

70311

STRENGTHENING OVERSIGHT (FINANCE) COMMITTEES

**ORGANIZATIONAL RESTRUCTURE OF SECRETARIAT
SUPPORT SYSTEM**

KEY FINDINGS AND RECOMMENDATIONS

April 2011

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I. Background

1. Bangladesh has adopted Westminster Model of democracy for holding Government and Executive accountable for governmental actions and policies. Parliamentary control over financial management in the Westminster model of governance involves several components: the preparation of government plan for future expenditure; internal control exercised by the Executive over its financial transactions; subsequent external audit conducted by the country's Supreme Audit Institutions, the CAG; and the scrutiny performed by the parliamentary oversight committees such as PAC, PEC and PUC.

2. The Constitution of Bangladesh and Rules of Procedures of the Parliament lay down elaborate mechanism for ensuring the financial accountability of the Executive. The Constitution has made it mandatory for the Parliaments to set up Public Accounts Committee (PAC) while Rules of Procedures specify the roles and responsibilities of other financial committees such as Public Estimate (PEC) and Undertaking Committees (PUC). These committees perform both prior and post oversight roles in the public financial management and accountability process. Parliament through the PAC/PUC/PEC plays an important oversight role in public expenditure management and accountability process.

3. The committees' proceedings are bipartisan, somber & sedate where the collective wisdom and analytical skills especially of back benchers are deployed in public interest to establish Executive accountability. Since committees are constituted by subjects & members are chosen for their knowledge base of say Defense Issues there is specialization. Also the decisions are generally consensual. In short the committees parallel process multifarious subjects in depth at the three levels of Scrutiny, Oversight and Investigation and provide the backbone to the Parliament. So they are known as Little Legislatures

4. Currently there are 48 committees & subcommittees in Bangladesh Parliament. In this paper we are considering the framework and functional responsibilities of Public Accounts Committee in Bangladesh.

II. Current Framework: Secretarial Support

5. The constitution provides for a Public Accounts Committee (PAC) with 15 members vide Art 76. The committee discusses the Audit Reports of public accounts of the Republic submitted by the Comptroller & Auditor General of Bangladesh (CAG) and summons the Executive to respond to issues of waste, fraud, loss, misappropriation, inefficiency or corruption or any other issues that PAC deems fit.

6. To facilitate the PAC in this process a Secretariat has been functional within the Parliament Secretariat, headed by a joint Secretary, who is also responsible for all 48 committees. Under the Joint Secretary, there are 4 Deputy Secretaries and below the Deputy Secretaries, 15 Committee Officers in the rank of an Assistant Secretary provide support to the 48 committees including PAC, PUC, EC and their Chairs. However in case of PAC, one committee officer (Committee section 1) has consistently been assigned to provide support to the Chair. Despite a structure of the Secretariat, it suffers from administrative arrangements

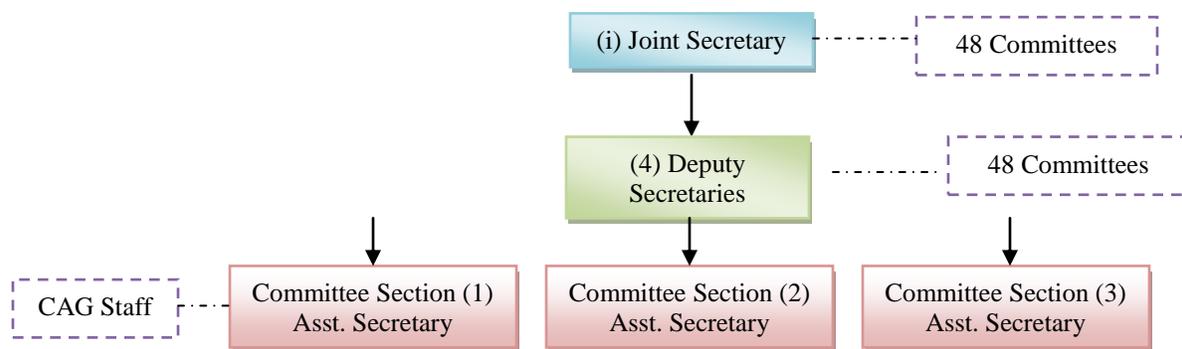
without any clear line of authority or responsibility or reporting obligation as most of the technical work related to these committees is performed by committee officers.

