

IN HOUSE BRIEFING FOR THE PUBLIC ACCOUNTS COMMITTEE

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INTRODUCTION

The Public Accounts Committee (PAC) is an institution by which the Parliamentarians exercise their role in the Parliamentary oversight of public finance. The PAC is one of the oldest Parliamentary Committees of the World, dating back to the mid-nineteenth century in Britain, New Zealand, Canada and Australia. As former British colonies became independent and established parliaments, they were almost inevitably modeled after the British (Westminster) model and established their own respective Public Accounts Committees.

The PAC examines public finance after expenditure has taken place. The PAC works closely with the Auditor General office.

(Introduction continues)

Constitution of Islamic Republic Of Pakistan

Article 170 (2)

- “The audit of the Accounts of the Federal and of the Provincial Government and the accounts of any authority or body established by, or under the control of, the Federal or a Provincial Government shall be conducted by the Auditor General, who shall determine the extent and nature of such audit.”

REFERENCE TO PAC

Article 171

The report of the Auditor General relating to the accounts of the Federation shall be submitted to the President, who shall cause them to be laid before the Majlis-e-Shoora Parliament National Assembly in terms of Rule-177 of the Rules of Procedure and Conduct of Business in the National Assembly 2007. The House refers it to the Public Accounts Committee (PAC).

FUNCTIONS

(RULES OF PROCEDURE AND CONDUCT OF BUSINESS IN THE NATIONAL ASSEMBLY 2007)

RULE 203

- 1) The Committee shall examine the accounts showing the appropriation of sums granted by the Assembly for the expenditure of the Government, the annual finance accounts of the Government, the report of the Auditor-General of Pakistan and such other matters as the Minister for Finance may refer to it.**

(Functions continues)

2) In scrutinizing the appropriation accounts of the Government and the reports of the Auditor-General of Pakistan 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 the Ministry of Finance.**

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 Auditor-General of Pakistan thereon;**

(Functions continues)

- 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 Auditor-General of Pakistan either under the directions of the President or under an Act of the Parliament; and**
- c) to consider the report of the Auditor-General of Pakistan in cases where the President may have required him to conduct the audit of any receipts or to examine the accounts of stores and stocks.**

(Functions continues)

4) If any money has been spent on any service during a financial year in excess of the amount granted by the Assembly for that purpose, the Committee 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.

(Functions continues)

Public Petitions:

[N.A Rule 201 (4)]

A Committee may examine the expenditures, administration, delegated legislation, public petitions and policies of the Ministry concerned and its associated public bodies and may forward its report of findings and recommendations to the Ministry and the Ministry shall submit its reply to the Committee

PAC WORK MODEL

1. Preparation of the Audit Report on the Accounts of the Federation by the Auditor General (AG)

2. The AG submits the Report to the President (Article 171 of the Constitution)

3. The President shall cause the Report to be laid before both the houses; National Assembly (N.A) & Senate (Article 171 of the Constitution)

4 a. The AG's Report when received from the President shall be laid on the Table by a Minister in N.A (N.A Rule 177 (1))

4 b. The AG's Report so laid in the N.A shall be referred to the Public Accounts Committee (PAC) (N.A Rule 177 (2))

5. The PAC examines the AG's Report (N.A Rule 203)

6. The PAC issues directives to Ministries/ Divisions for Compliance

7. The PAC prepares and presents the Report in the N.A

8. The Speaker may permit a debate on the Motion regarding the PAC Report. (N.A Rule 237 (2))

9. After the presentation and debate on the Report the Speaker may put the question to the House regarding the adoption of the Report. (N.A Rule 237 (1))

10. The PAC Report is forwarded to the Ministries/ Divisions for Compliance

11. The PAC reviews and Prepares a Report on the Compliance of Ministries/ Divisions

12. The PAC's Compliance Report is laid down in NA for adoption

SUB COMMITTEES

[Rule 224(1)]

- ❖ **A Committee may constitute one or more Sub-Committees, each having the powers of the whole Committee, to examine any matter that may be referred to them.**

REPORT OF THE SUB-COMMITTEE

[Rule 224(2)]

- ❖ **The order of reference to a Sub-Committee shall clearly state the point or points for investigation. The report of the sub-committee shall be considered by the whole Committee and when approved by the whole Committee, be deemed to be the report of that Committee.**

THE REPORT OF THE COMMITTEE

[Rule 203(5)]

