerned department or ministries.



Source: PAC 1st report on the 8th parliament, 2005.

Chart 2: Activism of PAC in 8th parliament

4.3.1 Some major service delivery of PAC in the 8th parliament

- ❖ PAC in the 8th parliament in its 10th session held on 31-3-2004 decided to discuss and settle the long pending audit objections filed between 1971-72 to 1989-90 in a tripartite forum composed of C&AG representative, concerned ministry representative and audit organization to expedite the disposal of the huge backlog of undiscussed old audit objections. C&AG office was instructed to produce before the committee the result of the discussion in the tripartite meeting every two month.
- ❖ C&AG was instructed to investigate the audit objection on tender forgery of TK. 130294984/- through floating and inviting fake tender against Roads and Highways Department and to submit report with a clear mention of the legal and administrative actions taken by the concerned ministry
- ❖ Committee made a request to C&AG to conduct a special audit on all types illegal actions and serious irregularities reported by daily newspapers in Open University and submit a report thereon.
- ❖ The committee decided to issue a show cause notice to the secretary, ministry of industry because of his undue absence in the committee meeting without prior intimation.
- ❖ Committee made a request to C&AG to conduct a special audit on both financial and administrative activities of Rural Poverty Alleviation Foundation.

- ❖ Some special performance audits as was conducted on DESA were initiated with the advice and patronage of this Committee and the formation of tripartite meeting to settle the long pending audit objections proved a success.

4.4: PAC's role as Parliamentary Oversight Body

Bangladesh *Jatiya Sangsad* depends to a considerable extent on PAC and such other oversight committee structures to have a detailed examination of public expenditure and to ensure governmental accountability. The parliament of Bangladesh has had a new beginning since the restoration of the parliamentary system in the fifth parliament (1991-95) on the basis of consensus in September 1991. Although parliaments elected before 1991 traditionally set up PAC, those did not attract any serious public or political attention. However, since 1991 the PAC has become a unique legislative instrument at the disposal of the parliament to strengthen its oversight job and monitor the governmental actions. PAC thus has been a significant means to check arbitrariness in the implementation of public policy and to require the executives to go along with the rules and regulations.

As members of PAC the public representatives not only gain necessary knowledge regarding complicated legislative business, but also get valuable opportunity to review governmental performance through a process of scrutiny, investigation and evaluation of the on-going national policies and programs. Smooth working of parliament and building of democracy depend greatly on the effectiveness of PAC and also other such parliamentary committees as an important means of legislative compromise by narrowing down political differences of the competing parties. Other

contributions of the PAC includes greater scope for opposition participation, building expertise on certain policy areas, dissemination of information to the public, and consequential inputs gained from concerned sections for efficient legislative decisions. Democratic system of Bangladesh like many other countries of the world, therefore, relies heavily on PAC and such other committees for proper monitoring of the nature of the governance. It possesses greater degree of autonomy in the process of deliberation and legislation in presidential systems like the USA than in parliamentary systems where the executives is an extension of the legislature under fusion of power concept. In a parliamentary system the executive, in conjunction with strict party discipline, assumes a bigger responsibility in initiating bills and dominates the legislative process. Because of the fusion of power concept the executive remains dominant and it becomes a paradox to keep an unremitting vigil over the expenditure and governmental performances usually carried out by the executives.

The role of the first parliament was not in line with a responsible system. No tradition was developed either to insist to table adjournment motions or scrutinize executive actions through the committee system with all 315 members except 8 from single political party –Awami League (AL). PAC held only 3 sessions in the first parliament. It seems that at the beginning of the first session PAC was set up only to comply with the constitutional provision. The system itself was very weak and a very short time was fixed for discussion or debate in the committee. The ineffectiveness of the committee coupled with the lack of participatory role of the members therein means that the executive had been all powerful and no attempts were made to revitalize parliamentary activism and establish the tradition of examining public expenditure in the committee to employ legislative surveillance over the government.

Unlike the first parliament which was monopolized by the ruling party, the second parliament with a sizeable number of opposition MPs numbering more than 70 and 16 independents became vibrant.

Important committees like PAC were formed about one year after the inauguration of the parliament. However, the second parliament barred the technocrat ministers from becoming chairman or member of PAC including other important committees. But there was an absence of cabinet responsibility and the legislature was divested of financial powers and its importance declined in the midst of overpowering status of the president and lop-sided executive –legislature relations.

After the restoration of democracy in 1991, the fifth parliament activated PAC as per constitutional provisions and ROP and had a good beginning along with other standing committees and subcommittees. But the activism of the committee did not prove to be a significant departure from the past. Reports submitted by PAC did not receive any positive response from the government. In fact, recommendations made in different reports remained unimplemented. In one of its reports, the PAC referred to this issue of non-compliance, alleging that the ministries seldom paid any heed to committee recommendations to settle audit objections or to regularize extra expenditures incurred by them. To quote from a PAC report:

“The Committee noticed with great regret that no ministry has complied with its directives [to regularize excess expenditure]. This not only shows that the clear directives of the committee are violated but also revealed the [degree of] indifference of ministries to check financial irregularities in government. It is the considered view of the committee that this [type of attitude] hinders the prospect of ensuring accountability and transparency at every level. Ministries are thus again urgently directed to comply with all directives issued in the past. (PAC, 1993:8) ”

