The Role of the Maltese Public Accounts Committee in Public Finance

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**Abstract**
The objectives of this paper are to ascertain and assess the role of the Public Accounts Committee (PAC) in Maltese public finance, analyzing its operational effectiveness and the barriers to it, and assessing its relationships with major stakeholders. The research methodology involves the conduct of nineteen semi-structured interviews, attendance to one PAC sitting, a review of applicable PAC transcripts, and an examination of relevant legislative pieces governing the PAC. The study finds that PAC is fulfilling a wide proportion of its remit, recently exercising an improved role. However, the reoccurrence of errors and weaknesses within the public sector highlights the need for the Committee to investigate further areas falling within its scope, thus acting as a deterrent to the misuse of public funds. Additionally, improvements in the PAC's operational effectiveness are called for, particularly with regard to its structure and member composition, as well as its communication of end results and follow-ups. The appointment and participation of technical expertise in PAC meetings, and the widening of the PAC's mandate to incorporate broader topics would also be conducive to enhanced effectiveness. In addition, while the Committee's relationships with its major stakeholders are deemed positive, it is evident that there is still room for improvement. The PAC is instrumental in the conduct of effective financial scrutiny and oversight, which in turn enhances its contribution to the proper management of Maltese public finances. Yet, achieving a strong impact may be restricted by the existence of barriers that are impeding the Committee's operational effectiveness. While the surmounting of such obstacles becomes highly relevant for the PAC to retain its watchdog function, the maintenance of effective relationships with its main stakeholders is also necessary if it is to make the most of such links. It is hoped that this paper contributes to further progress in the PAC's operations and in the public sector's use of public resources.
1 INTRODUCTION

According to the Organisation for Economic Co-operation and Development (OECD), value for money (VFM), transparency, and accountability in the usage of public moneys have been recognised as three essential constituents of a democratic system of Government (OECD, 2002). In this context, the principal responsibility rests with the institution of Parliament (Yamamoto, 2007) and its Parliamentary Committees, both having a vital role to play as watchdogs of the Executive, namely in holding the Executive to account while curbing corruption and the misuse of public funds (Global Partners Governance, GPG, 2013a). Indeed, Public Accounts Committees (PACs) are thought to be of paramount importance due to their powerful position and meaningful role in promoting good governance and oversight, and in ensuring accountability from a democratic and a Parliamentary point of view (Jacobs, Jones, and Smith, 2007; Hedger and Blick, 2008; Jacobs and Jones, 2009).

The objectives of this paper are to ascertain and assess the role of the Public Accounts Committee (PAC) in Maltese public finance, analyzing its operational effectiveness and the barriers to it, and assessing its relationships with major stakeholders.

The rest of the paper will be as follows: Section will review the relevant literature, while Section 3 will lay out the research methodology. This will be followed by Section 4 which will present the findings and discussion thereon. Section 6 will then conclude the paper.

2 LITERATURE REVIEW

2.1. The Role of the PAC

"Within most Commonwealth countries the PAC formally plays the lead role in holding Government to account for public expenditure, and in some countries it is effective in practice.” (Hedger and Blick, 2008, p. 32)

Iyoha and Oyerinde (2010) pointed out that the PAC’s role is to ensure that Government Departments and agencies answer for the allocation of public resources. In agreement, Watson (2004) attested that the PAC’s duty is to guarantee effective employment of public money, with such an obligation being directed towards both Parliament and the electorate.
Moreover, this Committee is a means of overseeing public accountability, financial scrutiny and good governance (Jacobs, 2012), as well as improving transparency and consequently reducing the possibility of corruption (Wehner, 2003). Therefore the PAC is not only designed to safeguard the “accountability of the Executive arm of Government”, but also to instigate “improvements in public internal financial control and service efficiency” (Hedger and Blick, 2008, p. 26).

Having originated from a Westminster system of governance, the Committee deals with the ex-post oversight function as opposed to ex-ante scrutiny (Wehner, 2003; Hedger and Blick, 2008). That is, rather than evaluating the estimates outlined in the budget and presented to Parliament (Jacobs, 2012), the Committee’s purpose is to examine public expenditure (Hedger and Blick, 2008). In this context, a PAC would be effective if it manages to influence “future budgets and policy” (Jacobs, 2012, p. 6).

In Malta, the PAC is mandated to examine and inquire into reports, accounts, and related matters as referred to it by the Auditor General, a Minister, or the House of Representatives (HoR). The Committee is also empowered to demand the Auditor General to undertake and issue memoranda as requested by three members of the Committee, as well as to report to Parliament, among other roles (Standing Orders, SOs, of the HoR: Art. 120E). Moreover, the enactment of the Fiscal Responsibility Act (Cap.534) in 2014 has broadened the PAC’s remit to incorporate the operations of the Fiscal Council.

Historically, the first PAC was established “to examine the accounts showing the appropriation of sums granted by Parliament to meet the public expenditure” (Jacobs and Jones, 2009, p. 15). However, the Committee’s role changed considerably throughout the years in order to meet the new complex arrangements that make up modern Governments (Leigh, 2007).

A case in point is the New Public Management (NPM) reform that took place in the public sector. NPM attempted to address the public sector’s inability to perform its functions efficiently and effectively (Barton, 2006; Almquist et al., 2013). It also sought to adjust the insufficient type of accountability that was utilised at the time (Hughes, 2003). Such “big paradigm shifts” (Almquist et al., 2013, p. 480) have altered the understanding of the public

Indeed, public accountability has evolved considerably throughout the years (Iyoha and Oyerinde, 2010), and at present the term is being used interchangeably to refer to other notions such as control (Mulgan, 2000), responsibility, responsiveness (Peters, 2006), and transparency (Kamuf, 2007). It has developed in a way that does not merely encompass external scrutiny, thus rendering it an “ever-expanding concept” (Mulgan, 2000).

In addition to such new accountability arrangements, Hedger and Blick (2008) mentioned other aspects that contributed to changes in the Committee’s roles, and which further departed PACs from the original Westminster model. These include the diverging models of “multi-party politics” and the evolution of “presidential systems of Government”, among others (Hedger and Blick, 2008, p. 1). On the other hand, Leigh (2007) argued that the Westminster model itself underwent changes in its roles, particularly because of the privatisation of state-owned sectors and the establishment of new regulatory frameworks.

Notwithstanding the above-mentioned changes, several components of Commonwealth PACs tend to remain unchanged (Wehner, 2003; Jones and Jacobs, 2006). In fact, the principal tasks of today’s PACs still correspond to those of past Committees (Leigh, 2007).

