

The Practice of Public Accounts Committee in the Parliament of Malaysia

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Abstract

The Public Accounts Committee (PAC) of Malaysia is a permanent committee made up of members from Malaysia's House of Representative, the Dewan Rakyat, and has grown in function since its establishment in 1959. The PAC initially served as a financial oversight body to check the financial procedures and performance accountability of executive bodies. Then, it started to pursue a series of reforms to make it more effective and accountable. Therefore, this research explores the current practices of the PAC in the Parliament of Malaysia pertaining to the appointment of its Chairman. It also analyses the implementation of two types of new meetings and identifies the relationship between the PAC with other stakeholders. The research employed a case study with an exploratory, descriptive approach using data collected from published reports of PAC meetings from 2017 to 2020, the PAC's official website, interviews with a parliamentary officer-in-charge of handling the PAC, as well as international and local newspapers such as The Straits Times and The Edge. The research found that changes in the appointment of the Chairman have not affected the PAC reports as the core task of a Chairman is to set the committee's agenda with consultation from the committee and Auditor General, as well as to ensure that the reports are released. The two new types of meeting (i.e. verification meeting and response reporting meeting) are crucial to enhance the PAC performance. Furthermore, the seven ex-officio possess prominent roles to provide and check the validity of data. This can avoid the manipulation of data and corruption between the PAC and the Executive.

Keywords: PAC, Chairman, Meetings, Ex-Officio, PAC Report

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Introduction

The Public Accounts Committee (PAC) of Malaysia is a permanent committee formed by both the government and opposition Members of Parliament (MPs) in Malaysia's House of Representative, the Dewan Rakyat. Its mandates are derived from the Standing Order 77 of the Dewan Rakyat. Mandates (a) to (c) are related to public finance, while Mandate (d) gives authority to the PAC to look at issues other than public finance.

Standing Order 77(1) posits that the PAC is 'for the examination of:

- (a) the accounts of the Federation and appropriation of the sums granted by the Parliament to meet the public expenditure;
- (b) such accounts of public authorities and other bodies administering public funds as may be laid before the House;
- (c) reports of the Auditor-General laid before the House in accordance with Article 107 of the Constitution;
- (d) such other matters as the Committee may think fit, or which may be referred to the Committee by the House.'

The current structure of the PAC has gone through important changes in recent years. It includes the appointment of the Chairman from the opposition party that started in 2018. The PAC has its staff since April 2015, headed by the Chief Secretariat and supported by two auditors and four administrative staff. Previously, the PAC was assisted by the clerk and secretariat of the Dewan Rakyat. The PAC also now has four types of meetings instead of two types of meeting previously implemented where the Verification Meeting was added in 2019 while the Response Reporting Meeting was introduced in 2018.

Other than Standing Order 77, the PAC derives authority from government regulation and circulars. Section 304(a) Treasury Instructions, Amendments 2008 [*Pindaan Arahan Perbendaharaan (AP) bertarikh 31 Julai 2008*] Auditor-General Report posits that the Secretary-General of Treasury or State Financial Officer must submit a copy of the report to the responsible Controlling Officer (Chief of Secretary from responsible ministry) for his comments after receiving the Report Auditor General of Malaysia. Furthermore, Section 304(b) addresses matters such as actions from the PAC to submit reports to the Legislative Body and responsible Controlling Officer. The power of PAC is also enshrined in Section III, Article 11(b), General Circular No. 2 the Year 1982 that outlines the duties and responsibilities of a Secretary-General of Ministry as the main

advisor to the Minister. The Secretary-General is also responsible to the Public Accounts Committee in controlling expenditure and keeping proper accounts for each duty undertaken by them.

This paper aims to examine the current practices of the PAC and the significant differences from previous practices. It discusses the current practices of the PAC pertaining to the appointment of its Chairman, which include issues on the appointment of Chairman from the opposition, the appointment of a minister who was previously a PAC Chairman, and the appointment of a Chairman from senior parliamentarians. It also analyses the implementation of the two new types of meetings and identifies the relationship between the PAC with other stakeholders.

Literature review

The literature review is divided into two sections. The first section explores the current literature on the practices of the Public Account Committee in general and the second section discusses the issues of the Public Account Committee practices in Malaysia.