7. In addition one or two officials from CAG were always available to the committee section 1, as an informal arrangement, to facilitate PAC discussion and disposal of audit paragraphs.

8. Though it is not formally structured, the secretariat support system require regular assistance from IT section and Publicity and Media Wing of the parliament Secretariat. These units are also responsible for the entire Parliament Secretariat. As a result, the specialized assistance that are necessary for handling technical matters by these committees are also missing.

9. It may be mentioned that most of the civil servants occupying senior level positions such as Joint Secretary or deputy Secretary are not parliament Secretariat’s permanent staff. There is general dependence for major activities on junior ranking officials (committee officers) who are permanent staff of the parliament secretariat, despite strong realization that they are not authorized or empowered in the civil servants hierarchy to deal with important issues or direct committee work or advise chairs whenever needed. Another major constraint to capacity development is the continued rotation/ transfer of high level civil servants in and out of the Parliament Secretariat which undermines the human resource development within the Parliamentary Secretariat and retain expertise given through foreign/international training.

Current Secretariat Support Structure:



III. Key functions: (PAC Secretariat through Committee Section 1)

10. It performs mainly following functions:

- Issue of Notices for the meetings in consultation with the Chair
- Preparing & Assembling Working Papers for the committee
- Recording the discussions and preparing the Minutes of PAC
- Preparing informal brief for PAC Chair on Audit Paragraphs scheduled for discussion
- Interacting with relevant Ministries/ Departments/ CAG on the selected Audit paragraphs

- Obtaining and distributing CAG Audit Reports
- Interacting with outside agencies like SE for the venue of the meeting for electricity and water supplies /media for coverage of the event of the meeting and Press releases and Publicity Department of Bangladesh Parliament Secretariat
- Issue of notices to and for subcommittees /attending their meetings & coordination with Main PAC
- Printing of PAC Reports for placement in the house

IV. Limitations of Existing Secretarial Support

11. The existing Secretarial Support is heavily dependent on one Committee officer, who is too junior. With his limited experience and expertise, it is difficult to steer the PAC to an ideal level and professionally deliver anything of merit. The official remained overwhelmed with his routine responsibilities and hardly reports to the seniors. The Joint Secretary and Deputy Secretary remained nominally responsible leaving the day to day conduct of the proceedings to junior official (s).

12. The Committee officer has been unable to take advantage of the professional skills available with officials posted from the office CAG. There is sense of insecurity, as a result there is no meaningful or formal collaboration with the CAG which is badly needed for PAC. The limited competence resulted in building walls all around him and prevented inquiry into the affairs of PAC Committee deliberations, decisions or documentation. Over a period of time the continued inefficient system got reinforced and institutionalized into the system and PAC ceased to be the watchdog of Parliament.

13. The PAC Secretariat through the one single Committee officer is unable to contain the huge backlog of audit reports and provide strategic direction for handling the unusual accumulation of audit reports. In the last 5 years during the 8th parliament the PAC was able to dispose only 89 Audit Paragraphs. The Tripartite committees set up to discuss audit paragraphs were able to dispose of 1204 paragraphs. In all 1293 paragraphs have been disposed of in a five year period. At this rate the pending paragraphs stated to number 12,000 will be disposed of in 50 years if CAG does not add any new paragraph.

14. This system which is in practice in Bangladesh is not consistent with other regional Countries. In India, Pakistan and Sri Lanka a senior official in the rank of a Joint Secretary is in charge of the Parliamentary Financial Committees. In the light of such seniority and empowered authority, experience and ability, these Joint secretaries in these countries have been able to make their respective PACs strong and vigilant. These Joint Secretaries have been able to modernize the business processes of the Financial Committees and move with times taking advantage of international Best Practices and technological innovations. Given the cohesive strength of the secretariat they have been able to build a multi disciplinary cadre of officials to deliver a variety of responsibilities and take on new challenges. This outward looking approach has helped build morale within the PAC Secretariat and PAC officials represent their countries responsibly and competently in international training courses/ seminars and conferences.