As was shown in table -6, the seventh parliament made certain amendments in the Rules of procedures of the Bangladesh Jatiya Sangsad to democratize the committee structure were initiated by the then party in power, the AL, to fulfill its electoral pledge to develop the committee system commensurate with the needs of a responsible legislative institution. Initially the PAC like other committees of the

seventh parliament could not be formed due to deadlock between the treasury and the major opposition on the question of appropriate representation of parliamentary parties in the all committees including PAC. After the deadlock was resolved in early 1998, PAC was formed around two years after the inaugural session of the seventh parliament. It is notable that although on a number of occasions the major opposition abstained from attending the sittings of the seventh parliament, they nevertheless regularly participated in the committee meetings. There were also reports regarding contention and lack of coordination between PAC and the concerned ministries regarding supply of information. Due to rigidity and non-cooperative attitude of bureaucrats, PAC like most other committees encountered serious difficulties in accessing to data and information needed to undertake effective inquiries. Moreover, the bureaucracy not only resisted reforms aimed at making it efficient and accountable ; it has also succeeded in influencing the political leadership not to advance with some specific cases to the extreme which could go a long way in redressing public grievance against maladministration and ensuring a transparent administration (Obaidullah, 2001).

Vitals	Patent				
	First	Second	Fifth	Seventh	Tenth
Def Patent count	7473	2479	5491	14796	281001
D of Pat. dsbd	61175	24382	241195	137201	2710206
D of PAC setup	7473	2479	8791	201196	155203
D of PAC list not	26174	1579	31891	231296	317203
Tot No of meeting	3	9	52	13	46
Avg No of meeting per yr.	13	3	13	22	9
Avg attend in meeting	-	-	73	75	-
No of submtt. reports	-	1	4	5	2
No of subcommittee	-	3	5	1	5
<i>Number Subcommittee Meeting</i>					
Subcommittee-1	-	3	3	6	-
Subcommittee-2	-	8	24	-	-
Subcommittee-3	-	7	12	-	-
Subcommittee-4	-	-	6	-	-
Subcommittee-5	-	-	8	-	-
<i>Number Subcommittee Reports</i>					
Subcommittee-1	-	-	-	1	-
Subcommittee-2	-	-	-	-	-
Subcommittee-3	-	-	-	-	1
Subcommittee-4	-	-	-	-	1
Subcommittee-5	-	-	-	-	1

Variables	Parliament				
	First	Second	Fifth	Seventh	Eighth
Terms of references of Sub-committees					
Subcommittee-1	-	To discuss and review the C&AG audit reports on the accounts of the ministries of Food, Railway, Roads, Highways and communication, Relief and Rehabilitation, commerce and finance, subcommittee to the jatiya Sangsad.	To scrutinize audit objections on the accounts of the ministers of LGRD, Shipping, Foreign affairs, youth and sports and culture.	To make a detailed review of 8 audit objections on the leasing of land and license fee of the Bangladesh Railway during 1987-88 and to make necessary recommendations to the main committee.	To scrutinize audit objections on Road & Highway Dept. long pending suspense accounts of Tk . 80,00,000/- in C&AG report 1993-94 & 1996-97 and recommend action to the main committee.
Subcommittee-2	-	To discuss and review the C&AG audit reports on the accounts of the ministries of jute, energy and mineral resources, civil aviation and tourism, textile and information submitted to JS	To scrutinize the audit objections on the accounts of the ministries of industry and president's secretariat.		To scrutinize audit objection on unrealized toll of Mgnal Gomti Bridge amounting Tk 11, 84, 58,302/- of Road & Highway Dept. mentioned in C&AG report of 2000-01.
Subcommittee-3		To discuss and review the C&AG audit reports on the accounts of the ministries of industry, shipping and inland water, fisheries and livestock, agriculture, Cabinet Division, Foreign affairs, Health & population control, land reforms and land administration and establishment to JS	To scrutinize the audit objections on the accounts of the ministries of Agriculture (agriculture division) power, energy and mineral resources and finance.		To scrutinize the audit objection on allotment of Govt. commercial plots to RAJUK employees' Association at Utara with low price than market value by RAJUK which incurred a loss of TK 12,32,75,637/- mentioned in C&AG annual report of 200-2001.
Subcommittee-4			To scrutinize the audit objections on the accounts of the ministries of Communication (Railway and Roads division), Education and jute.		To scrutinize the audit objections on allotment of RAJUK plots with low price than market value to Pragati Insurance at Gilsha and a Nizu Bili at Seyedabad which incurred a loss of TK 3,70,75,954/- mentioned in C&AG report of 2000-2001
Subcommittee-5			Action taken subcommittee: To review progress with the implementation of decisions taken by the PAC		To scrutinize the audit objections on serious irregularities in purchasing medical apparatus with high price than market value in 9 civil surgeon offices which incurred a loss of TK 14,15,12,374/- and also pilferage of TK 3,31,744/- mentioned in C&AG report of 1995-98.
Subcommittee-6					Action taken subcommittee: To review progress with the implementation of decisions taken by the PAC

Table 6: *Nature of activism of PAC since independence.*

Although the PAC in eighth parliament discussed 149 audit objections involving TK 13,154 crore, only Tk. 12.1 crore was realized (daily star 28 June 2006) . In the process of their operations, PAC also encountered bureaucratic non-cooperation; some ministries also failed to submit necessary records to the committee which is clear violation of section 76(3) (a) (b) of ROP (Jugantar, 13 October 2004). Non-implementation of committee reports has also been one of the main features of eighth parliament and it was reported in a national daily as ministry's reluctance to implement the recommendations of the committee.