Practices of the Public Account Committee (PAC)

PAC originates from the traditional model of Westminster that is commonly implemented by Commonwealth countries. The first PAC was established in 1857 in the UK Parliament, and it was called the Select Committee on Public Monies. The PAC's primary duty since the very beginning is to examine reports related to public finances and serves as an oversight to the Audit Department.¹ Most current literature on PAC focuses on its effectiveness as a body that can highlight issues of pertinent importance for the Executive to act upon and make necessary changes and improvements.

As the jurisdiction of the PAC is derived from the Constitution or Parliamentary Standing Orders of the country, there are five powers that the PAC should have for it to be an effective body, which are:

- i) to freely choose the subjects for examination,
- ii) to investigate all past and present issues committed with the government expenditures,

1 'History - Public Accounts Committee' <<https://old.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/history-of-committee/>> accessed 18 February 2021.

- iii) to hold the government accountable for its spending,
- iv) to examine the public account², and
- v) to evaluate whether the expenditures have met the intentions and intended expectations of the legislature and whether value for money was achieved.³

Stakeholders engagement with the PAC has also shown to play an essential role in the effectiveness of the PAC. The main stakeholder for the PAC is the auditor general. This is because the PAC depends on high-quality audit reporting to identify potential issues and solutions, whereas the auditor general requires an effective PAC to ensure that all government departments and agencies take the audit outcomes seriously.⁴ Thus, the role of the auditor general in the accountability process of the PAC should clearly be stated in the country's constitution or a legislative act.⁵

It is also important to highlight the relationship between the PAC and the Executive. This is because the Executive is the main organisation where the PAC does its investigation. One aspect of this relationship is the PAC's authority in calling the Executive to give evidence to the committee, such as summoning a minister or senior public officer for this purpose.⁶ Another aspect is the implementation of the Executive to follow the recommendations set out by the PAC.⁷

2 R. Stapenhurst and others, 'Ex Post Financial Oversight: Legislative Audit, Public Accounts Committees...and Parliamentary Budget Offices?' (OECD Parliamentary Budget Officials and Independent Fiscal Institutions 4th Annual Meeting, Paris, February 2012) <<https://www.oecd.org/gov/budgeting/49778002.pdf>> accessed 17 February 2021.

3 J. Wehner, *Best Practices of Public Accounts Committees* (Cape Town, Association of Public Accounts Committees (APAC) South Africa, 2002) <<https://www.internationalbudget.org/wp-content/uploads/Best-Practices-of-Public-Accounts-Committees.pdf>> accessed 15 February 2021.

4 *ibid.*

5 Commonwealth Association of Public Accounts Committees, *Handbook August 2020* (CAPAC, 2020) <<https://www.uk-cpa.org/media/3686/capac-handbook-240820.pdf>> accessed 17 February 2021.

6 *ibid.*

7 E. Hedger and A. Blick, *Enhancing accountability for the use of public sector resources: how to improve the effectiveness of Public Accounts Committees* (London, Overseas Development Institute, 2008) <<https://cdn.odi.org/media/documents/3466.pdf>> accessed 18 February 2021.

The composition and staffing of the PAC are also essential in determining its efficacy. The Chairman and committee members are appointed for the full term of parliament due to the PAC's work nature that investigates issues from one year to another. The PAC should also be composed of both government and opposition MPs. Its members must not be appointed among cabinet members and be free from government interference to perform its oversight functions.⁸ Moreover, the PAC requires the assistance of specialised officers from the Finance Ministry who can provide logistical and technical advice.⁹ In practice, a full-time clerk to the committee and one or two expert advisers are sufficient to support the PAC.¹⁰

In ensuring better accountability and effectiveness, the PAC establishes meetings and events such as conducting public hearings, reporting and recommendations, and monitoring government response. Public hearing conducts inquiry of witnesses and provides evidence as requested by the committees. Such reporting and recommendations contain outcomes from the issues raised by the committee members, and they must be agreed upon by the PAC. This includes recommendations for action by the government whom must then respond to the PAC reports. The response will be given in timelines in which the PAC will check and follow up the implementation by the government according to the report. It will also call for explanation from the senior officials from responsible ministries in the event of failure or delayed implementation of such recommendations.¹¹ Thus, the factors that make an effective PAC include the powers accorded to it, its relationship with the stakeholders, especially the Auditor General and the Executive, the formation of its members and staff availability, and its ability to have public meetings and produce reports with constructive recommendations.