The principle of policy neutrality requires PACs not to address and question the political reasoning behind certain policies (Wehner, 2002, 2003; Gauci Scicluna, 2004; Jacobs, Jones, and Smith, 2010). In other words, the Committee is not authorised to look into the Government’s formulation of policies (Watson, 2004; Jones and Jacobs, 2006); instead, it must ascertain that the spending of public monies succeeds in the realisation of such policies (Wehner, 2002) and in the accomplishment of VFM (Hedger and Blick, 2008; Jacobs, 2012).

According to Adonis (1993, p. 184), the concepts of “economy, efficiency and effectiveness” form a significant part of the PAC’s responsibility, since it is in view of such principles that public interests can be given priority in the disbursement of public funds. Indeed, VFM scrutiny and reporting were introduced in the process of oversight, and have become a prominent part of the PAC’s roles (Mayston, 1993; Leigh, 2007).
Furthermore, such Committees should strive to remain autonomous from, unbiased towards, and unrelated to any political party (Hedger and Blick, 2008). Thus, the PAC must maintain a non-partisan nature if it is to function credibly. Otherwise, political affiliation would challenge and even endanger the Committee’s work and the entire audit system (Wehner, 2003).

2.2 The PAC’s Operational Effectiveness and the Barriers to It

Scrutiny Committees can only achieve their purpose if conceded the necessary powers by Parliament through their legal mandate. These powers formulate the processes that such Committees are to follow in conducting their investigations (GPG, 2013a), with such processes usually taking the form of enquiries (Smith, 2014). GPG (2013a) provided Figure 1, outlining the typical structure of a Scrutiny Committee enquiry, which however tends to vary across different Parliaments.

As argued by Loney (2004), while Parliament should have the ability to refer subjects to the PAC’s attention and scrutiny, the PAC should be empowered to pursue its own investigations without being unduly restricted to obtaining a reference from the Executive or from Parliament itself. This is critical if the PAC is to operate without actual or perceived external interference.

Commonly, the process of a PAC enquiry starts with a report from the National Audit Office (NAO), and then proceeds to PAC hearings, these being the chief instrument by which such reports can be scrutinised properly by the Committee (Wehner, 2003). Loney (2004) emphasised the importance of reinforcing the PAC’s investigative powers with statutory powers, enabling the Committee to request the production of reports or documents as well as send for witnesses.1 Yamamoto (2007) concurred with this view, arguing that such powers enable the PAC to perform its oversight function effectively. Indeed, the PAC gathers evidence by summoning Public Officials from agencies or departments (Wehner, 2003), or other parties external to Parliament (GPG, 2013a).

1 In Malta, such powers emanate from the SOs of the HoR.
In Malta, it is customary for the Permanent Secretary, Heads of Departments, and other members of staff to appear before the Committee (Peplow, 2011). Such witnesses have an
obligation to attend PAC meetings, provide the necessary information, and answer the questions of PAC members in a truthful manner and without concealing any relevant information (OECD, 2002). The PAC is also empowered to invite the Auditor General and staff members to attend its sittings, in order to assist and advise the PAC as required (Hedger and Blick, 2008; NAO, 2013). In Malta, the Committee’s hearings are publicly held and therefore accessible to the general public and the media; however, the latter’s coverage tends to suffer in relation to topics that are not of material public interest (OECD, 2002). Other participants at PAC discussions include the Permanent Secretaries of the Ministry for Finance and the Office of the Prime Minister, or the Directors General representing them (Gauci Scicluna, 2004).

After the sittings take place, the PAC is required to draft a report and present it to Parliament (GPG, 2013a). Governments are then obliged to respond to such reports (Wehner, 2002), hence enabling the PAC to attain its mandate (Jacobs et al., 2007).

2.2.1 The PAC’s Structure and Member Composition

According to Johnston (2007), two crucial elements contributing to the PAC’s independence and operational effectiveness are its size and composition.

As described by the OECD (2002), the size of the Committee is normally fixed by the SOs. Johnston (2007) argued that PACs should neither be too large, thus becoming unwieldy, nor too small, thus disrupting operations in cases of absences or vacancies. Generally, the size and structure of the PAC is a reflection of the country’s size (Jacobs et al., 2007). In fact, in a study carried out by the OECD (2002), the size of PACs across selected countries varied from seven to forty members, all of whom were Members of Parliament (MPs). In Commonwealth countries, PACs consisted of eleven members on average (Wehner, 2002).

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2 In October 2011, the Maltese House of Representatives published a “Guide for Witnesses appearing before the PAC”
The composition of the PAC is a reflection of the political party proportions in Parliament, in this manner following the “principle of proportional representation” (OECD, 2002, p. 16). According to Stapenhurst, Pelizzo, and O’Brien (2012) this representation and the exclusion of Cabinet members from serving as PAC members are two factors contributing to PAC success. They argued that the mere presence of Cabinet members in the PAC hinders the Committee from operating impartially and without Government intrusion, possibly even slowing or distorting its investigations in order to defend the Cabinet’s position. The same argument was made by Cachia (2011) and Peplow (2011), with the latter observing that doubts regarding the potential conflicts of interest of Ministers or Shadow Ministers serving as members were raised during various Maltese PAC meetings.

Typically, the PAC’s Chair is occupied by a member of the Opposition, with such custom being either an unwritten tradition or specified in Parliament’s rules (Wehner, 2002). This custom balances the power of the Government and the Opposition, and promotes the maintenance of a non-partisan spirit in the PAC’s operations (Stapenhurst et al., 2012). This ensures that the Committee’s objectivity is not undermined, and that hence no restrictions are placed on its scope (KPMG, 2006, as cited in Jacobs et al., 2007). In fact, it is considered by the OECD to be one of the factors that enhance the efficacy of PACs (2002).

At the same time, however, the study by Pelizzo (2011) revealed that this practice does not necessarily improve the PAC’s activity and effectiveness. Rather, giving PAC Chairmanship to a Government member increases the accessibility of the Government and Ministers, and the implementation of the PAC’s recommendations (KPMG, 2006, as cited in Jacobs et al., 2007). This is in fact the case in Australia (Stapenhurst et al., 2012), although it was not considered particularly successful by McGee (2002, as cited in Stapenhurst et al., 2012).

As outlined earlier, the Maltese PAC’s structure and member composition are governed by SO 120E, which stipulates that the Committee shall be composed of seven members. PAC members shall be chosen by each side of the HoR to reflect “the proportion of Government and Opposition members” in Parliament (SOs of the HoR: Art. 120E, p. 23). Indeed, the PAC shall consist of four Government members and three Opposition members. The Leader of the Opposition shall nominate one of the Opposition members to occupy the Committee’s Chair.
The Chairperson shall not be equipped with a casting vote but with an original vote (SOs of the HoR: Art. 120E).

