

SPEECH
OF
PROF. K.V. THOMAS
CHAIRPERSON

PUBLIC ACCOUNTS COMMITTEE
PARLIAMENT OF INDIA

ON

16TH APRIL, 2015

AT THE

AUSTRALASIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES
13TH BIENNIAL CONFERENCE 2015, ADELAIDE
SOUTH AUSTRALIA
(15-18 APRIL, 2015)

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THE ROLE OF PUBLIC ACCOUNTS COMMITTEE MEMBERS - INTERNATIONAL PERSPECTIVE

Hon'ble Chairperson, fellow Parliamentarians, Auditors General, Excellencies and friends,

I am happy to be here in this Australasian Council of Public Accounts Committees (ACPAC) 13th Biennial Conference, 2015. The establishment and development of relations among Parliaments constitutes part of the regular activities of national parliaments. Although promotion of inter-parliamentary relations has for many years been a significant part of the work of parliamentarians, recently it has received a new thrust due to the increased inter-dependence of nations in a global environment. It is imperative that we parliamentarians join hands to safeguard democracy and work in synergy to confront the challenges before the world and convert them into opportunities to facilitate mutual cooperation and peace and prosperity in our respective countries and globally too. Parliamentarians from different parts of the world, therefore, need a forum like ACPAC where they can meet to discuss and find out solutions to their common problems and also where some sort of cross-fertilization of ideas can taken place not only between the older and the younger Parliaments, but also between parliamentarians working under different parliamentary systems. These problems are not doubt discussed in inter-governmental conferences but those discussions are not so frank and free as they can be at a conclave of legislators.

I thank the Chair, ACPAC for organizing this Conference and inviting me. Also, you deserve special thanks for selecting such an important presentation theme as "The Role of Public Accounts Committee Members—International Perspective" for the workshop.

PAC Members - the Parliamentarians

Executive dominance of Parliament can undermine the entire system of democratic accountability. Therefore, the parliamentary form of democracy has evolved a Committee system with a view to ensuring effective surveillance over the Executive. Under the system, prevalent in several countries, the Parliamentary Committees, which are microcosm of the Parliament, are expected to keep an unremitting vigil over Government spending and performance within their respective defined areas. As expected of it, the Parliamentary Committee system has been able to play, over the years, an important role in ensuring accountability of the Executive to the Legislature, which embodies the will of the people. And, amongst the Parliamentary Committees, the Public Accounts Committee enjoys the pride of place and plays a pivotal role in the enforcement of financial accountability of the Executive to Parliament. In my country, the first PAC was setup in the year 1921. Since then, several generations of the Indian Parliamentarians, as Members of PAC, have contributed in evolving several traditions and practices to strengthen the existing tools and techniques of ensuring financial accountability.

This is possible because, PAC Members are increasingly aware of their role as Parliamentarians. Today, the Parliaments are increasingly called upon to concern themselves with issues of international dimensions. In fact, the problems debated in Parliament and their solutions are increasingly becoming transnational. The issues of corruption, development, environmental protection, human rights, security, etc., which were deemed to be purely domestic responsibilities of the Governments, have assumed international ramifications. The growing public awareness on political and economic issues together with the democratization of the international polity, economic inter-

dependence and developments in transport and communication technologies have added a new impetus to contemporary international relations. As a result, the role of regional and international organizations has grown significantly in finding out solutions to the issues of common concern. Parliamentarians, as people's representatives, have a special role to perform in this field. Together, they have to strive for peace and prosperity both at the national and international level of promoting understanding and cooperation. Parliamentarians can keep a close oversight on the implementation of international obligations so as to safeguard and promote the interests of the public. It is in this context that the role of PAC members as parliamentarians has come to assume greater importance.