15. Like other comparable PACs in commonwealth countries, there has been no standard practice to brief the PAC members right after PAC formation including no formal orientation on the current status of PAC to bring them up to date. There is no formal mechanism to prepare periodic meeting plan, no Memorandum Of Important Points (MIP) prepared for the information of MPs on the paragraphs selected to be discussed. Resultantly the discussions in the PAC remain unfocussed and a lot of time is wasted on trivial and less public interest issues. Though not formally, in a recent development, PAC Secretariat prepares such MIPs with the help of CAG and briefs the MPs on the issues of the day's agenda.

16. The Committee Officer or the PAC secretariat does not prepare any PAC recommendation but summarizes discussion¹ points in form of minutes and arranges its circulation. The PAC secretariat does not set Time Limits for the ministries to take follow up action and report to PAC Secretariat through Action Taken Note. Even the enhancements of Public Information on the PAC deliberations & decisions have been kept to the formality of issuing a copy of the meeting notice without divulging the decisions. There is no Follow up with CAG either.

17. No monetary thresholds have been suggested for the Audit Paragraphs to be included in the Audit Report or for selection of paragraphs for discussion in PAC meetings.² So there is no prioritization of issues or selection of important issues for discussion by PAC. The PAC secretariat, in its current set up, unable to inform members on specialize areas like Defense or Environment or current Act/laws and has not been able to support by adding books to the Parliamentary Library or in getting Research Papers produced through Research Assistants employed in the library.

18. The PAC Secretariat has also failed to digitalis the discussions in PAC or the records of the PAC Secretariat. The manual system for processing business and record management is too time consuming and does not match with modern technique and technology.

19. The current secretariat system does not have IT support, most of the documentation and record keeping is manual driven; Lack of skill mix (multi disciplinary cader officials) in the Secretariat system does not support use of information technology and maintenance of any management information system (MIS) to track recommendations and decisions including web-site.

Generic Constraints:

¹ In India,, the is system in place since 1982, requires the ministries to inform (Action Taken Note) the committee on what action taken or being proposed on each of the items recommended by PAC within a period of four months of the tabling of the Report.

² In India, the selection of audit para is based on the seriousness or magnitude of the Audit observations. The Pac has also prescribed monetary threshold for audit observations to be considered by the PAC, leaving out of threshold or minor financial misdemeanors' to the ministries to resolve. This practice, followed in India has averted backlog of audit paragraphs.

20. In a recent survey numerous limitations regarding committees' affairs have been highlighted. The major ones include the lack of quality of committee proceedings, poor performance standards of the committee staff, shortage of meeting rooms, lack of provision for any specific time frame for forming standing committees, non existence of conflict of interest guidelines, absence of any platform for inter committee consultations, inadequate knowledge of rules resulting in duplication of jobs, poor library facilities, no set pattern to guide the ministry-committee relations, absence of integrated performance management and planning and lack of public access to committee (Buchanan and Ahmed 2005)

V. Context of Bank Support

21. In this context of weak management of the Parliamentary Public Accounts Committee, the World Bank stepped in with suggestions to strengthen the PAC Secretarial Support Structure and make the PAC an effective bipartisan Parliamentary Committee in line with international best practice. One of the components of WB assistance included "Set up and strengthen a permanent Secretariat Support Unit to provide service to PAC".