The SOs also provide for the possibility of substitution of members, whereby the Committee’s members may be substituted following a notification to the Speaker of the HoR (SOs of the HoR: Art. 120B). Although this became common practice throughout the Committee’s lifetime (Peplow, 2011), its rationale and the potential conflicts of interest emerging from it were raised and questioned openly by a PAC member during a particular hearing (Standing Committee on Public Accounts, 2009).

2.2.2 The PAC’s Technical Expertise

As noted by Cachia and Baldacchino (2012), the Maltese PAC at the time was not adequately resourced in terms of administrative staff, with only one full-time staff member acting as the Committee’s clerk (Peplow, 2011). In addition, it was not supported on issues related to technical expertise, thus leaving it in the hands of PAC members to research the topics being tackled (Peplow, 2011).

The problem of lack of resources and staff available at the PAC’s disposal is not limited to Malta, but was also recognised in many developing and developed countries (Hedger and Blick, 2008). Indeed, Hedger and Blick (2008) argued that while PACs require one full-time clerk and one or two experts as a minimum, not all PACs are equipped in this manner.

This contrasts with the OECD’s report (2002), which concluded that when the need arose for technical or professional expertise, PACs could rely on their own advisors, or seek technical aid within the Parliamentary secretariat or even externally. The same study also revealed that it was common practice for the said Committees to have one person responsible for their administrative tasks, although having two or three persons was a rare exception.

The implications associated with the PACs’ limited resources are widely recognised in different countries. In Australasia, this issue is impeding the Committees’ ability to commence investigations (Jacobs et al., 2007), while in the Commonwealth as a whole, it is affecting the report drafting process (Pelizzo, 2011). According to Wehner (2002), it may also place restrictions on the frequency of the PACs’ meetings, in spite of the fact that the
Conduct of regular meetings is yet another aspect contributing to PAC effectiveness (Hedger and Blick, 2008).

Furthermore, while the financial knowledge and skills of PAC members are a vital element contributing to the Committee’s effectiveness, such members are not normally selected on the basis of the said knowledge and skills, but as a result of certain political issues (Loney, 2004). Indeed, Brazier and Ram (2006) and GPG (2014) argued that most MPs are not specialised in financial matters, and it is not reasonable to expect them to be. However, this lack of knowhow may ultimately weaken the Parliamentary and the PAC’s grip on public expenditure, particularly in view of increased complexity and commercialisation in the public sector (Jacobs, 2012).

Consequently, the need for PACs to be provided with the necessary support is relevant for them to successfully perform their oversight and financial scrutiny functions (Brazier and Ram, 2006; GPG, 2014), as well as to enhance their overall role and efficacy (OECD, 2002). In fact, an inadequately resourced PAC tends to be unable to perform its functions satisfactorily, even if it is conceded all the appropriate powers (Loney, 2004). The provision of high-quality support enables PAC members to focus on significant issues meriting their attention, thereby saving time (NAO, 2011). As a result, Stapenhurst et al. (2005, p. 25) considered adequate resourcing as one of the main elements of an “ideal PAC”.

The NAO (2011) outlined that, in addition to a Committee clerk and administrative support staff, United Kingdom (UK) PACs are also equipped with a Committee specialist, who is a permanent expert on the Committees’ work and affairs; and a special adviser, who is an expert called on ad hoc basis. Additional technical support can be obtained through seconded staff from bodies such as research institutions, universities, and SAIs (GPG, 2014), or through the establishment of a Parliamentary Scrutiny Unit (NAO, 2011), which was described as a “significant step forward” by Brazier and Ram (2006, p. 14). Further enhancement in the operational capacity of PACs can be carried out by means of capacity building and training for PAC members (Commonwealth Parliamentary Association, CPA, 2006).
2.2.3 The PAC’s End Results

Reporting

As seen earlier, one of the major stages of a Committee enquiry involves the preparation of a report (GPG, 2014), which is considered to be the “principal output” of a Committee’s work (NAO, 2011, p. 34). Therefore the power to publish reports directly to Parliament is valued by most PACs, and is deemed necessary for such Committees to be effective (Stapenhurst et al., 2005; NAO, 2011).

While many PACs draft a report at the end of each investigation – although some investigations may not be conclusive, others also prepare annual reports (Stapenhurst et al., 2005). Commonly, PAC reports are based on the findings and recommendations of the reviewed NAO reports (OECD, 2002), drawing the Committee’s conclusions from the evidence gathered through its hearings (Yamamoto, 2007; NAO, 2011). Draft reports are debated within the Committee itself, allowing any necessary alterations to be put forward, carried out, or rejected before publication (Wehner, 2002).

The OECD (2002) suggested that reports of PACs should be fair and impartial, outlining the positive areas while criticising those in need of improvement. Additionally, although the unanimous approval of the said reports among PAC members is not required, such consensus is still regarded as useful by a number of Committees (Wehner, 2002), and was therefore recommended as a good working practice by the OECD (2002).

The prompt publication of PAC reports and minutes of sittings is favoured for the issues contained within to remain relevant and achieve instantaneous impact. Such reports can attract greater public attention if their publication is supplemented with a press release, thus enhancing media coverage (OECD, 2002). All in all, the preparation of understandable (NAO, 2011) and “high-quality reports which secure public attention” improves the PAC’s credibility, in addition to supporting future operations (Hedger and Blick, 2008, p. 28).

The situation in Malta probably differs from that described above. Indeed, in 2010, although empowered via the SOs to report to Parliament, the Maltese PAC did not prepare any reports, but simply published the transcripts and minutes of hearings (Peplow, 2011). Accordingly,
decisions based on the NAO’s output were merely suggested in sittings, with no formal resolutions being taken (OECD, 2002).

Such a situation could be traced back to the lack of support available to the PAC (Peplow 2011; Fenech, 2014). Indeed, Pelizzo (2011) found that in Commonwealth countries, the PAC’s ability to formulate reports is largely influenced by the size of the Committee’s staff.

**Recommendations**

According to the NAO (2011), the recommendations section of PAC reports is the part that mostly attracts the attention of Parliament, the Government, the public, and the media, hence making it the most significant.

Although several PACs follow the Auditor General’s recommendations and reports in formulating their own (Stapenhurst et al., 2005), such Committees are considered more effective if granted with the power to make recommendations themselves (NAO, 2011). The OECD (2002) highlighted that for the implementation of such recommendations to increase, they must be constructive, progressive, and based on past cases. Moreover, the NAO (2011) emphasised that recommendations need to be specific and meaningful. Additionally, they should describe the corrective action to be taken together with the reasons behind such action, identify the person/s responsible for implementation, and issue respective deadlines.