PACs and their members have a unique role to play in bringing their Governments closer to the people they are meant to serve. They have an important role to play in making their Governments more transparent and accountable. Parliaments no longer can remain content merely by ratifying the decisions taken by their Governments. To do so would amount to relinquishing their role as people's representatives. The active role played by Parliaments through the means of PAC, in fact, complements and supplements the efforts of National Governments in promoting cooperation and understanding. In view of the growing dimensions of Government activities, parliamentarians need to develop their skills at analyzing people's expectations and bringing them to the fore by discussing them nationally and internationally through mutual consultation and cooperation. This is particularly appropriate for Members of PAC who have been given added responsibility of securing Executive accountability to Legislature.

I believe that fortunately, everywhere, the Members of the PAC are inspired by a spirit of dedication and service to the Country and function more

With the multi proliferation in Government activities and expenditure in the fast changing era of globalization, there has been a phenomenon increase in the activities of PAC. To meet the emerging challenges, Members of PAC need to adapt successful techniques from other countries. For this, attention must be given to the underlying principles involved and their relationships to the contexts of particular countries. Transfer of ideas and practice from other countries with similar governance frameworks and characteristics may still produce different nuances of practice and outcome. I personally feel that there is a need to avoid blueprints and imbibe newer ideas institutionally, whilst working to strengthen the arrangements by which desired accountability outcomes and objectives can be achieved.

To enhance PAC activity in securing accountability, the Members must strive not only to identify financial mismanagement and impropriety with a view to ensure and sanctioning of those associated with maladministration but also to encompass and prioritize value for money concerns. The end objective should be securing improvements in the efficiency and effectiveness of policy implementation in individual Government departments and across Government departments. I am sure that the arrangements for PACs have developed and different features have emerged in various countries as PACs can operate in a variety of different ways, which may benefit all of us here.

One important aspect, which I would like to highlight, is about ensuring accountability in foreign financial aid and donations. Many Countries are recipients of financial aid from other Governments and from international donor agencies. Much of this financial aid is funded either directly or indirectly by tax revenues from high-and middle-income Countries. As with other publicly-funded expenditure there is a requirement for those organizations charged with managing the disbursement of aid to account to their domestic

taxpayers (or to the representatives of those taxpayers) for the proper use of the disbursed funds. This pressure in turn imposes strong requirements upon recipient Government to report to the donor agencies on the management and use of funds received. In this way an accountability relationship develops between a recipient Government and its international donors (or creditors). Where there is a multiplicity of these donors, there will be a correspondingly increased set of international demands for accountability. The pressures imposed upon recipient governments from these reporting and accountability relationships will be enforced by the donor agencies and will typically be closely observed by the recipient Governments because of the link between compliance and continued aid disbursement. Can PACs of recipient countries have a role in it? An effective process of public financial accountability centred on the PAC can be a strong demonstrator of the quality of financial governance arrangements and of the proper use of aid resources. However, the moot point is whether the international agencies are willing to rely upon domestic accountability mechanisms and whether they can possibly provide support for strengthening those institutions. In cases, where international actors demand compliance with separate 'external' accountability processes, there is a risk that requirements of international organizations and donor Country Governments may usurp domestic accountability processes. Where domestic accountability mechanisms are weak, the Executive may feel impelled to prioritize external accountability relationships and to pay insufficient heed to PAC findings and recommendations. We need to think over it. Less-developed countries may have some issues on this point. We may discuss possible solutions on the same.

Further, the PAC Members need to introspect on their role and the relevance of "Westminster model" of accountability. Political governance systems vary widely across the modern Commonwealth to the extent that it

may not be relevant now to generalize about a common "Westminster" system of government except at a level of broad principles. Even then, the categorization may be more useful as a device for distinguishing other broad systems of governance than as a means of isolating homogeneity across a swathe of Commonwealth countries. Moreover, differences in fundamental constitutional arrangements may be inconsistent with the original Westminster approach to securing public financial accountability. Besides, the relationship between PACs and the Supreme Audit Institutions which is equally significant, in our countries needs a cross-country exchange of ideas too, as this has a strong bearing on ensuring accountability. There may be specific innovations in this field too that have produced positive improvements. PAC Members can have a fruitful exchange of information on this too.

With these words, I look forward to having an interesting and mutually beneficial discussion with all my fellow Parliamentarians here.

Thank you.