VI. Secretarite Support Unit under SPAC

22. The World Bank had suggested earlier under the previous SPAC Project creation of a full fledged Secretariat Support Unit (SSU) with the composition of following positions/staff: Basic training to the SSU staff to perform various categories of technical functions was give during SPAC project implementation

Secretariat Support Unit:

1. Director (Deputy Secretary- level) (from C & AG Office)
2. Deputy Director-2 (C & AG) (PS)
2. Asst Director-1 (Accounts/Audit)
3. Reporting/Public Relation Officer-1
4. Administrative Officer-1
5. Computer Operator/Analyst-1
6. Office Assistant-1
7. M.L.S.S.-3

VII. Limitations of SSU

23. **SSU for project period only:** The WB had envisioned a strong secretarial support base to the PAC as an instrument of parliament and to provide the esteemed individual members with facilitations for research and specialization. But the SSU that was created for the PAC was perceived as ad hoc. The life of the newly created SSU was considered as temporary with the SPAC project and not considered to be a permanent secretariat beyond the life of the project.

24. **Staff with additional responsibility:** The officials drawn to the various positions came from different streams like Parliamentary Secretariat, CAG office, Publicity and Media wing of the Parliament and from IT stream. Some of the officials from the Parliamentary Secretariat were Personal Assistants to MPs and they continued to handle the previous jobs after being posted to

SSU. The posting without requisite skills and with additional responsibility did not help in handling technical matters and building professionalism. In the end SSU evolved into a patch work arrangement and a gathering of officials who kept their individual organizational identities (CAG, PS etc) and continued to deliver what they were previously trained to do without any growth in expertise. They made poor show of individual skills especially in international conferences or training programmes.

25. Thus unfortunately the reform and reengineering proposed under SPAC Project had not taken off the ground. The four units viz the committee office, the PAC Secretariat, the SSU & the Project Directorate have been working in isolation without any meaningful support to PAC. There had been no efforts to merge these into one permanent unit delivering better support to PAC. Resultantly the PAC remained handicapped, the officials without job descriptions and the entire set up (SSU) without accountability.

VIII. Recommendations

26. In order to make the reform successful there should be defined portfolio of responsibilities and reporting obligation for the emerging Secretariat Support Unit in order for each of the official to be accountable. A sample job descriptions highlighting the technical nature of functions based on similarly functioning PAC secretariats in South Asia (SAPAC) is described in **Annexure**.

27. The key recommendation is to combine all secretarial support functions for PAC and make an institutional set up for the three committees within the existing structure of the Parliament Secretariat.