**Follow-ups**

“The real test of the influence of the PAC is not simply whether its recommendations are accepted by Government but whether they are in fact implemented, effectively and in full.” (Brazier and Ram, 2006, p. 38)

Indeed, as observed by Wehner (2002), PAC reports are only rendered useful if the matters and recommendations contained within are acted upon by their intended recipients. In a similar fashion, Stapenhurst et al. (2005) highlighted the significance of a systematic follow-up process to ensure that the issues raised in PAC reports are addressed appropriately.

Peplow (2011) concurred with this view, arguing that in many countries, procedures were devised to amplify the outcomes of PAC meetings and the Committee’s recommendations.
Indeed, several Commonwealth countries employ formal mechanisms that request the Government’s response to the PAC’s reports within a timeframe spanning from two to six months (Wehner, 2003). Such response is commonly referred to as the “Treasury Minute”, symbolising the fact that it is prepared by the Treasury (OECD, 2002). In this system, the reasons behind a rejected recommendation need to be explained, and it is then up to the PAC to decide whether to reconsider such issues (Wehner, 2003).

Such mechanisms are regarded as valuable for the PAC to maintain its legitimacy while achieving accountability (Jacobs et al., 2007). This reflects the views of Hedger and Blick (2008, p. 28) who maintained that:

“If a PAC is effective in ensuring the execution of money-saving recommendations, the value of such work will become more apparent and in turn easier to carry out and implement.”

In fact, a report in 2002 stated that in the UK alone, more than 90% of PAC recommendations were accepted annually. This enabled savings of approximately £427 million a year, to be made from the combined work of the PAC and the NAO (OECD, 2002).

Nonetheless, such systems are not always a satisfactory means of guaranteeing that recommendations are actually taken up, or that the responses provided are sufficient, in which case little can be done owing to Parliament’s inadequate resources (Wehner, 2002). Stapenhurst et al. (2012) upheld this view, arguing that such responses are typically evasive, and hence signifying insufficient implementation and action. On the other hand, Pelizzo (2011) found that while Governments tend to respond positively to PAC recommendations, the extent of legal modifications and action taken in response to such recommendations is insufficient.

In most of the countries participating in the OECD’s study (2002), the PAC or the NAO, or even both, performed follow-ups through systems varying across different countries. Generally, some jurisdictions even extend their follow-up processes to “formal tracking reports”, whereby NAOs delve into the degree of implementation of PAC recommendations after a period of time (Wehner, 2003, p. 29).
2.3 Relationships of the PAC with Major Stakeholders

As stated by Peplow (2011), the PAC’s three major stakeholders are Parliament – the representative of the electorate; the Auditor General – the state auditor appointed by the Constitution of Malta; and the Executive – which is held accountable for its usage of public funds. The role of the Committee is, in fact, that of an audit committee bringing them together.

For this reason, this section reviews the literature regarding these three relationships in three sub-sections. Sub-section 2.3.1 focuses on the PAC’s relationship with the SAI, while Sub-section 2.3.2 describes the relationship between the Committee and Parliament. Finally, Sub-section 2.4.3 gives an overview of the PAC’s relationship with the Executive.

2.3.1 Relationship with the SAI

In the Westminster system, the relationship between the PAC and the SAI is based on “mutual dependency” (Wehner, 2003, p. 27), indicating that the achievement of systematic accountability rests upon the intertwined operations of both (Jones and Jacobs, 2006).

Indeed, the PAC tends to be the “primary audience” of the Auditor General (Wehner, 2002, p. 4), since in its course of work, the former is principally concerned with investigating reports and any related documents issued by the latter (Watson, 2004; NAO, 2013). At the same time, the Auditor General relies on the PAC for its findings and recommendations to receive the appropriate attention (NAO, 2013), and for the Government to be pressured into taking timely remedial action (OECD, 2002; Hedger and Blick, 2008).

Therefore, the Committee proves to be a way of bolstering the SAI’s effectiveness (McGee, 2002, as cited in Jacobs et al, 2007). Similarly, upholding a constructive and active relationship with the SAI ensures that the PAC functions effectively (NAO, 2011), since the support and contribution of a robust SAI are a sine qua non for the PAC to attain success (Fenech, 2014). In this context, the importance for the said relationship to be of “quality and substance” cannot be overemphasised (Hedger and Blick, 2008, p. 32).
According to the OECD (2002), maintaining a fruitful working relationship between the two parties requires a two-way collaboration and cooperation on issues of mutual interest and agreement. While this is beneficial and necessitates both bodies to alter their work priorities, it is essential that a degree of independence is still kept (Hedger and Blick, 2008). Therefore, it is desirable for such rapport to be protected legally (Loney, 2004), in this way ensuring that interactions between the PAC and the SAI are clearly delineated and established in a coherent manner (OECD, 2002).

Hedger and Blick (2008) put forward a number of recommendations aimed at strengthening this relationship. These included increased support by the SAI to the PAC, for example by providing assistance and training to PAC members and staff; and the adoption of long-term and strategic approaches, such as the development of codes of conduct.

2.3.2 Relationship with Parliament

PCs such as the PAC are established in order to carry out tasks on Parliament’s behalf. These tasks generally involve scrutiny and oversight functions, and the preparation of information enabling informed decisions to be made during plenary sessions (GPG, 2013b).

In effect, PCs can carry out their functions through the powers conferred to them by Parliament (GPG, 2013a). In this context, variations arise across countries in regard to the amount of powers delegated. A number of Parliaments worldwide grant normal powers, retaining other powers within their own structure; while others transfer higher levels of autonomy to PACs (GPG, 2013b).

As noted earlier, as part of the typical powers delegated, PACs are to formulate reports about their operations, table them in Parliament (GPG, 2013a), and request a Parliamentary debate to be held on such reports (Stapenhurst et al., 2005). Such form of debate is considered fundamental for the “circle of accountability” to be completed (OECD, 2002, p. 44), thus making it one of the factors contributing to the “ideal PAC” as envisaged by Stapenhurst et al. (2005, p. 25). In the UK, such debates are held on an annual basis (OECD, 2002).

In addition, PCs are where Parliament’s “real work is done” (GPG, 2013b, p. 5), thus signifying the importance of providing them with budgets that are part of Parliament’s appropriation
Indeed, it is recommended that Parliaments provide more administrative and technical resources to such Committees in order to curb corruption (GPG, 2014), and to ultimately make “the Government a better servant of the people” (Smith, 2014, p. 5).