4.5: Comparison of PAC's role (5th, 7th and 8th Parliament)

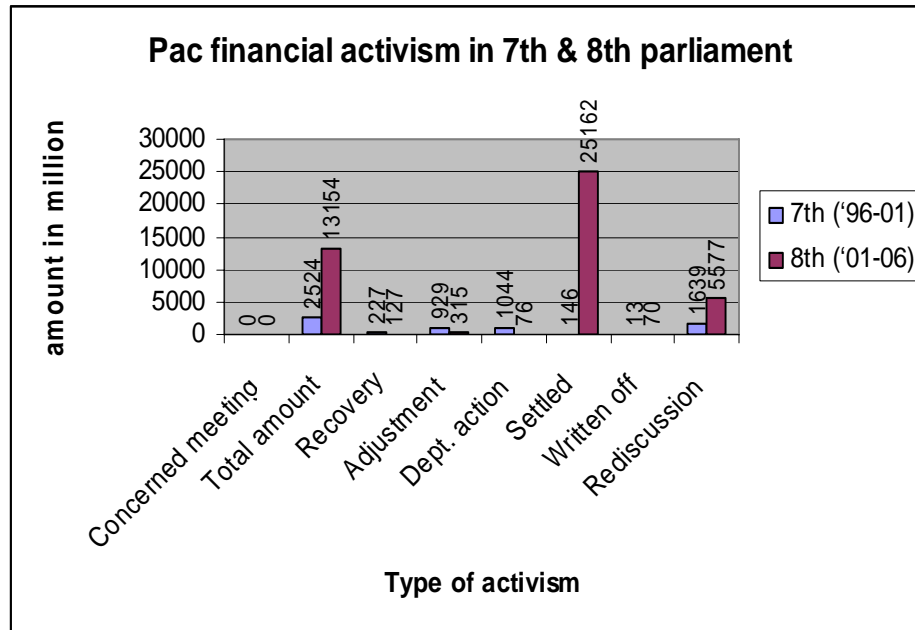
Since the election under nonparty care-taker government held in 1991, the PAC has been functioning more effectively than before. PAC in the seventh parliament acted on C&AG reports with more attention on financial irregularities. It discussed audit objections and settled those amounting TK. 25241611 thousand in cash and kind whereas the PAC in the eighth parliament settled audit objections which involved TK.131545239 thousand. This committee resolved financial objections more than five times as was dealt by the its predecessor in the 7th parliament. The following table and graph depict a comparative status of financial activism of PAC in the 7th and 8th parliament..

Figure in 'Thousand

	<i>7th Parliament 1996-2001</i>	<i>8th Parliament 2001 -2006</i>
Concerned meeting	65 (out of 103)	25 (out of 46)
Total amount	2524 1611	131545239
Recovery	2276046	1275400
Adjustment	9291054	3154500
Dept. action	10440272	765800
Settled	1463583	251628556
Written off	131655	708000
Rediscussion	16390.01	55778.94

Sources: *Taiabur Rahman (2008) & 1st report of PAC in 8th parliament*

Table 7: Role of PAC in exacting Financial Accountability



Sources: Rahman (2008) & 1st report of PAC in 8th parliament

Chart 3: PAC Financial Activism in 7th & 8th Parliament

From the available data on the PAC in the seventh JS, it is obvious that on average about 53% of the total members did not attend in the committee meetings. A quorum is one-third (five) of the total number of members of the committee . Two out of an average of 7 members attending the committee meeting were from the opposition. So the treasury bench members got a free hand to make the decision according to their preferences. The committee met twice a month regularly. It spent an average of two and a half hours per meeting. It submitted five reports in the seventh parliament.(PAC report in 7th Jatiya Sangshad,2001)

	5 th Parliament	7 th Parliament	8 th Parliament
Number of meeting held	52	103 (65)	46 (25)
Average attendance (%)	-	47	58
Total number of committee members	15	15	15
Average duration of meeting	-	2.5 hours	2.8 hours
Average frequency of meeting	30 days	15 days.	25 days

Sources: Taiabur Rahman (2008) and 1st report of 8th parliament.

Table 8: Operation of PAC in 5th, 7th & 8th Parliament

The PAC in the fifth parliament, in average, met once a month and held 52 meetings in its full tenure while in 8th parliament the committee met 46 times and the average interval between two sittings is 25 days. The average duration of each meeting was 2.8 hours.

We can take the instance of departmental committees in the UK which meet each week while the House is in session with meetings lasting between 60 and 90 minutes (Norton 199 cited in Rahman . 2008: 120). Considering this instance, the average frequency of meetings and average time spent for each committee meeting of the PAC in the seventh and eighth JS are satisfactory (Rahman 2008:32). PAC's set up at different times have fared differently. It is, however, difficult to identify any consistent pattern. Among the financial committees, the PAC appears to be extremely active, meeting and reporting more regularly than the others. Comparatively speaking, the PAC of the seventh parliament was the most active, although not always effective as is shown in the following table.