IX. Proposed Secretariat Support Structure

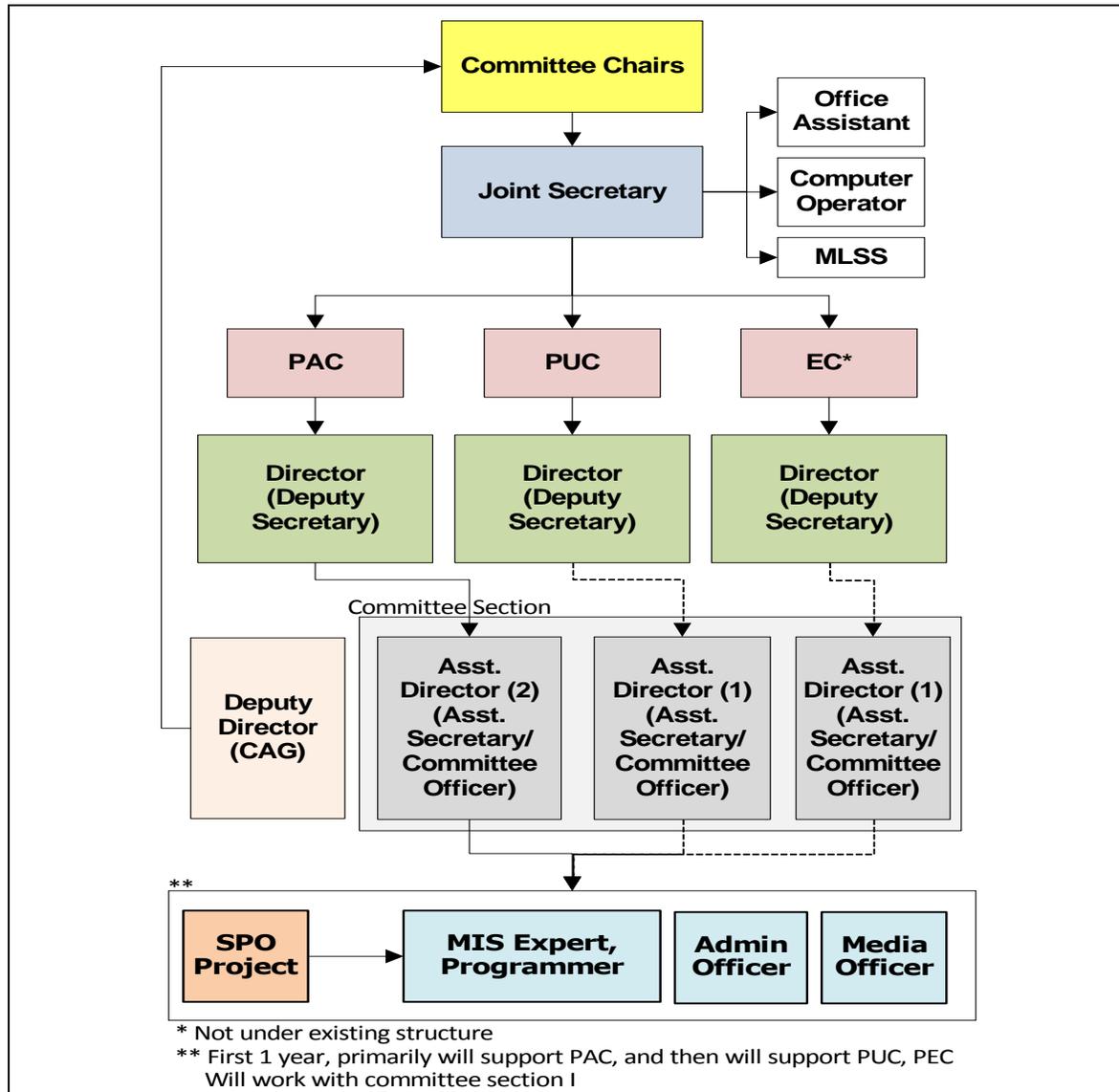
28. From the administrative side the three units- Committee Section 1, 2, 3 should be combined into one and placed under a Joint Secretary with a unity of command, with requisite specialization in Financial Committee functions (PAC/PUC & EC). The name of the secretariat could be - **Secretariat for Finance Committees**.

29. Under the main secretariat, there would be three identical wings one each for PAC, PUC and PEC, headed by a Director in the rank of Deputy Secretary. For the sake of convenience and highly technical nature of work (audit, annual accounts), the Deputy Secretary in case of PAC and PUC should be drawn from Accounts/Audit Cadre or officer of the parliament secretariat. In case of PAC, there will be at least one Assistant Director (Research) in the rank of Assistant Secretary from the Accounts/ Audit Cadre or on deputation from office of C & AG and one Assistant Director (General) in the rank of Assistant Secretary from the Parliament Secretariat.

30. The other pool of resources or members of the Secretariat are (i) Computer/IT Specialist (ii) Media/Communication Officer (iii) Administrative Officer. These officers would initially work with the PAC wing and will be subsequently attached with the Secretariat under the Joint Secretary and work as pool of resources for other two committees (PUC and PEC). Only the Director or Deputy Secretary/Assistant Secretary will be committee specific.

Once the proposed restructured secretariat is approved by the Hon'ble Speaker and necessary changes are made in the HR policies and staffing arrangements, the ongoing SPO project will immediately chalk and plan for capacity development through national and international training, fellowship, workshops, seminars and peer network participation in various regions

Proposed Secretariat Structure: Financial Committee (PAC, PUC, EC):