- ❖ **The report of the Committee shall be presented within a period of one year from the date on which reference was made to it by the Assembly, unless the Assembly on a motion being made, directs that the time for the presentation of the report be extended to a date specified in the motion:-**

Provided that extension in the time for the presentation of the report shall be asked for before the expiry of the time allowed under the Rule. *(Functions continues)*

DEPARTMENTAL ACCOUNTS

COMMITTEES (DACs)

The Departmental Accounts Committees (DACs) is a forum where audit paras are discussed between the representatives of the Audit Office and the relevant Ministry for arriving on an agreed position. The meetings of DAC's are chaired by the PAO/Secretary of the Ministry/Division and a representative from the office of the Auditor General and Ministry of Finance are also included in the DAC. The minutes of DAC meetings are placed before the PAC for final disposal.

(DAC continues)

This forum was established by the M/o Finance vide their instructions issued on 04-12-1984 and 13-02-1998.

The results of DAC meetings have been encouraging and it proved to be a useful screening forum.

PENDING AUDIT REPORTS

S.No	Year of Account to which report relates	Reports Presented to the House	Audit Paras	Appropriation A/Cs
1	1998-99	27-03-2001	2494	102
2	2002-03	07-03-2005	1255	100
3	2003-04	07-08-2006	1174	117
4	2007-08	15-10-2009	782	0
5	2009-10	03-05-2010	1632	191
6	2010-11	22-07-2011	2042	200
7	2011-12	12-06-2012	3057	194
8	2012-13	21-08-2013	2494	102
			Total: 14930	

PERFORMANCE OF 13TH PAC

❖ **Total Meetings Held : 220**

❖ **Reports Examined :**

- | | |
|---------------|--------------------|
| 1. 1988-1989 | 2. 1989-1990 |
| 3. 1990-1991 | 4. 1991-1992 |
| 5. 1992-1993 | 6. 1994-1995 |
| 7. 1995-1996 | 8. 1997-1998 |
| 9. 2000-2001 | 10. 2001-2002 |
| 11. 2004-2005 | 12. 2005-2006 |
| 13. 2006-2007 | 14. 2007-2008 (AA) |
| 15. 2008-2009 | |

(Performance continues)

- ❖ **Annual Report 2010 of Monitoring and Implementation Committee of PAC.**
- ❖ **Report of the PAC on review of Implementation status of PAC Directives on Audit Reports for the years 1996-1997, 1999-2000, 2000-2001, 2005-2006, & 2008-2009.**

- **SPECIAL REPORTS**

- **1. Policy of Allotment of Plots to Federal Government Employees and Others**
- **2. Non-Appearance of the Registrar/PAO of the Supreme Court of Pakistan Before the PAC.**