<i>Nature of Activism</i>	<i>Committee</i>			
	Fifth	Seventh	Eighth	
Number of meetings held	PAC	52	103	46
	EC	27	25	27
	PUC	40	26	45
No. of Subcommittees formed	PAC	4	1	9
	EC	-	7	9
	PUC	4	3	2
Number of Reports prepared	PAC	4	5	1
	EC	-	-	1
	PUC	2	-	1

Source: *Ahmed (2006)*

Table 9: Activities of PAC compared with other Financial Committees

The PAC in the fifth parliament mainly discussed the old audit objections pending for long time before 1986-87. The committee in seventh parliament tried to discuss the current audit objection simultaneously with old ones. The PAC in the 8th parliament formed tripartite forum to discuss and settled long pending old audit objections and it was largely successful.

The Committee in the seventh parliament recommends that a committee comprising officials of Finance Division, Ministry of Establishment and Audit Department may be formed to make recommendations on the organizational structure suitable for modern auditing and necessary manpower within 3 months and inform the committee after taking necessary action to implement it. In pursuance of the decision of this committee, performance audit cell has been created in the office of the C&AG and the auditing activities of Chittagong Medical College and Hospital in the health sector, primary education directorate in the education sector, Dhaka and electric supply authority in distribution of electricity, Bangladesh Small and Cottage Industries Corporation and Bangladesh Text Book Board has been carried out through performance audit. This committee viewed that audit objections raised against the officials or organizations should be reflected in the ACR of the concerned officer since indifference and negligence in following the financial rules and regulations is causing to raise the number of audit objections. The committee also found that internal audit department remains busy in giving replies to audit objections of the C&AG office at the cost of the internal audit objective to assist administrators in improving financial discipline and hoped that the concerned ministries would undertake effective and realistic steps to ensure effective internal audit system.

Chapter: V

Assessment of PAC's Role

5.1: Analysis of PAC's role in the last three Parliaments

The nature, scope and scale of activity of the PAC and also other committees-financial and oversight-increased considerably since the election of the fifth parliament in 1991. The PAC of the fifth parliament outdistanced its predecessors in almost every respect. It scrutinized at a total of 1159 audit objections, of which 440 were settled, 27 were settled subject to the satisfaction of the audit; while 692 objections needed further scrutiny. The PAC was extremely critical about the way the activities of various government organizations were carried out. It identified serious discrepancies between the budgeted expenditure and the actual expenditure in almost every organization. All organization invariably spent more than the amount originally voted by the parliament. The Constitution requires that the ministries take approval of every such excess amount of expenditure. But it was mostly bypassed. The PAC also detected serious discrepancy between the original estimates, supplementary estimates and revised estimates; as a consequence, there existed a clear gap between appropriation accounts and departmental accounts. The PAC recommended that the ministry of finance correct the gap.

One of the important limitations of PAC in the fifth parliament was that it still had to examine those audit reports which were nearly a decade old. The PAC found it difficult to examine the current audit reports more because of the delay in printing them than always for the inability of the C&AG to prepare up-to date reports on the accounts of different ministries. The committee thus suggested that it

be allowed to scrutinize current audit reports even though they were not placed in the House. It is to be mentioned here that under existing rules, the PAC can examine audit reports only after these are submitted to the House. The PAC directed the Establishment ministry to make arrangement on a priority basis for printing the audit reports that were yet to be printed. It also reiterated the suggestion made by earlier PAC to replace the current audit system by a comprehensive system of auditing. In its fourth report, the PAC of the fifth parliament expressed concern at the rate unsettled audit objections multiplied in different ministries. It suggests the setting up of a separate task force in each ministry to settle old audit objections.

Comparatively speaking, the PAC of the 7th parliament was more active than most of its predecessors. It had devised more different, and important ways of working. For example, unlike its predecessors which mostly dealt with old audit reports, the PAC of the seventh parliament examined both current and old audit reports. In its first policy-planning meeting, the committee decided to examine the audit reports for 1986-87, as the earlier committees scrutinized the reports until 1986-87. It was also decided at the meeting that the committee would start reviewing the reports for 1994-95 after six months. In fact, it had examined some of the reports for 1996-97 within a short time after it was set up. In particular, a large number of special audit reports submitted to the parliament until 1998 was scrutinized by the committee (Ahmed,2006: 94)

The PAC in the 7th parliament also suggested the introduction of 'value for money' audit on a selective basis in various government organizations and projects. As a first step, it suggested that it might be introduced in 1% of the (nearly 22000) organizations annually audited by the C&AG. Some organizations readily adopted these new types of auditing. This could be seen a significant improvement over the past and was expected to set in motion a new trend in financial accountability of government departments. The dominant practice has been to undertake 'compliance auditing'. This committee

decided to set up an action plan committee to monitor the implementation of decisions taken by it. It also initially decided to set up task forces consisting of 4-5 members to scrutinize the audit reports for 1983-84 and before. Both these decisions were not properly implemented because of the lack of staff support and time constraint faced by members of the committee.