Note: Job Description of key positions are described in Annex I

X. Advantage of the proposed Secretariat structure: 3 committees

- A permanent, strong and institutional setup within the permanent structure of PS. A clear Line of authority is defined. NO additional staff recruitment is suggested, only restructuring of existing structure, redefining the responsibilities and placing permanent staff in one permanent Secretariat are recommended.
- Joint Secretary will be able to act as lynchpin amongst all the three prestigious committees in a coordinated way as it has been practiced in India, Pakistan and Sri Lanka where a Joint Secretary holds the fort of the Financial Committees.
- By placing the CAG's staff into the PAC organogram, a standard and institutional practice will be introduced.
- Duplication of efforts is avoided and specialization is brought in. By attaching full time staff in an agreed organizational structure with defined positions and ranks, the Parliament Secretariat will also ensure that there are comparably career opportunities for its officials within the secretariat.
- Project support for strengthening the permanent Secretariat only. Donors support will be towards strengthening the permanent secretariat and not to any ad-hoc unit.
- Operational Manual for the Secretariat will help capacity building & Synergy enhancement amongst PAC Secretariat, CAG and Ministries and other Parliamentary Committees.
- The service through the restructured Secretariat will in line with the Best Practices in the Region.
- Better appreciation of the proposed system for the government.
- Restructured Secretariat Structure is ready for Donors' support, currently by Bank funded SPO for building capacity, twinning/ affiliation with developed secretariat support system and specialized training in developed countries.

XI. Next Steps

Portfolio of Functions for the Proposed Secretariat for Financial Oversight Committees:

- a. Notices for the meetings in consultation with the Chairs
- b. Preparing & Assembling Working Papers for the committees
- c. Framing Issues & Preparing possible questions for the selected paragraphs
- d. Briefing the Chair & Members on the selected paragraphs
- e. Recording the discussions and preparing the Minutes
- f. Interacting with PAC /PUC CHAIRS on Technical issues/Audit Paragraphs
- g. Interacting with relevant Ministries/ Departments /CAG on the selected paragraphs
- h. Inter acting with CAG on all other paragraphs of Audit Reports
- i. Interacting with agencies like SE for the venue of the meeting with electricity/ water
- j. Inter acting with Publicity Department of Bangladesh Parliament Secretariat for coverage of the event of the meeting in the media and for Press releases
- k. Issue of notices to and for subcommittees /attending their meetings & coordination with Main PAC
- l. Obtaining Follow Up Action Notes from the Ministries and refer these to CAG for clearance of Audit Paragraphs
- m. Printing of PAC/PUC Reports for placement in the house
- n. Issue of Internal Circulars on the basis of Speaker/Chair decisions
- o. Maintaining a Library of Audit/PAC Reports of Bangladesh
- p. Maintaining a library of International Reports of other CAGs/PACs of South Asia/ Commonwealth/ & International Agencies like WB
- q. Obtaining periodical updates on clearance of unselected paragraphs thru Tripartite Meetings from CAG
- r. Creating a Web site for PAC Secretariat and digitalizing Audit Paragraphs/PAC decisions/Tripartite Committee decisions etc along with all periodical reports for monitoring the progress of work
- s. Maintaining a list of experts on Govt Accounts/Govt Audit/Public Sector Budgeting/ Commercial Accounts & Audit of Public Sector /Parliamentary Procedures/International Funding, NGO Governance etc
- t. Documentation Maintenance for the work in the secretariat including Liaising with Parliament Library and
- u. General Correspondence with Various governmental/international authorities media, NGOs ,peoples representatives& experts
- v. Maintain records on capacity building for PAC/PUC Members and staff of the secretariat

- w. Promote synergies with other Finance Committees like PUC/Estimates committee and other Ministerial Standing Committees
- x. Undertake studies on the impact of PAC
- y. Prepare an Annual Report on the Achievements & Cost Effectiveness of PAC for the information the Speaker/House AND
- z. Maintain a clipping service on articles/news items appearing on PAC work

Job Description of key positions:

Joint Secretary (Parliamentary Finance Committees):