The issues of Public Account Committee practices in Malaysia

Existing literature on the PAC in Malaysia focuses mainly on the issues that affect the effectiveness of the PAC in being a reporting body. The first issue is regarding its Chairman, who should be independent not only from government interference but also influences from political parties. A PAC Chairman must also have positive values such as integrity on

8 Commonwealth Association of Public Accounts Committees (n 5).

9 Wehner (n 3).

10 Hedger and Blick (n 7).

11 Commonwealth Association of Public Accounts Committees (n 5).

account of having the authority to set the time for meetings and select the topics to be examined.¹² The independence of the PAC comes into question, following a trend in the government to appoint ministers who were previously Chairman of the PAC.¹³ Besides that, the Chairman plays a significant role in the effectiveness of the PAC, particularly when there is an appointment from senior parliamentarians.¹⁴

The PAC's effectiveness can also be judged in terms of its power and authority to summon anyone for questioning on a particular issue. It is also important for the PAC to hold press conferences and choose subjects for examination without subjecting to the government's direction or advice. The PAC should also have the ability to request its budget that will allow the committee to manage its activities according to its needs.¹⁵ Nevertheless, the PAC faces significant challenges, especially on insufficient staffing and the absence of its own office.¹⁶ It is also highly dependent on the Auditor General to gather information. However, auditors from the National Audit Department and PAC claim that their role is not detecting fraud but rather to advise the agencies.¹⁷

Members of the PAC also serve as important factors in determining the extent of its effectiveness. The consensus among PAC members from different political parties can be a pertinent challenge due to the difference in political views and agendas.¹⁸ Another issue is regarding

12 Z.M. Daud and others, 'The Success Factors of the Public Accounts Committee (PAC) in Malaysia: The Public Perspective' (2012) 1(1) *IPN Journal of Research and Practice in Public Sector Accounting and Management* 59 <<http://jurnal.ipn.gov.my/wp-content/uploads/2020/12/5.the-success-factors-of-the-public-full-article.pdf>> accessed 15 February 2021.

13 Z.M. Daud and I. Fraser, 'Auditors' and PAC Members' Views on Performance Auditing Practices in Malaysia: A Qualitative Approach' (2015) 23(S) *Pertanika Journal of Social Sciences and Humanities* 89 <<http://psasir.upm.edu.my/id/eprint/43895/1/Auditors%E2%80%99%20and%20PAC%20Members%E2%80%99%20Views%20on%20Performance%20Auditing%20Practices%20in%20Malaysia.pdf>> accessed 15 February 2021.

14 Z. Saleh and H.A. Hasan, 'The Role of the Public Accounts Committee in Enhancing Government Accountability in Malaysia' (Centre for Public Sector Governance, Accountability and Performance 2014 Annual Symposium, Melbourne, October 2014) <http://eprints.um.edu.my/13401/1/the_role_of_the_public.pdf> accessed 15 February 2021.

15 Daud and others (n 12).

16 Z.M. Sori and others, 'Perceived Public Account Committee Effectiveness: The Malaysian Case' <https://ijbt.unimap.edu.my/images/stories/IJBT%20JUNE%202019/IJBT_Vol_9_June_2019_8_209-220.pdf> accessed 15 February 2021.

17 Daud and others (n 12).

18 Sori and others (n 16).

the commitment of the committee members.¹⁹ Some members do not portray significant interest to participate in meetings. Thus, full meeting attendance is often difficult to achieve due to the members' commitment to other individual matters and the lack of incentive for them to attend.²⁰ The members themselves must be independent when involved in any PAC matters. This includes zero interference from their respective political parties and being non-partisan in dealing with other PAC members from different parties.²¹ The PAC should also explore the possibilities of organising public hearings.²² This will allow them to demonstrate to the public that PAC is indeed an independent committee and that the PAC members must conduct themselves better in implementing their role as their performance will be monitored by the public.²³

The literature discussion above shows a glaring gap in explaining the structure of the PAC in Malaysia, particularly post-2018. Therefore, this research aims to examine the current practices of the PAC and its significant distinction from the previous practices. This article focuses on three main changes that have occurred to the PAC, namely the significance of appointing a PAC Chairman among members of the opposition, improvement in the types of meetings conducted, and the role of the seven ex-officio. Past literature on the effectiveness of the PAC in general, as presented in the first part of the literature review, serves as a benchmark to determine whether the changes implemented have been effective.