The PAC of the seventh parliament disposed of 497 audit objections and comments involving a total amount of TK. 17,630 million until November 1998. The objections disposed of represented 0.88% of the total. These compared favorably with 440 audit objections disposed of by the PAC of the fifth parliament. It is probably relevant to mention here that the total number of objections and comments made in different C&AG reports were 56,421. Only a small percentage of total objections and comments were discussed by PAC. (Ahmed 2006:93-97).

The PAC in the eighth parliament commenced its journey with a brawl between the ruling BNP and its alliance partners having two-third majority in the House and the AL, the main opposition in parliament, thereby making the PAC like other parliamentary committees difficult. Ultimately, at the thirteen session of the eighth parliament, PAC which was set up was reconstituted, incorporating the AL members in the midst of their non-attendance. Although the PAC discussed 149 audit objections involving TK. 13,154 crore, only TK. 12.1 crore was realized (Daily star, 28 June 2006). In the process of its operation, PAC also encountered bureaucratic non-cooperation; some ministers also failed to submit necessary records to the committee which is clear violation of section 76(3) (a)(b) of ROP (Jugantar, 13 October 2004). Non implementation of committee reports has also been one of the main

features of the eighth parliament. The PAC in 8th parliament therefore took some vital decisions to ensure PAC proper functioning and also to implement the same.

Sources: Ahmed, 2006 and PAC report of 8th parliament :2005

	<i>Parliament</i>		
	Fifth	Seventh	Eighth
No. of meeting held	52	105	46 (25)
No. of subcommittees	4	1	6
No. of reports prepared	4	5	2

Source: prepared by the author from PAC reports on 5th, 7th and 8th parliament.

Table 10: PAC's Activities in 5th, 7th & 8th Parliaments

The PAC in the 8th parliament upon some important findings made a number of crucial decisions which are expected to bear far reaching impact if implemented properly. It found that the audit objections not discussed in PAC including performance audit, issue based special audit, and annual audit reports is more than 700. The committee, therefore, decided in its 10th meeting to form a tripartite committee consists of C&AG representative, concerned ministry representative and audit organization to discuss long pending undiscussed audit objection submitted before 1990. The committee also suggests that C&AG submit reports on the result of tripartite meeting every two month before the PAC and a progress report of ministry wise objections resolved be placed within six months.

The committee observed that suspense accounts of expenditure are created although no budget is allotted for a particular purpose and because of this suspense accounts government expenditure i.e. accounts of Bangladesh Bank always remain inconsistency with the budget allotment. And because of this inconsistency of accounts, government i.e; the finance ministry can never prepare and implement

proper befitting plans. The committee instructed all ministries including Roads and Highway Departments to stop creating suspense accounts as far as possible.

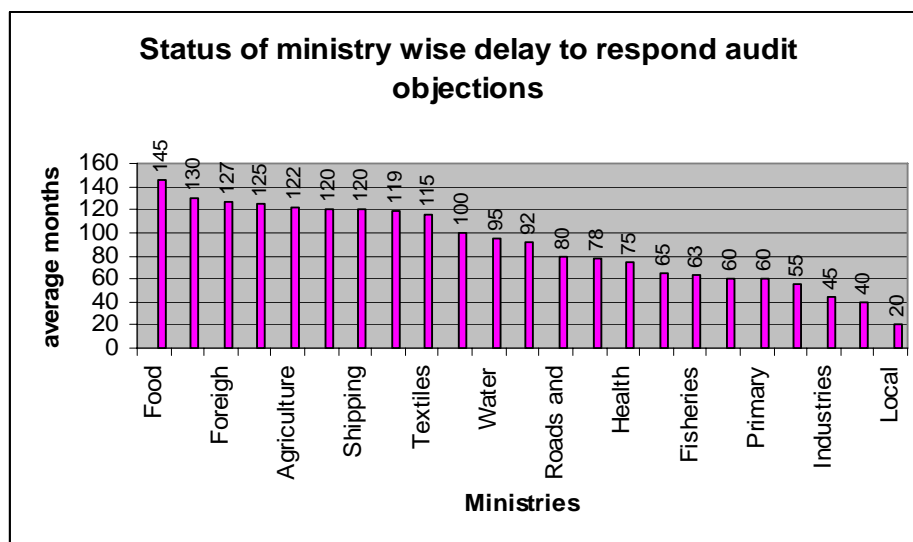
The committee viewed that it is unexpected and undesirable to settle the audit objections only after their placement before PAC and instructed the principal accounting officers of the ministries to give top priority and ensure speedy settlement of the current audit objections in time.

The committee observed that some of the ministries or departments showed indifference or a sign of negligence and the auditors do not find adequate support to discharge their duties properly. With the indication that C&AG or his representative is constitutionally entitled to examine and scrutinize any or all documents of any statute organization in the country the committee advised all ministries, Boards, departments or organizations to supply with all kinds of documents and extend every support as per the demand of the audit team.