2.3.3 Relationship with the Executive

One of the essential functions of Parliament and the PAC is “to oversee the Executive, to monitor its performance and to hold it accountable for its actions” (GPG, 2013a, p. 7). In this regard, Jacobs et al. (2007, p. 29) stressed that the PAC is the only committee with a “Government-wide responsibility”.

According to Smith (2014), such Committees should strive to challenge the Executive in a constructive manner, so that results are delivered for the electorate, in spite of the possibility that the Committees’ relationships with Ministers may be impaired. At the same time, an effective relationship can still be maintained if Committees also highlight good practices in addition to failures or weaknesses. Although it may be true that an effective relationship rests on the “attitudes and behaviour” of Committee members and Ministers, codifying such relationships in Ministers’ codes may still prove to be useful (Smith, 2014, p. 1). According to Loney (2004), PACs should strive to treat Ministers fairly, in this way enabling a cooperative relationship to be established with them.

On the other hand, Wehner (2002) argued that the PAC normally summons highly ranked Public Officials as opposed to Ministers, who are the political Heads of Departments. As seen earlier, this reflects the policy neutrality principle, requiring the PAC not to delve into political and policy matters, but to scrutinise their underlying expenditure. Indeed, in Malta it is common practice for Permanent Secretaries or similar officials to be summoned and to therefore be held accountable (OECD, 2002).

3 RESEARCH METHODOLOGY

This article is based on research carried out in Malta in 2014/2015 to analyse the role and effectiveness of the Maltese PAC in public accountability.
The research methodology employed was twofold: first, nineteen semi-structured interviews with PAC Representatives, NAO Officers, Public Officials, and journalists were conducted. Interviews were held face to face between October 2014 and March 2015 at the interviewees’ offices, their duration ranging from half an hour to one hour and a quarter. Open-ended questions were analyzed in detail, so that common issues and any dissimilarities emerging from the interviews could be identified and then grouped. Close-ended questions were analyzed statistically using the Statistical Package for Social Sciences (SPSS).

Secondly, responses to these interviews were backed or otherwise by a separate review of relevant PAC transcripts, an analysis of the relevant legislation regulating the PAC, and attendance to a PAC meeting in early 2015.

4 FINDINGS & DISCUSSION

Research findings will now be presented in three sections: the roles of the PAC and its related parties, PAC barriers to operational effectiveness, and the PAC’s relationships with its major stakeholders.

4.1 The Roles of the PAC and its Related Parties

Following the route towards public accountability requires a deep understanding of the parameters within which the related parties can operate. As shown in Figure 2, this route involves a tripartite relationship and requires a clear delineation of each party’s roles. In order to ensure that public accountability is effective, all parties need to keep within their own parameters and understand those of the others.
In the Maltese scenario, the route of the PAC is established in its legal mandate, which sets out the Committee’s roles with respect to the boundaries within which the PAC is to operate, and the links that are to be made with the other parties in this tripartite relationship.

In turn, the PAC acknowledges its responsibility in observing this statute and, generally, it does make an effort to carry out the mentioned roles. In fact, the Committee’s level of scrutiny improved in the last decade, leaving a positive mark on Maltese public finance and on the various spheres of public accountability. In connection with this, Peplow (2011) claimed that in recent years the PAC enhanced public governance, and contributed to an overhaul in the state and internal audit functions, among others. As stated in the literature, enhancement is also continuously being carried out by legislators, the last example of which was the Fiscal Responsibility Act (Cap. 534), enacted in 2014.

However, a thorough analysis of the work undertaken by the PAC reveals the Committee’s tendency to disregard some of its roles for the sake of carrying out other specific roles. In fact, while the PAC carries out work on its own initiative or on that of the NAO, it tends to either omit from examination or examine cursorily more routine work, such as the enquiry into “expenditure as is referred to in Articles 103(3) and 104 of the Constitution”, as per its mandate (SOs of the HoR: Art. 120E, p. 23).
Furthermore, the PAC does not formally communicate its findings to Parliament, although the minutes of its proceedings are made available. Such omission possibly spoils its end product, as it does not completely close the loop of public accountability.

One might argue that the PAC’s almost exclusive focus on the NAO’s output is due to its limited resources, in terms of time and administrative support, to cover every area within its mandate. Such circumstances are probably limiting the Committee to the discussion of issues that have already been subjected to the NAO’s investigations, which thus enables the former to save time and effort in obtaining the necessary foundations on which to base its discussions. In the same vein, GPG (2014) emphasised that the worldwide establishment of priorities is necessary, owing to the Committees’ limited resources.

However, one might present a different argument as regards this state of affairs. In recent years, the PAC has directed its attention almost exclusively to controversial issues, too often at the expense of important though low profile matters. This may indicate that, in reality, the PAC tends to seek the public spotlight in order to achieve a positive public image. Ironically, the media may be assisting the PAC in this regard, since it also tends to concentrate on high profile and popular topics. Indeed, as pointed out by the OECD (2002, p. 19), the level of media coverage differs with the “relevance of topics” as perceived by the public at large.

At present, the existence of the PAC in itself constitutes a solid ground for increasing the responsibility of Public Officials. Yet the biased coverage of the PAC could possibly lead to the auditees becoming rather indifferent to the PAC’s scrutiny. This may easily occur upon the realisation that the PAC may be more interested in the pursuit of its members’ political agendas, rather than in the full discharge of financial scrutiny and public accountability.

Ultimately, one might question whether the PAC is actually making the best use of the powers granted to it via its legal mandate to carry out what it was established to do in the first place. Instead of being an “avenue to public accountability” (Cachia and Baldacchino, 2012, p. 29) as per its mandate, the PAC may actually be deluding itself with its scope limitations.
4.2 Barriers To Operational Effectiveness

Figure 3 shows that the PAC’s road to operational effectiveness is obstructed by four different barriers: mandate issues, structure and member composition issues, technical issues, and communication issues. Each of these barriers will now be dealt with.

4.2.1 Examining the PAC’s Mandate

As noted earlier, the PAC’s duties emanate from SO 120E, which provides for a formal list of powers enabling the Committee to contribute effectively to public accountability. However, the adequacy of this mandate and its powers is still open to question.

Probably the PAC needs to widen its remit to encompass further topics. At present there are various financial and strategic issues that are being left unexplored, and these are not merely restricted to the above-mentioned routine matters. These include, for example, the implementation of new developments and regulations imposed by the EU Commission, as well as the implementation of the Single Supervisory Mechanism by local regulators. In this context, the legal mandate might be broadened in order to place emphasis on such or similar...
exigencies, besides obliging the Committee to look carefully into all routine matters. In this regard, Stapenhurst et al. (2005) argued that a broad mandate increases the Committee’s ability to prevent misconduct while inducing good administration of public funds.