Methodology

The present study is a replication of a case study via an exploratory, descriptive approach.²⁴ The case study is defined as an exploration

19 *ibid.*

20 Sori and others (n 16).

21 Z.Z. Abidin and others, 'Perceived Public Accounts Committee Independence: The Malaysian Case' (2019) 9(2) *International Journal of Business and Technopreneurship* 209 <https://ijbt.unimap.edu.my/images/stories/IJBT%20JUNE%202019/IJBT_Vol_9_June_2019_8_209-220.pdf> accessed 15 February 2021.

22 Saleh and Hasan (n 14).

23 *ibid.*

24 A.B. Irawan, 'The Role of The Public Accounts Committee: An Indonesian Case Study' (2014) 3(3) *West East Journal of Social Sciences* 1 <https://www.researchgate.net/profile/Agus_Irawan3/publication/299468312_The_Role_of_the_Public_Accounts_Committee_An_Indonesian_Case_Study/links/5c888088a6fdcc38174fa464/The-Role-of-the-Public-Accounts-Committee-An-Indonesian-Case-Study.pdf> accessed 15 February 2021.

of an individual, group, or phenomenon.²⁵ Moreover, it describes the characterisation of a case or event as well as the process of features.²⁶ Exploratory has a different approach from descriptive. The former can be open for further examination, and prior fieldwork or small-scale data collection may be conducted before the research questions and hypotheses are proposed.²⁷ Whereas the latter describes the types of data collection in the descriptive study, which include examining the data collected from various resources²⁸ such as published reports of PAC meetings from 2017 to 2020, the PAC's official website, interviews with a parliamentary officer-in-charge of handling the PAC, as well as international and local newspapers such as *The Straits Times* and *The Edge*. Results from a descriptive study can be minimal to moderate structured, open-ended, individual, or focus group interviews.²⁹ Particular attention will be placed on the published reports of PAC meetings from 2017 to 2020, the PAC's official website, interviews with a parliamentary officer-in-charge of handling the PAC, international and local newspapers such as *The Straits Times* and *The Edge*.

Findings and discussions

There are three justifications in this research. First is the current practices of the PAC, including the appointment of its Chairman from the opposition, the appointment of a minister who was a PAC Chairman, and the appointment of a Chairman from a senior parliamentarian. Second, there are two types of new meetings. Third, there are seven ex-officio PAC Parliament as permanent representatives from the government.

Current practices of PAC: appointment of chairman

The appointment of a PAC Chairman among the opposition members is a remarkable change for the PAC in Malaysia. This shows that PAC serves

25 A.B. Starman, 'The case study as a type of qualitative research' (2013) 64(1) *Journal Of Contemporary Educational Studies* 28 <https://www.researchgate.net/publication/265682891_The_case_study_as_a_type_of_qualitative_research> accessed 14 February 2021.

26 *ibid.*

27 Z. Zainal, 'Case study as a research method' (2007) 9 *Jurnal Kemanusiaan* 1 <<https://jurnalkemanusiaan.utm.my/index.php/kemanusiaan/article/view/165/158>>.

28 V.A. Lambert and C.E. Lambert, 'Qualitative Descriptive Research: An Acceptable Design' (2012) 16(4) *Pacific Rim International Journal of Nursing Research* 255 <<https://he02.tci-thaijo.org/index.php/PRIJNR/article/view/5805/5064>> accessed 15 February 2021.

29 *ibid.*

as a strong check and balance body while reflecting the government's willingness to be transparent through an independent scrutiny body.³⁰ In August 2018, YB Datuk Seri Dr Ronald Kiandee (UMNO - Beluran) was the first MP from the opposition party to be appointed as the PAC Chairman.³¹ Such change in the PAC Chairman appointment policy was done to follow the Westminster model. However, the practice was not done into law as there was no amendment to Standing Order 77 to include this as a provision. However, the new practice of appointing an opposition MP as the PAC Chairman did not stop even when YB Datuk Seri Dr Ronald Kiandee resigned from his post after only four months following his decision to join Parti Pribumi Bersatu Malaysia, which is a party in the governing coalition of Pakatan Harapan. His place was succeeded by another opposition MP, YB Datuk Seri Dr Noraini Ahmad (UMNO - Parit Sulong) in April 2019. She was the first woman to hold this position.³² However, she later resigned from the position following her appointment as a Cabinet Minister in March 2020.