One of the important findings to the committee was that most of the ministries, except six, did not carry out the decision of the committee properly. The committee expressed its dissatisfaction at this and made a request to implement the decisions of PAC with utmost priority (PAC reports in 7th and Eighth parliaments)

The CAG carries out conventional audits whose focus is more on verification of transactions rather than performance. The CAG does not have a professional staff even single chartered accountant (World Bank 1996:53 cited in Rahman. 2008:122). Audit is carried out by the civil servants (mostly with general educational background) belonging to the audit and accounts cadre of the BCS. The CAG has been suffering from backlog of its audit functions. When the relevant report is issued years later (delays of five to eight years are not uncommon), it is assiduous to take action in cases of financial impropriety or administrative negligence particularly given the frequent transfer, infrequent retirement and occasional

demise of civil servants. It is to mention in this regard that the audit and accounts report of the year 1996-1997 have already been placed before the parliament which reflects some kind of progress in reducing the backlog. When implementing agencies deviate from audit rules, they are not subject to prompt and effective sanction. Also the existing practice of allowing an implementing agency to respond to the preliminary audit observations within 45 days is rarely enforced. A delay of more than 16 years in taking effective preliminary steps in response to audit objections testifies to this assertion (Raman. 2008:123).



Source: Rahman 2008:123

Chart 4: Status of Ministry wise delay to respond Audit objections

The above analysis clarifies that although PAC in the last three parliaments became more active, they failed to fulfill people’s expectation in ensuring government accountability and controlling government behavior in public expenditure, negligence and abuse and misuse of state power by the executives and thereby help establishing good governance. Their success performance in post-facto analysis of public expenditure is too insignificant to mark as a success among the heaps of undisguised audit reports steadily increase in course of time. In case of oversight function it is the beginning of a success that ministries and many government departments at least feel and become aware of the fact that they can not easily engage in wrong-doing without the risk of being grilled by the committee.

5.2: Key factors behind PAC's Failure

The background information of the members of PAC in the three parliaments is different from one another. The members of PAC in the 7th parliament are rich in education while the members in the 8th parliament are rich in experience. The number of lawyers in PAC steadily increases while the number of full time politicians decreases in the following parliaments. The following chart shows the trend clearly. The business turned politicians are always likely to give more attention in party politics or personal commercial gain than public welfare. And the trend has negative impacts in the committee decisions.

		<i>Public Accounts Committee</i>			
		5 th JS N=15 (%)	7 th JS N=17 (%)	8 th JS N=18 (%)	
BACKGROUND	EDUCATION	Post graduate	46.7	71	33.3
		Graduate	53.3	29	55.6
		Undergraduate	-	-	-
		Others	-	-	11.1
	OCCUPATIONS	Businessman	46.7	35.3	44.4
		Lawyers	6.6	11.8	22.2
		Professionals	20	29.4	16.7
		Politician (full time)	26.7	23.5	16.7
		Others	-	-	-
	EXPERIENCES	Experience of PAC	-	-	11.1
		Experience of ministerial standing committees	40	17.7	61.1
		Experience as minister	-	17.6	16.7
		Newcomer	60	58.8	11.1
Others		-	5.9	-	

Sources: The evidential book of fifth parliament, Bio-data of MPs in 8th parliament(2005) and Eventual parliament (1997)

Table 11: Background information of PAC in 5th, 7th & 8th Parliaments

Party distribution in PAC chairs and members carries great weight in striking balance of political power and influence in shaping the PAC and its functions. All the PAC chairs in fifth, seventh and eighth parliament came from treasury bench. In case of PAC members the fifth parliament strikes the best balance with 53% and 47% in government and opposition respectively. But the composition

deteriorated in the following parliaments with the larger share in the government side. The figure is portrayed in the following table:

	Party Position	Chairs		Members	
		Proportional	Actual	Proportional	Actual
5 th Parliament	Treasury bench	51%	100%	51%	53%
	Opposition	49%	0%	49%	47%
7 th Parliament	Treasury bench	53%	100%	53%	60%
	Opposition	47%	0%	47%	40%
8 th Parliament	Treasury bench	73%	100%	73%	73%
	Opposition	27%	0%	27%	17%

Sources: Rahman, (2008) and PAC reports of 5th, 7th and 8th parliament

Table 12: Party distribution of total PAC Chairs & Members in percent (proportion & actual)

The 5th, 7th and 8th parliaments were formed through a free franchise under nonparty caretaker government which was first introduced in 1991 election. The gap between the first sitting of the parliament and the date of PAC set up determines the extent of political will and party support towards PAC to make government accountable of its activities. It is a constitutional obligation for the parliament to form PAC like other parliamentary permanent committees within the shortest possible time.

	Date of Parliament Convened	Date of PAC Formation	Delay in PAC formation
5 th Parliament	5/4/1991	8/7/1991	3 months & 3 days
7 th Parliament	14-7-1996	20-11-1996	4 months & 6 days
8 th Parliament	28-10-2001	15-5-2003	18 months 17 days

Source: Ahmed (2006).

Table 13: Role of Parliaments in activating PAC

The fifth parliament took around three months to form PAC, the seventh parliament -four months and the 8th parliaments took more than 18 months after its first session to put PAC in function. The 8th parliament spent inordinate time to put the committee into action and the gap certainly justified its impacts in the proper functioning of the PAC in both the tenure of the parliaments.

The major opposition in the 8th parliament alleged that the ruling party did not follow the principle of proportional representation in the distribution of committee membership, nor did it allocate any chair positions to the opposition. Unusual delay in the formation of committee and conspicuous lacking of mutual admiration between the two major parliamentary parties have deterred the effective functioning of the committee (Ahmed and Obaidullah,2007:53) The status of party distribution in selecting chair and members of PAC is shown in Table 12.