However, such a broader mandate may convey its own dangers, as it may involve a higher level of discretion with respect to a wider span of topics. This tends to involve the Committee in even more political controversies than it is associated with at present. Perhaps a prioritisation exercise addressing the remit of the PAC should best be set annually by Parliament. One might argue that such a broader mandate, if introduced, should be accompanied by the allocation of more resources to the Committee than it currently has.

Furthermore, such a broadened portfolio would need to take into account those of other watchdogs, to ensure that there is no overlapping of material. This includes the portfolio directly taken up by Parliament itself as well as those of other Parliamentary Standing Committees. An example is the portfolio of the Standing Committee of Economic and Financial Affairs (SCEFA), which includes under its remit the financial and economic considerations of “any decision, recommendation, or report published locally, by the European Institutions or by international organisations, that could have an impact on the Maltese economy” (SOs of the HoR: Art. 120I, p. 25). However, the operations of the SCEFA go beyond the scope of this study and may entail further research.

Furthermore, the present or widened remit of the PAC must be made clearer to all stakeholders. This becomes evident upon analysing the suggestions of some respondents to include, as new topics to be considered, ones which are already within the present remit, such as issues concerning privatisation. Unfortunately, little progress may be registered with regard to these blurred ideas relating to the PAC’s current portfolio, if this issue is not appropriately addressed.

Finally, even if the prioritisation of topics to be considered is left in the hands of the PAC itself, it must be ensured that such an exercise is based on the best interests of the public. This is admittedly a difficult job to implement without the input of the NAO itself or of other technical experts.
4.2.2 Questioning the PAC’s Structure and Member Composition

Typically, the PAC is structured in the same manner as in most other Parliaments (Wehner, 2002). As stated in the literature, the Maltese PAC is made up of seven members, four of which representing the Government and three the Opposition. However, while this structure seeks to achieve a balance between the political parties, it is not necessarily optimal. Clearly, this equilibrium spurs each side on to defend its political turf. Indeed, Peplow (2011) found that each party was inclined to assume its expected questioning or defensive stand, and there is no reason to believe why this has changed.

In addition, the fact that one finds Ministers and Parliamentary Secretaries, as well as their Shadows, sitting among such members only exasperates the situation. Their presence renders discussions difficult to be maintained at a technical level, and raises doubts as to whether any statements are truly being forwarded solely with a view to bringing about improvements. This argument is in line with Stapenhurst et al. (2012). While the presence of political persons who matter and are knowledgeable might be essential, the question of whether they need to be members still remains. Furthermore, one might ask: wouldn’t their participation in the discussion, when called on for this purpose by the Committee, be enough?

The same doubts were shared by Cachia (2011), who argued that the current structure might result in conflicts of interest, with the more prominent members scrutinising the outcomes of their own doings. Surely, out of sixty-nine MPs, there must be other Parliamentarians who are perceived to be both competent and more independent for adequate membership into this Committee.

Even without going to the full extent of excluding from PAC membership frontbenchers who may be perceived to have common conflicts of interest, one could at least exclude such persons from discussing topics falling directly within their portfolio. The relevant member might be sent out and asked to comment only when questioned. This could be an interim solution until more care is exercised with regard to the appointment of members.
For the sake of maintaining balance between relevance and objectivity of the PAC discussions, the membership of both front liners and backbenchers may be opted for. However, having a PAC member composition of solely backbenchers, with the participation of front liners upon the request of the PAC members as and when necessary, is probably a better way of ensuring fewer conflicts of interest and a higher level of initiative without sacrificing the relevance of the discussion. A relevant point that could be made here is that once the Permanent Secretary – or a similar officer of the respective department – is required to attend and to forward their perspectives without fear or favour, the need to call for the front liners themselves might rarely arise. At the moment, such officers are merely being invited to attend (OECD, 2002).

All in all, independence in fact – rather than in appearance – mostly depends on the characters and personalities involved. Therefore, while it is helpful to alter the structure as stated above, given that independence in appearance can in itself endanger public trust, there is more that needs to be done. The criteria for the selection of PAC members should go beyond the above stated position which they occupy in Parliament, and include their level of financial and administrative expertise, as well as their standing within the financial community.

Again, admittedly, the choice being made on such criteria may end up becoming a sensitive issue if such a choice is left to each side of Parliament itself. Probably the aid of experts such as the NAO and the Ombudsman might be of help in this regard.

4.2.3 Availability of Technical Expertise

How can one go about assessing the PAC's effectiveness without considering any skill gaps harboured by such Committee? Indeed, Loney (2004, p. 4) argued that the “competence and skills” of the members making up the PAC are two critical factors contributing to the Committee’s effectiveness.

This issue is particularly true in the Maltese scenario. At times, in spite of any effort that might be made to choose the most appropriate Parliamentarians, it remains difficult to appoint members with a sufficiently high level of financial expertise. This may be because
the political career tends to be more attractive to individuals engaged in the legal profession, resulting in a substantial amount of MPs being lawyers by profession. Thus the PAC might easily end up having more lawyers than it should. Of course, one could argue that lawyers have a particular frame of mind that proves to be very useful in PAC sittings, as it leads to pertinent questions being asked to the witnesses appearing before them. At the same time, however, these professionals might easily lack the necessary financial knowhow, reducing the effectiveness of the discussions as a result.

To make matters worse, some PAC members may prove themselves to be too busy to prepare adequately for PAC sittings, although such preparation was identified by GPG (2014) as being a fundamental factor for effective scrutiny. This claim was further supported by Smith (2014, p. 3), who argued that PAC members need to do their “homework” so as to maximise the value derived from the testimonies given by the summoned officials.

Although this may be true, one might argue that NAO reports – which make up most of the PAC’s agenda – are too voluminous, and PAC members lack the time to read or at least go through them. Indeed, a study by Cachia (2011, p. 69) concluded that the said reports may fail to specify the “most material issues” for the PAC to direct its attention to them. This situation probably still prevails, regardless of the fact that the NAO’s assistance has been found to be constantly available to the Committee in this context.

All this might imply that the assistance provided by the NAO is not enough to meet the PAC’s requirements, and that further expertise may need to be sought. In this regard, the issue is not deciding whether the PAC uses its own experts or the NAO’s experts, as argued by respondents. Rather, what truly matters is that such specialists are available to the PAC during its sittings. Otherwise some experts might not be present for the sitting itself, but remain on call in case they are needed.