The appointment of PAC Chairman from the opposition MPs is still practised with the appointment of YB Tuan Wong Kah Woh (DAP - Ipoh Timur) in August 2020. However, whether the Chairman is from a government or opposition party has minimal impact on the effectiveness of the PAC.³³ This is because the Chairman has no sole power to decide regarding the contents of the final report published by the PAC. The Chairman only has the prerogative to set the PAC's agenda but in consultation with other PAC members and also the Auditor General.³⁴ Besides that, the appointment of the Chairman and Deputy Chairman of the PAC are made by the Prime Minister through a motion in the Dewan Rakyat, which is similar to the appointment process of the Dewan Rakyat Speaker. Every committee member, including the Chairman and Deputy Chairman, holds the position in the PAC for five years or until

30 Wehner (n 3).

31 'Malaysia, For the First Time, Appoints Opposition MP As Head of Key Public Accounts Committee' *The Straits Times* (Singapore, 7 August 2018) <<https://www.straitstimes.com/asia/se-asia/malaysia-for-the-first-time-appoints-opposition-mp-as-head-of-key-public-accounts>> accessed 15 February 2021.

32 A.N. Idris, 'Noraini appointed PAC Chairman' *The Edge Financial Daily* (Petaling Jaya, 12 April 2019) <<https://www.theedgemarkets.com/article/noraini-appointed-pac-chairman>> accessed 15 February 2021.

33 Daud and others (n 12).

34 PAC chair has power to set committee's agenda but in consultation with committee and auditor general. PAC chair usually takes responsibility to ensure report released.

the dissolution of the Dewan Rakyat, their resignation from the post, or the formation of a new government.

The appointment of Chairman does not necessarily be the factor of seniority in the parliament. YB Dato' Sri Hasan bin Arifin (UMNO - Rompin) was a PAC Chairman from 2015 until 2018, and he had only won for the first time in the 2015 General Election. His deputy was YB Dr Tan Seng Giaw (DAP - Kepong), who has been an MP since 1982. Similarly, the current PAC Chairman, YB Tuan Wong Kah Woh (DAP - Ipoh Timur), has only been an MP since 2018, while the current Deputy Chairman, YB Dato' Hajjah Azizah Mohd Dun (Bersatu - Beaufort), has been an MP since 2004 and is also a former Deputy Minister in the Federal Government.

The composition of the PAC must be not less than six and not more than 12 committee members, excluding the Chairman and Deputy Chairman. The Committee of Selection selects these committee members, and the number of representatives from the government and opposition parties is decided by the seating composition in the Dewan Rakyat, as specified in Standing Order 82. (1) . In addition, as stated in Standing Order 77(4), no members may be appointed or nominated to act as the Chairman or assume their role as members of the PAC while holding the portfolio of a minister. In the event that both the Chairman and Deputy Chairman are absent for a meeting, the PAC members shall elect among themselves to preside over the meeting (Standing Orders 77(3)).

Current practices of PAC: implementation of two new types of meetings



Chart 1. The process of PAC meetings

The PAC has four main meetings and a pre-council meeting. The major meetings are: i) the proceeding meeting, ii) the housekeeping meeting, iii) the verification meeting, and iv) response reporting meeting. Such an increase in the types of the meeting reflects the expanding role of the PAC that is confined to investigating frauds and checking on the performance of the Executive branch of the government. A pre-council meeting is a trivial meeting conducted before the proceeding meeting. Meanwhile, the proceeding meeting is an officially closed meeting with witnesses and evidence presentation. Sometimes, an issue can involve

multiple ministries. Next is the housekeeping meeting where a draft report is produced and opinions, as well as suggestions, are summarised with regards to the topic concerned. After the draft report is completed, the PAC members will go through the draft report to check and verify the contents before it is presented as the final report to the Dewan Rakyat. This meeting is important to check and ensure that the facts in the draft report are accurate. The verification meeting was introduced in 2019, and the PAC decided to implement a response reporting meeting in 2018. It is a follow-up action of the PAC after presenting the PAC report at the Dewan Rakyat. The PAC shall decide the frequency of each type of meeting, held once or more than a dozen times. For instance, the 1MDB issue had the most number of meetings. It took 18 meetings to discuss the issue, which comprised two pre-council meetings, 11 proceeding meetings, and five housekeeping meetings.³⁵ Since there are more meetings than ever before, the PAC needs more comprehensive staffing and budgeting. Currently, the PAC only comprises the Chief Secretariat, two auditors, and four administrative staff.