1. General Administration / Housekeeping for the smooth functioning of all committees related work
2. Liaison with the House and Speaker thru the Secretary Parliament Secretary
3. Policy Issues affecting the functioning of the committees like amendments to the Parliamentary/Committees Rules of Procedures
4. International Relations including CPA, LOCOPS ,SAPAC etc especially on committees related work (Parliament related international relations will be with IPA1 & IPA 2)
5. Inter Committee Relations to promote better Accountability of Ministers and Executive
6. Capacity Building for PAC/PUC/EC Members and staff of the secretariat in association with Human Resources wing
7. Directly be in charge of Creating and maintaining a web site and digitalizing the PAC/PUC/EC work in all respects
8. Personally attend all the meetings of PAC/PUC/EC meetings
9. He will personally attend meetings with CAG / Secretaries to Government of Bangladesh
10. Supervise the work of Director/Deputy Secretaries in charge of PAC/PUC/EC

Director or Deputy Secretary (PAC Secretariat):

1. Overall charge and
2. Oversee the work of Committee officer (Assistant Secretary)/Media Officer/Administrative Officer /Computer operators. Besides S/he will directly deal with the following and be accountable.
3. Interacting with CAG on all other paragraphs s of Audit Reports
4. Interacting with agencies like SE for the venue of the meeting with electricity/ water
5. Issue of notices to & for subcommittees /attending their meetings & coordination with main PAC

6. Obtaining Follow Up Action Notes from the Ministries and refer these to CAG for clearance of Audit Paragraphs
7. Printing of PAC Reports for placement in the house
8. Issue of Internal Circulars as decided by Speaker/Chair & authorized by Joint Secretary
9. Maintaining a Library of Audit/PAC Reports of Bangladesh
10. Maintaining a library of International Reports of other CAGs/PACs of South Asia/ Commonwealth/ & International Agencies like WB
11. Obtaining periodical updates on clearance of unselected paragraphs thru Tripartite Meetings from CAG
12. Creating a Web site for PAC Secretariat and digitalizing Audit Paragraphs/PAC decisions/Tripartite Committee decisions etc along with all periodical reports for monitoring the progress of work
13. Maintaining a list of experts on Govt Accounts/ Govt Audit/ Public Sector Budgeting/ Commercial Accounts & Audit of Public Sector /Parliamentary Procedures/International Funding etc
14. Documentation Maintenance for the work in the secretariat including Liaising with Parliament Library and
15. General Correspondence with Various governmental/international authorities media, NGOs ,peoples representatives& experts
16. Maintain records on capacity building for PAC/PUC Members

Committee Officer (Asst Secretary):

S/he will be accountable for

1. Issue of Notices for the meetings in consultation with the Chairs
2. Preparing & Assembling Working Papers for the committees
3. Framing Issues & Preparing possible questions for the selected paragraphs
4. Briefing the Members/Chair on the selected paragraphs
5. Recording the discussions and preparing the Minutes
6. Interacting with PAC CHAIR on Technical issues/Audit Paragraphs
7. Interacting with relevant Ministries/ Departments /CAG on the selected paragraphs
8. In addition Administrative officer will also assist Joint Secretary for items 1,3,&7 by putting up files and maintaining records
9. He will assist Joint Secretary on all issues as contingencies arise

MIS Expert:

1. Creating a web site for both the secretariat and Digitalization of Audit Paragraphs
2. PAC Decisions, Tripartite Committee decisions (Item 8 & q) and other periodical reports to monitor the work in the secretariat will be delivered by MIS Expert who will assist all in the secretariat

Media Officer:

1. For all media related work and liaising with Publicity Department (Item (i)) for all the Finance committees of the Parliament there will be a media officer who will
2. Interact with Publicity Department of Bangladesh Parliament Secretariat for media coverage of the event of the meeting and
3. Issue Press releases in consultation with the Chairs The media officer will also be responsible for the publicity of sub committees if needed

Support Staff:

There will be a general pool of 3-4 stenographers in the secretariat (Part time or Full time) to assist the secretariat in recording the committee proceedings till such time the secretariat is able to buy voice recorders or install mikes on the committee tables to automatically record the proceedings. The stenographers will report to Committee Officer/Director / Deputy Secretary

The no of Assistants and MLSS who will also be in the pool may be decided suitably.