Of course, the question remains who is to decide which experts are to participate, and/or which are to remain on call for each particular sitting. Probably this is the domain of the Auditor General, who may consult as necessary with the members of the Committee on to how to proceed with respect to the participation of expertise in the following sitting.
At times experts may be directly engaged by the PAC, particularly where the experts provided by the NAO have already been involved in consultancy with the NAO that could be perceived as compromising. However, such direct engagement should probably be an exception rather than the rule, as the process of the PAC directly appointing experts might prove to be difficult and even controversial.

Furthermore, given the small size of the country, there may be a problem with following in the UK’s footsteps of establishing a Scrutiny Unit, composed of specialists in various fields, that would sustain all PCs including the PAC. Although, as identified by Stapenhurst et al. (2005) and the NAO (2011), the availability of adequate support is one of the factors contributing to PAC effectiveness, the duplication of experts at Parliament level might be viewed to be unduly onerous on the public purse, barring exceptional circumstances.

4.2.4 Enhancing Communication: Formalizing the PAC’s End Product

The whole exercise of financial oversight does not come to an end once PAC meetings take place. On the contrary, these discussions simply lead the way towards another essential phase of the process, which is the formulation of the end results. Although this may be the most important stage of a PAC’s enquiry for its work to remain relevant, it is too often completely overlooked by the Maltese PAC.

Reporting

As stated in the literature, a typical PAC investigation includes the drafting and publication of a report, in addition to outlining the major findings and other relevant matters. However, as briefly discussed in Section 4.1, the Maltese PAC fails to publish such reports.

One might argue that this comes as no surprise, owing to the lack of resources that is evident in all the other PCs within Maltese Parliament. At the same time, one could counter-argue that, in spite of this problem, a number of Committees still publish reports, whether regularly or occasionally. Once again, this might possibly imply that the commitment of PAC members towards the Committee has traditionally been somewhat weak. In fact, research findings show that even at present, four of the five respondents against the need for reports were PAC members.
The PAC’s current working practice of issuing transcripts and minutes of meetings is in itself beneficial, symbolising transparency in its procedures. However, issuing reports on the different topics is probably much more user-friendly and less cumbersome than pouring through the minutes, even if these are optimally constructed and cross-referenced. The major problem of transcripts and minutes is that it may ultimately not be worthwhile for interested persons, except perhaps for investigative journalists, to look into the proceedings of any topic from meeting to meeting. As seen earlier, Hedger and Blick (2008) and the NAO (2011) highlighted the significance of PAC reports and their understandability for the overall effectiveness of the PAC.

Therefore, transcripts and minutes are probably to be mostly retained as evidence behind the reasoning and conclusions in the reports, which will refer to them as necessary.

**PAC Recommendations**

Through its recommendations, the PAC can “achieve real impact and change” (NAO, 2011, p. 35). Yet, as stated earlier, these seem to be completely missing from the current system, at least in a formalised manner. Without due formalisation, such recommendations can rarely be communicated clearly to their intended recipients such as Public Officials; and this reduces the possibility of their implementation.

Furthermore, formalising recommendations as an essential part of written reporting will, over a number of years, create generally accepted practices and points of reference for the reference of Public Officials. In this context, one can emulate the UK’s PAC recommendations, which have, with time, led this country to specialise in certain spheres and to publicise good customs (OECD, 2002).

Additionally, the mere fact that recommendations are written will prevent officers making the same mistakes by learning from past history and individual cases. It is also far easier for the public to exercise pressure towards improvement if such reports, in addition to the minutes and transcripts themselves, are readily available on the internet.
Perhaps, in order to give more weight to such recommendations, it would be best if they are made periodically to Parliament itself, which would thus give them the statutory force and empowerment of the latter institution.

**Follow-Ups**

The need and benefits associated with a structured system of follow-ups are widely recognised in the literature. Such a system is, however, closely linked to the Committee’s ability to publish reports and recommendations (Stapenhurst et al., 2005), its significance being enhanced when the said reports outline cases of “corruption or impropriety or serious maladministration” (GPG, 2014, p. 4).

In the Maltese context given the absence of formalised reporting in the first instance, there is of course no formalised follow-up by the PAC as yet. However, a situation in which Public Officials have to face a formalised system of feedback will surely promote more remedial action to be taken in time. Therefore, given the certainty of follow-ups within a reasonable time, the work of the PAC becomes much more effective.

For the follow-up system to be successful, the monitoring of the recommendations of the Committee may be made either by the NAO itself or by the Internal Audit and Investigations Department (IAID). If such monitoring is carried out by the IAID, it would also keep the NAO periodically informed about the progress being made. Reports may be passed on to the PAC either directly by the IAID or through the NAO. Further contributions might be made by the IAID to the PAC. However, this goes beyond the scope of this dissertation, and further studies may be required in this aspect.

**4.3 The PAC’s Relationships with its Major Stakeholders**

This section analyses the PAC’s relationships with its major stakeholders.

**4.3.1 The Relationship with the NAO: A Tool to Reach the Other Parties**

Jacobs et al. (2007) emphasised the importance of maintaining a strong relationship between the PAC and the SAI. In Malta an effective relationship exists between these two institutions, as the NAO’s impartial and autonomous reports are sine qua non for PAC effectiveness
(Fenech, 2014). However, an effective relationship does not necessarily signify that further progress may not be achieved, or that shortcomings are inexistent. In fact, in spite of the effective link between the PAC and the NAO, the PAC’s perception of the Office may be subject to discussion.

On the one hand, one might argue that the PAC considers the NAO as its agent. While the PAC recognises the importance of the NAO in its operations, its expectations of the Office may sometimes be unrealistic. Perhaps the PAC tends to over-exercise its power in requesting the Auditor General to undertake special exercises such as investigations. Indeed, Peplow (2011, p. 24) argued that the PAC was “unnecessarily stretching” the NAO’s resources “to accommodate the PAC’s requests”. Such a situation may impede the Office from fulfilling its routine obligations.

Although this argument may be true, one might counter-argue that the NAO is legally bound to attend to all the PAC’s requirements and supply it with the necessary information; and that it is therefore expected to make an effort to do so since, ultimately, the NAO’s output is for the benefit of the PAC (Cachia, 2011).

At the same time, the Auditor General is one of Parliament’s independent officers, and is also required to present the NAO’s work to the Speaker, for such work to be then tabled in Parliament (Farrugia, 2014). This also makes the NAO directly answerable to Parliament, thus highlighting the need for the PAC to acknowledge that the NAO is not merely its own agent, but of Parliament and the public as a whole.