In the pre-council meetings, the Chief Secretariat will suggest topics for the Chairman's attention. The Chairman will call for a meeting with the committee members to discuss any pertinent topics and issues that the PAC should investigate. The members can either agree or disagree with the topics. Once the PAC members have agreed with the topic, it will be brought to the proceeding meeting. A selection of topics is the right course of action for the PAC, as stated in Standing Order 77(1)(d). Besides that, traditionally, topic selection can also be highlighted by the Auditor General through the Auditor General's reports that have been tabled in the Dewan Rakyat. Meanwhile, PAC members may raise any topics that their respective parties suggest. The selection of topics also can come from the public via email or letters sent to the Chief Secretariat or the PAC members. For example, the issue of the Sale Transactions on Land owned by Dewan Bandaraya Kuala Lumpur (DBKL) was brought up by a committee member of the PAC itself.

After deciding on the topic worth investigating, the PAC will organise a proceeding meeting with the Controlling Officer (the Chief of Secretary) from the respective ministry related to the topic. The proceeding meeting is an officially closed meeting for a witness statement and evidence gathering. Sometimes, a single topic can deal with several ministries.

35 Interview with the parliamentary officer in-charge of handling the PAC (Parliament, 10 February 2021).

For instance, in the case pertaining to Air Mobility development, there were three ministries involved, namely the Ministry of Entrepreneur Development and Cooperatives (MEDAC), Ministry of International Trade and Industry, and the Prime Minister's Department of Malaysia. Thus, three Controlling Officers from these ministries attended the proceeding meeting. The Controlling Officer will explain the causes or reasons for weaknesses and any precautionary actions taken. The PAC may send a show-cause letter to any Controlling Officer who fails to attend the meeting. They can also reject any representative of the Controlling Officer if they find that the Controlling Officer's absence is unreasonable and insufficient. The PAC can also obtain oral and written evidence from anyone stated in Standing Order 83(2). There is no public hearing session as it is restricted under Standing Order 85 that posits confidentiality of the evidence gathered from an inquiry. Furthermore, the report must remain confidential and cannot be shared by the PAC members to anyone before presented to the Dewan Rakyat.

In the housekeeping meeting, a draft report will be produced. It is also known as the presentation for drafting report PAC meeting. All PAC members will summarise their opinions and suggestions in this meeting. The drafting of the report will be done by the Secretariat and the PAC with assistance from the Auditor General. Previously, the draft report was written by the Auditor General because there were no secretariats before 2013. However, the former Chief Auditor General of Malaysia requested the PAC to form a secretariat team to assist them in conducting meetings and writing the PAC reports.³⁶ The draft report prepared by the PAC Secretariat will be checked and verified by the PAC members in the verification meeting before being presented at the Dewan Rakyat. This meeting is important to ensure that the facts in the draft report are correct, genuine, and not altered by referring back to the Hansard. Until now, there has never been any disagreement among the PAC members on the content of the final report. A PAC member who disagrees with the final report must submit a minority report to the PAC, and it has never been done so far. Besides that, if any witnesses want to change the statement of the evidence in the draft reports, they also must submit a letter to the PAC. The final PAC report will be published on the PAC official website after being presented in the Dewan Rakyat.