Although PAC system operates on a cross-party basis, many members often fail to overcome partisan sentiment and thereby block the process of collective approach to take decision upon compromise and inter-party bargaining. Experiences of fifth, seventh and eighth parliaments reveal that the major differences of the competing political parties in the country's political process are reflected even inside the committee room.

The parliament and the parliamentary process largely remained under the overwhelming domination of the executive and as such, the legislature and to some extent the committees are tailored to suit the partisan needs of the regimes. Such kind of mindset which is protected by Article 70A of the constitution in violating the rights of MPs to deny the party's decisions also weaken the PAC in proper functioning.

Committee activism is affected badly as there is a tendency among the ministries and agencies to defy the recommendations and directives made in the committee reports: added to this are the non-cooperation of the concerned departments and apathy of the members of the bureaucracy. It is obvious from the operations of PAC that its endeavor to ensure executive accountability is half-heartedly confined to the initiation and recommendation stages. At the implementation stage, its role to ensure executive accountability is virtually missing.

Until now PAC in Bangladesh has functioned without much logistic support and other necessary services. It suffers from lack of the experienced staff, necessary electronic equipment, expert assistance and research facilities. Many members, specially the new comers in the committee find it difficult to grasp the technicalities of the audit reports.

Sometimes, Standing Committees on Ministries (SCMs) find them performing the similar type of functions done by PAC; thereby confusing environment and causing overlap of activities. Absence of any formal legislative mechanism for coordinating job and communicating with different committees compounds this problem.

The structural and systematic weakness of auditing and reporting, absence of any set pattern to guide the committee-ministry relations, absence of an integrated performance management and planning mechanism and lack of public access to committee (Ahmed and Obaidullah, 2007: 56)

Since the PAC bases its actions entirely on the reports of the CAG, its shortcomings have a baneful effect on the performance of the PAC. The autonomy of the C&AG, which is a constitutional body, is severely curtailed by placing it as a subordinate office under the ministry of finance. The CAG has to depend on the ministry of finance and ministry of establishment for budget and recruitment of its staff.

The CAG is appointed by the president on the advice of the prime minister without consultation with the parliament or PAC. Besides, The Rules of Business, revised in 1996, require that the annual reports of the CAG be routed to the president through the prime minister's office. All these are likely to have negative consequences: the risk making the CAG vulnerable to the pressure and influence of the executive. Added to that is the lack of professionalism among auditors to conduct effective audit and produce quality reports for the users due to dual function of CAG: both auditing and accounting (Rahman,2008:122-d124)

Chapter: VI

Conclusion and Recommendations

6.1 Conclusion

This study has explored the roles of Public Accounts Committee in Bangladesh with special focus in 5th, 7th and 8th parliaments. The general conclusion that emerges is that the PAC in Bangladesh remains deficient in several respects in exercising oversight over government in general, and expenditure in particular. The PACs in different parliaments do not appear to be good watchdog; nor can the various individual techniques of accountability be seen as having much influence over the ways the government plans and spends public money. However, there are some positive methods of making PAC effective. Certain conditions can be created for the purpose of implementing reform measures relating to parliamentary system of accountability and Public Accounts Committee, but implementing reforms is not so feasible in Bangladesh because of inherent difficulties. However, remedies are being sought for long. As issues and debates surrounding PAC are being more and more important in the system of parliamentary accountability, it seems that government is motivated to tackle them, but the question of tackling parliamentary accountability through PAC is restricted to the actual role the government plays in making parliamentary system of accountability effective. In fact, Democratic and parliamentary political culture needs to be revived and maintained for the hopes to be materialized. Until Bangladesh creates such cultures and Members of Parliament adopt the practices of parliamentary democracy, PAC will remain ineffective and the government will remain unaccountable for all its actions.

6.2: *Recommendations*

In order to renovate structures and ensure meaningful performance of the parliamentary committees, the existing constraints and problems should be mitigated. Although several measures have already been taken by the parliament of Bangladesh with the financial assistance and technical support of SPD a UNDP-Bangladesh parliament joint project, to improve its operational procedures, more is needed to strengthen the oversight capacity of the committees. Strategies and suggestions specified below deserve special consideration.

- ❖ Necessary competent staff, modern electronic apparatus and other support services are prime requirements that create a strong material base for the committee to perform its designated assignments. Appropriate plans are necessary to transform the parliament secretariat into a performed-based body so that it can properly serve the needs of the parliamentarians and PAC members.
- ❖ Non-implementation of committee reports and defiance by the respective ministries or agencies reveal inadequacies in the Rules of Procedure which need to be corrected. Provisions should be made requiring the ministries to provide a preliminary response within 30 days of receipt of the committee recommendations and a full response within 90 days. In case of deviation, the committee may refer the issue to the privileges committee for resolution.
- ❖ For the purpose of proper role –playing the Rules of Procedure needs to be altered in order that the PAC can be constituted within a month of the inaugural session of the parliament.
- ❖ In Bangladesh where PAC functions and hearings are not open, certain ways and means can be developed for ensuring responsibility and ventilation of public concerns. To encourage

committee to listen to people, provisions should be made in the rules requiring it to consult the informed public through inviting submissions or memorandums on the business pending before them. Public access to committee reports or proceedings is a major way to develop two-way contacts and relationship.