Furthermore, while the PAC may be overburdening the NAO with its requests, the Committee’s perception and use of the NAO's investigations raise yet another debatable issue. On the one hand, the reports issued by the NAO are being put to good use by the PAC. Most PAC hearings rely on the said reports, thus making the NAO the key information provider of the PAC. However, the suggestion of some respondents that the PAC should also consider other sources of information beyond the NAO’s work harbours doubts on whether the PAC makes optimal use of the NAO’s audits.
Needless to say, one might argue that acquiring information from a wide variety of sources has the advantage of considering different perspectives and of looking at the wider picture. Indeed, GPG (2013a) outlined that the PAC’s evidence gathering stage should include a broad range of sources.

Yet it is reasonable to counter-argue that this makes more sense in instances when the PAC discusses matters, on its own initiative, for which no NAO investigation has yet been undertaken. Seeking additional information about topics that have already been subjected to the NAO’s investigation implies that the Committee questions the reliability of such investigations, and may even necessitate repeating some of the audit procedures for the reduction or elimination of doubts. If such an attitude is commonly adopted, the NAO ends up as merely another department to be checked, and the PAC ends up overlapping the duties of the auditor who is selected by the National Audit Office Accounts Committee (NAOAC) for the purposes of auditing the NAO. While the PAC might furnish the private auditor with valuable insights on public sector matters, this issue is still an unexplored area.

The way forward for the relationship of the PAC with the NAO is best built upon mutual trust and commitment. While the NAO continues to feed the PAC with information, advice, and expertise, the PAC will not normally doubt the NAO’s audit methodologies, although it may request to be informed about them. On the other hand, if in the operational stages of its investigations the NAO encounters major difficulties, it might be better for such issues to be brought to the PAC’s immediate attention. Overall, the PAC’s best use of the NAO would be as a tool for reaching and accessing other parties. In this manner, both the remits of the NAO and the PAC would be more effective.

**4.3.2 The Relationship with Parliament: A Principal-Agent Relationship**

With the PAC being one of Parliament’s Standing Committees, its relationship with Parliament is that of an agent working on behalf of the principal in order to facilitate its work (GPG, 2013b). It is therefore reasonable to expect that the PAC will report back to Parliament, [4] Such as the establishment of the NAOAC and the powers granted to it emanate from the Auditor General and National Audit Office Act (Cap. 396).
as stated earlier. Furthermore, it is also reasonable to assume that Parliament will oversee the PAC’s efforts and regularly provide its own feedback to the Committee.

However, as has been seen, there is no formal reporting back to Parliament by the PAC, and no feedback by Parliament to the PAC regarding its reactions. The mutual relationship is therefore obstructed from both ends. An agency problem can thus arise wherein PAC members choose to pursue their own agenda, which is not necessarily in alignment with that of Parliament.

The need that was recognised by respondents for the PAC to be equipped with executive powers may have been expressed in reaction to this obstructed principal-agent relationship and the outcome of the agency problem. The PAC may utilise such powers, if these are conceded to it, to carry out its own intentions and plans. Although the granting of such executive powers may be common in some Parliaments (GPG, 2013b), one possible implication behind this is the transfer of greater autonomy to the Committee, possibly leading to its further distancing from Parliament.

At the same time, the ability of Parliament to go into PAC matters depends largely on the PAC’s communication with it. Once the PAC does not provide sufficient information about its proceedings and recommendations, Parliament does not have a solid base for monitoring it and passing any necessary resolutions. In effect, both entities need each other for the sake of public accountability. As stated earlier, this necessitates a total revamp in their mutual communication.

4.3.3 The Relationship with the Executive: The PAC as a Catalyst of Change for the Executive

As stated in the literature, the PAC was primarily established to oversee and scrutinise the Government’s use of public funds as well as to strengthen the NAO’s role. In fact, the joint effort of the PAC and the NAO creates a public accountability mechanism that holds the Executive to account “through Parliament to the citizen” (Jones and Jacobs, 2006, p. 72). The NAO plays a vital role in this mechanism, as it carries out both compliance and VFM audits on Government operations (OECD, 2002; Cachia, 2011).
Therefore, one might argue that since the Executive’s work is subject to the NAO’s thorough analysis, it is more important for the Executive to maintain a cordial relationship with the NAO rather than with the PAC. However, given that a major part of the PAC’s workload involves the detailed examination of the NAO’s reports, and that the PAC is empowered to summon witnesses, the maintenance of an effective relationship with the PAC is also relevant.

The Committee, however, is deemed to be superior to the Executive, possibly because it is an “integral part of a democratic system” and a chief instrument overseeing the Executive (Johnston, 2007, p. 20). Thus, in reality, the Executive is obliged to be answerable to the Committee. Consequently, the only relationship that exists between the Executive and the PAC is a vertical one-way relationship that places the PAC over the Executive, resulting in predictable awe by the Executive towards the PAC.

Although this kind of relationship may still prove to be effective, it could be strengthened further if the Executive has a clearer understanding of the PAC’s role in public accountability. The Executive probably needs to be made more aware that the PAC’s duty is not to “give a beating” to the Public Officials summoned before it, but to draw their attention to certain weaknesses and instigate them to act upon and eliminate them. Probably even more needs to be done in order for the Committee to clearly appear as the catalyst of progress in the eyes of the Executive. Additionally, the PAC must be seen as the vehicle through which the public ensures that ultimate accountability is in place, and that public services are functioning according to the public’s expectations.

Of course, this entails an effort to be made by the Committee itself. In this respect, GPG (2014, p. 4) suggested that committees engaged in financial scrutiny must regard the Executive as their “critical friend”. While the PAC is still expected to vigorously carry out its scrutinising function, it also needs to emphasise “dialogue and constructive working relationships with the Executive”. Having said this, the issues that are at present hindering communication and mutual understanding between the PAC and the Executive may necessitate further research.
5 CONCLUSION

This study concludes that the PAC is instrumental in the conduct of effective financial scrutiny and oversight, which in turn enhances its contribution to the proper management of Maltese public finances. Yet, achieving a strong impact may be restricted by the existence of barriers that are impeding the Committee's operational effectiveness. While the surmounting of such obstacles becomes highly relevant for the PAC to retain its watchdog function, the maintenance of effective relationships with its main stakeholders is also necessary if it is to make the most of such links. Ultimately, the PAC should have as its primary aim the proper discharge of public accountability.

This study was subject to a number of limitations. Some respondents did not answer all questions posed to them, declaring that they were not in a position to provide a response. On other occasions, some respondents failed to provide a satisfactory minimum level of detail in their responses. Furthermore, some other responses were clearly irrelevant, and therefore had to be omitted from the research finding.

REFERENCES