The final PAC report explains in detail the discussions and findings during the proceeding meetings. It shows the PAC members have studied

36 *ibid.*

and investigated the issue seriously. There is a fixed and standard format that has to be followed, such as the chapters division. One of the common issues regarding the final reports of the PAC is that the PAC reports are outdated because of the time taken between the finishing of the report and its presentation in the Dewan Rakyat. Sometimes, the presentation can be delayed for up to three months until the next Dewan Rakyat session begins. The final PAC report is not always about criticisms and pointing out mistakes but may also highlight any positive attributes found in an issue such as the satisfactory performance of the institution (i.e. Khazanah) as stated in the case on Khazanah Treasury's Investment Loss, 2019.³⁷

Eventually, there are two different types of reports that are presented in the Dewan Rakyat in relation to the PAC investigations. First is the PAC report itself, and second is the Response Report that the PAC presents to the Dewan Rakyat after obtaining feedback from the Ministry of Finance. It is a follow-up action after presenting the PAC report at the Dewan Rakyat based on two different categories. The first category refers to issues related to the Ministry of Finance (MoF), which requires a follow-up action from the MoF to inform the Controlling Officer of the related ministry. The second category refers to a follow-up action from the PAC Secretariat to directly inform the respective ministry. The Controlling Officer must act based on the suggestions made by the PAC and at the same time reports the ministry's action to the MoF. Then, the MoF shall prepare a memorandum to the PAC on the progress response by the ministry. This memorandum will be further presented in the PAC meeting to release information or take necessary action.

From January 2018 until December 2020, at least 16 PAC reports were presented in the Dewan Rakyat. Meanwhile, there were only five response reporting reports from the government ministries. These reporting reports are pertaining to the Project Redevelopment issues on Existing Facility at Bukit Jalil Sports Complex, Management Public Marina, Khazanah Treasury's Investment Loss, Goods and Services Tax (GST) Reimbursement Claim amounting to RM19.4 billion, and Air Mobility management.³⁸ Even though there is still a lack of response

37 Public Accounts Committee, *Kerugian Pelaburan Khazanah Nasional* (DR 2018-2023, DR.7/2019) <<https://www.parlimen.gov.my/pac/review/docs-202-244.pdf>> accessed 15 February 2021.

38 Official Web of Parliament Public Accounts Committee (PAC) <<https://www.parlimen.gov.my/pac/index.php>> accessed 18 February 2021.

reporting reports submission, the submission of these reports by the respective ministries shows that the government ministries can take heed of the issues highlighted in the PAC report and improve their governance and practices.

The role of ex-officio PAC parliament

There are also several ex-officio members from specific government agencies and departments serve as permanent representatives in the PAC. Initially, only two ex-officio members were from the Auditor's General Office and the Ministry of Finance. In 2018, an additional of five ex-officio members were added from the Malaysian Anti-Corruption Commission, Attorney General Chamber of Malaysia, Ministry of Economic Affairs, Account General's Department of Malaysia, and the Public Service Department. All these seven specific stakeholders have the relevant knowledge to assist the PAC.

All ex-officio members are required to attend the proceeding and housekeeping meetings. The main objective of having ex-officio in the meetings is to obtain reliable and consistent information from each stakeholder. These ex-officio members will verify all information and data in the PAC draft reports. They must keep all information strictly confidential until after the final report has been presented in the Dewan Rakyat. The presence of these ex-officio members in the PAC enhances the effectiveness of the PAC and subsequently improves the credibility of its reports.

Conclusion

This study has found several noteworthy findings on the development of PAC practices throughout the past few years. First, the appointment of opposition MPs as the PAC Chairman can be seen as a positive move in portraying a more independent image of the PAC. However, having an opposition MP as the Chairman has no major impact on the effectiveness of the PAC as its decisions are often based on consensus among its members. However, as three of the most recent PAC Chairmen are from the opposition, it seems that this practice will remain and that gradual positive changes may occur with the effectiveness of the PAC. Second, the adoption of two new meetings (i.e. verification meeting and response report meeting) shows that the PAC is streamlining and becoming more focused on producing better reports and follow-ups. This can make the PAC to be taken more seriously as an oversight body

by government ministries, departments, and agencies. Third, there has been an improved and better cooperation and interaction between the PAC and the seven stakeholders represented by the seven ex-officio in the PAC meetings. This is because the presence of these seven ex-officio enhances the expertise available for the PAC, enabling the committee to produce reports of better quality as well as more practical recommendations. The PAC in Malaysia had experienced these changes in the past few years, which shows the commitment by the government and MPs that this oversight committee and the Parliament of Malaysia as a whole can play a bigger role for better governance in Malaysia. Therefore, it justifies the need for more studies on the effectiveness of the PAC in Malaysia, the changes that have been implemented, and recommendations for future betterment.

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