



The Role of the Maltese Public Accounts Committee in Public Finance

Peter J Baldacchino^a Christine Bartolo^b Simon Grima^c

^a Corresponding Author, Head, Department of Accountancy, F.E.M.A., University of Malta, peter.j.baldacchino@um.edu.mt

^b Ms., Senior Auditor, Deloitte Malta, Christine.bartolo.10@um.edu.mt

^c Dr., Head, Department of Insurance, F.E.M.A., University of Malta, Simon.Grima@um.edu.mt

Keywords

Public Finance, Public Accounts Committee, Malta.

Jel Classification

E60, E69, M49.

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.