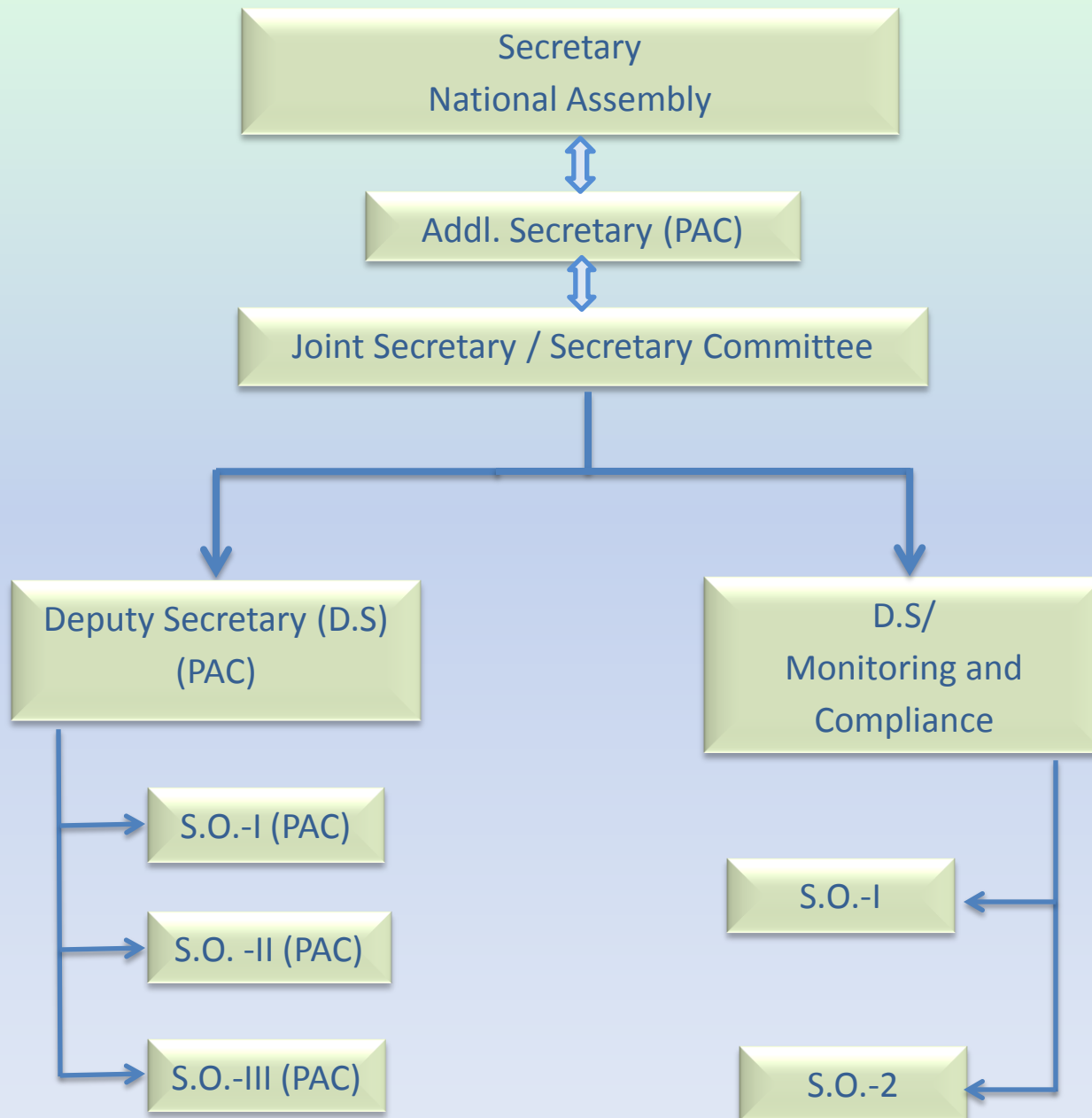
RECOVERY DURING 13th PAC **(2008-2013)**

❖ Rs. 148.60 Billion

SUGGESTIONS

- ❖ **PAC to concentrate on the paras involving significant issues, embezzlement while remaining paras to be left to DAC.**
- ❖ **The PAOs to be directed to make proper use of Chief Financial and Accounts Officers regarding arranging frequently DAC meetings.**
- ❖ **A Sub-Committee on Implementation and Monitoring to review previous actionable points/PAC Directives.**

STRUCTURE OF PAC WING



PAC ON WEB

www.pac.na.gov.pk

**Focus – Enriched Content
&
Latest Updates**

INITIATIVES

JUNE – DECEMBER

- **Content thoroughly reviewed and modified.**
 - **Introduction and Functions with reference to Rules of Procedure.**
 - **Developed and Uploaded Frequently Asked Questions (FAQs)**
- **“Latest Updates” added to reflect work related important developments as and when occur.**

- **“Web Resources” included:**
 - **Provincial PACs**
 - **PACs of Advanced Democracies**
 - **PACs of SAARC Countries**
 - **World Bank Resources on PAC**
 - **International Anti-Corruption Conference**
- **PAC E-Mail management made efficiently operationalized by responding queries, comments and suggestions on daily basis.**
- **The PAC Reports for the Year 1995-96, 1999-2000 and 2000-01 compiled and uploaded.**
- **Actionable points/Directives on different Ministries/Divisions to be on Web before the complete report is uploaded.**

PERFORMANCE ORIENTATION

- **PROFESSIONAL DEVELOPMENT:**
 - **Exposure to national and international professional development opportunities for:**
 - **PAC MEMBERS**
 - **PAC WORK TEAM**
 - **Public awareness initiative to educate general public by:**
 - **Encouraging Civil Society (Think Tanks/Academia) to communicate with PAC on regular basis/feedback.**
 - **Anticipated Web Broadcast of PAC proceedings as PAC LIVE.**

- **INFORMATION TECHNOLOGY:**

- Updated Computer Hardware required.
- Customized Software for PAC
 - Software Application to be used by the work team for record keeping, searching, simple file movements, reporting etc.
 - Covers complete working of PAC Wing from defining AG Reports to automated generation of PAC final report.
- Requires IT Expert at hand in PAC Wing.

THE END