- ❖ What is needed most is to strengthen the office of the CAG by separating audit from accounting to increase auditor's professionalism and to promote more direct relationship between the PAC and the CAG by making the CAG an officer of the parliament. Performance audit should replace the traditional financial audit for better use of audit reports by the PAC.
- ❖ Article 70A, which restricts rights of MPs to go against the party's decision can be revised to encourage spontaneous response from the PAC members.
- ❖ A strong and vibrant committee can be formed by selection of PAC members in proportionate to the party strength in the House and by appointing an opposition MP the chairman of the PAC.
- ❖ Chairperson of the PAC should be offered due status. Such status must be defined and specified so that it can call the ministers concerned to appear before the committee, whenever necessary (Resolution of the 1st conference of PAC in SAAR parliaments in New Delhi, India-1997)
- ❖ It is obvious from the operations of PAC that its endeavor to ensure executive accountability is half-heartedly confined to the initiation and recommendation stages. At the implementation stage, its role to ensure executive accountability is virtually missing (Rahman:2008). The recommendations of the Committee may be binding ones for the government. A Strong Action

Taken committee can be formed to monitor and review the progress with the implementation of the decisions taken by the PAC... Any violation or procrastination should be dealt with punitive actions.

- ❖ PAC should lay emphasis on the performance of the Executive in terms of cost-benefit justifications of the projects/schemes etc. At the same time PAC may consider examination at random of the remedial action taken notes on the audit paragraphs so as to make the ministries / departments alert while furnishing the remedial /corrective action taken notes (Resolution of the 1st conference of PAC in SAARK parliaments in New Delhi, India-1997)

References

- Ahmed N. & Obaidullah A.T.M. 2007, “The working of Parliamentary Committees in Westminster systems; lessons for Bangladesh” UPL, Dhaka.
- Ahmed N. 2001, “Parliament and Public spending in Bangladesh: Limits of control” Bangladesh Institute of Parliamentary studies, Dhaka.
- Ahmed N. 2002, “The Parliament of Bangladesh” Ashgate Publishing Ltd, England.
- Ahmed N.2006, “Limits of Parliamentary Control: Public spending in Bangladesh” UPL , Dhaka.
- Asian Review of Public Administration, Vol, XII, No. 2 (July-December 2000)
- Bangladesh Institute of Parliamentary Studies (BIPS), 2001, “Parliamentary Duties of the Comptroller and Auditor-General in Bangladesh”
- Bangladesh Jatiya Sangsad : “4th Reports of Public Accounts Committee, July1995”.
- Bangladesh Jatiya Sangsad : 1st Report of Public Accounts Committee of 8th Parliament, November, 2005.”.
- Chowdhury R.R. 2001, “ Parliamentary Duties of the Comptroller and Auditor General in Bangladesh”; Bangladesh Institute of Parliamentary studies, Dhaka.
- Cruzan R.M. 1947, (2nd edn1953) “Practical Parliamentary Procedure” Mckight & Mcknight publishing company, USA.
- Erskine May 1989, “Parliamentary Practice”, Butterworth & Co. Ltd. London.
- Griffith J.A.G.& Ryle M. 1989, “Parliaments, Function, Practice and Procedures” Sweet & Maxwell Ltd. London.
- Huq. P.A. & Panday P. K. “Accountability in Bureaucracy: Bangladesh Case” Public Fund Digest, Feb 2005.
- Kashyap S.C. 1991, “Practice and Procedure of Parliament “Pearl Offset Press Ltd.
- Khan M.A. & Chowdhury N.: 2007 “Public accountability, corruption control and service delivery: Governance challenges and future potions” <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan028466.pdf>> access on 25/6/2008.
- Lok Sabha Secretariat, New Delhi 1988, “Parliamentary Committee”
- Lok Sabha Secretariat, New Delhi 2000, “The Parliament of India-The twelfth Lok Sabha 1998-99” Shree Enterprises, New Delhi.

Miah K.A.H.1999, “Jatiya Sangsad- House of the Nation” The Printograph Ltd. Dhaka

Parven E. & Stacey G. 2001, “ The Resurgence of Democracy; The Common Wealth Parliamentary Association 1991-2001” The Common Wealth Parliamentary Association Secretariat, UK.

Public Administration Reform Commission (PARC): “Public Administration for 21st Century” Vol. 2, June 2000.

Rahman T. 2007, “Governance and Development”

Report of the 1st conference of PAC in SAAR parliaments in New Delhi, India-1997)

Report on Conference on “parliamentary committee systems” organized by Institute of Parliamentary studies in May , 1999.

Stapenhurst. R., Johnston. N., and Pellizo R. , 2006: “The Role of Parliament in curbing corruption” WBI, Washington,USA.

Younis T.A. & Mostafa I.M.D.2000, “Accountability in Public Management and Administration in Bangladesh” Ashgate Publishing Ltd. England.

Wikipedia: “Accountability” in the free encyclopedia <http://en.wikipedia.org/wiki/Accountability>
[Access on 25/6/08.](#)