**Governance, transparency and accountability**

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Public expenditure is a means through which governments the world over carry out their operations to achieve their strategic objectives. The prudent use of public funds and resources demands a governance structure which ensures transparency and accountability in decision making and actions of public functionaries. Public expenditure is tax payers’ money and its accountability has been ensured in the Constitution of Pakistan. Every year, the government spends a huge amount of taxpayers’ money to run the affairs of the country. Maintaining transparency of this expenditure is the duty of the executive and ensuring its accountability is the responsibility of oversight bodies.

Good governance has a direct bearing on the quality of the lifestyle of the citizens in any country. The World Bank defined governance as “the manner in which power is exercised in the management of a country’s economic and social resources for development”. This definition places greater responsibility on institutions and individuals (having authority and access to national resources) to be prudent, vigilant and aware of expectations of people while utilising public funds. Good governance has remained an unachieved objective of successive governments in Pakistan. Even today, our socio-political landscape is dominated with discourse on issues of governance, transparency and accountability. Every government claims to have an agenda to strengthen governance practices but we observe that the objective of an effective governance regime remains unfulfilled.

[US President Biden will soon talk to PM Imran Khan: Wendy Sherman](https://nation.com.pk/09-Oct-2021/us-president-biden-will-soon-talk-to-pm-imran-khan-wendy-sherman)

The entire government operation is carried out within the ambit of a regulatory framework and best public sector governance practices to ensure transparency and accountability therein. Governance poses a big challenge for both the bureaucracy and politicians.

Transparency focuses on maintaining clarity and openness in the decision making process to give an assurance that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. In the context of public sector functioning, the implication of transparency is that all decisions and actions undertaken in a government entity should be fair and scrupulous enough to bear public scrutiny.

Government rules, regulations, procedures and instructions are the instruments and means through which the management establishes not only a transparent regime but also documents the information on the basis of which decisions and actions are taken thus creating an accountable environment. Budget transparency focuses more on disclosure of public sector contracts and expenditure details and assuring that funds were spent as intended. It can also “focus on impact of public spending: how agencies actually used the funds and to what extent”.

[Zahir Shah appointed as deputy chairman NAB: sources](https://nation.com.pk/09-Oct-2021/zahir-shah-appointed-as-deputy-chairman-nab-sources)

Public accountability relates to the right to call those in authority to justify their decisions. Accountability has two basic dimensions, that is “answerability”, the ‘soft face’, while the ‘hard face’ includes answerability plus the possibility of sanctions. The constitution and the government of Pakistan have established different institutions like parliamentary oversight committees, the Auditor General of Pakistan (AGP), the National Accountability Bureau, Federal the Investigation Agency, Ombudsman, Anti-Corruption Departments, with respective mandates to carry out the process of accountability.

The institution of the AGP has a constitutional mandate to audit the expenditure of the government on an annual basis and submit the reports to the Parliament. The audit by the AGP deals with the answerability, “soft face” side of accountability because his mandate does not extend to penalising or punishing defaulting public servants. The AGP, through his annual audit reports, provides feedback to the parliament (Public Accounts Committee) about how and in what manner public funds have been spent. While doing so, the AGP’s role is not restricted to highlighting matters of accounting errors but it discusses issues of governance relating to matters of transparency, accountability, financial management, compliance, controls and financial prudence. The AGP is not part of the implementation of government policies and decisions because enforcement of decisions is the responsibility of the executive. There is a view held in certain segments of the government that at times audit observations (based on non-adherence to rules and procedures) become an obstruction in the way of efficient decision making and working. This is a misperception which needs to be dispelled because adherence to rules, regulations and procedures adds value to governance resulting in greater transparency.

[Facebook apologizes for second outage in a week, services back up](https://nation.com.pk/09-Oct-2021/facebook-apologizes-for-second-outage-in-a-week-services-back-up)

The reporting of the annual financial performance of the government by the AGP through his reports is a permanent constitutional arrangement which assists the parliament in promoting good governance and accountability in the country. The AGP’s audit reports have been regularly highlighting governance issues. A random review of a few annual reports of AGP (2009-10 to 2020-21) relating to the Federal Government, power and public works sectors revealed the fact that the same governance issues were reported in those reports over the years. The major irregularities highlighted in the audit reports pertained to areas of weak financial management, non-compliance to rules and procedures, an inefficient recovery system, unsound asset management, souring line losses, inefficient revenue collection, weak internal controls, non-transparency in the award of contracts, non-production of records and losses to the public exchequer through invalid payments etc.

The repetition of the same financial irregularities in the audit reports indicates the fact that the executive did not take remedial actions to improve their system and controls. The financial and administrative systems are devised and run by the executive and audits provide an assurance to the legislature and public on the extent of legality and prudence in the utilisation of public money. The government should simplify the rules and procedures for ease of governance. The Public Financial Management (PFM) Act 2019 is a major step undertaken by this government to revamp and streamline financial management in the public sector. The government needs to strengthen their financial management system among other things through the implementation of the scheme of Chief Finance and Accounts Officers (CFAOs) and Chief Internal Auditors (CIA) as envisaged in the PFM Act 2019. Capacity building of human resources of the government in the field of financial management could go a long way in strengthening the system. Another way to strengthen the accountability process in the country is to make the directives of the PAC mandatory for implementation. A robust audit follow-up mechanism involving PAC, the executive and audit would go a long way in the implementation of PAC directives. The AGP now has to make efforts to bring balance in reporting content and add the issues of a strategic nature in reports, along with significant observations of non-compliance to rules and procedures. Matters of petty procedural nature should be omitted in audit reports. The DAGP now has a policy in place to add value in its reporting content through thematic and performance audits for strengthening governance and accountability. It is high time for us to improve our governance through harnessing our efforts to create a transparent and accountable system where the use of public money results in the delivery of services to the people of Pakistan.