

**Accountability limitations with respect to parliamentary oversight: a case of
Norway and Sri Lanka**

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1 Introduction

A lot of reforms have been undertaken in recent years, aiming at making public sector more efficient and effective so as to provide more value for money (VFM). Many of these reform endeavors have been coined New Public Management (NPM) or New Public Financial Management (NPFM) – for a discussion see e.g. Guthrie et al. (1999); Hood (1995). Following this, many studies have been done on such public sector reforms, focusing on a variety of issues. Some have taken an analytical or theoretical view; discussing differences between private and public sector, with respect to objectives as well as activities undertaken. Others have studied reform implementation and associated difficulties. One stance has been technical or tool oriented, centering on e.g. accounting and budgeting technicalities and associated weaknesses, associated with the reforms. Another viewpoint on the reforms, like that of users (of the new information and/or control systems), can also be found. Some have reported about a lack of interest in the new systems (Paulsson, 2006), whereas others argue that they bring about both more costs as well as lead to many unwarranted and unforeseen changes (Newberry & Pallot, 2005; Olson et al, 2001).

A dimension of these reforms which hitherto has received somewhat less attention is the way that governments themselves follow up on their reforms. What controls do they have in place, and in particular; what mechanisms do they rely on so as to follow up on and investigate both intended as well as unintended consequences of the reforms they have instigated? This therefore becomes a case of parliamentary oversight, i.e. a question of whether the Parliament's will is carried out, and subsequently a case of accountability. Jacobs (2009) argued that parliamentary oversight in Australia is primarily a symbol of legitimacy because the role of the committees is taken for granted, despite their results or achievements. However, there is a possibility that both the content of the matters being reported as well as the kind of accountability relations and mechanisms that are available to Parliamentary oversight, may vary in context. Consequently, the purpose of this paper is to investigate the following research questions: 1) what is the content of the parliamentary oversight issues being raised with respect to the way in which governments use their resources? That is what is dominating the discussions concerning challenging accountability relations relating to VFM? 2) What accountability mechanisms are in place to follow up on and rectify misuse of funds or actions that seem to violate parliament's decisions? Furthermore, since the topic of

Parliamentary oversight is vast, and hence covers a variety of fields, we limit the focus of this paper to mostly being about parliamentary oversight with respect to management control.

To investigate contextual differences in the aforementioned area we compare parliamentary oversight in Norway and Sri Lanka, by relying primarily on document studies. We have collected documents published by parliaments in both countries and published scholarly works. Our frame of reference is made up of an accountability perspective, but also decision making theory concerning the concept of rationality (including work done by Brunsson, 1982, 2002). Following the frame of reference, the case of Norway and Sri Lanka are incorporated respectively in the empirical section. In section concerned with discussion, similarities and differences in the two countries are highlighted. Finally concluding remarks and suggestions for further studies are pointed out.

2 Methods of data collection

This paper is articulated using data collected to examine the development of Sri Lankan central government accounting from the 1970's. Four field visits occurring in June 2006, May 2007, January 2008 and June 2009 were used to do this. The first three field stages of work were mainly used to conduct archive search and informal discussions with administrators in the Treasury. Similarly, an informal discussion took place with a chairman of one oversight committee at his committee room for one and half hours. It was also possible to observe the behaviour of administrators called for committee proceedings and listen to their discussions at the lobby before and after questioning them. Apart from documents published by ministries, parliament, professional institutions and scholars in the country, reports of international financial institutions and articles appeared on international journals were collected. Moreover, twenty Treasury officers and the financial advisor to the Ministry of Finance were interviewed in June 2009. These interviews lasted approximately one hour to two hours. As these officers showed hesitation for the use of a tape-recorder, notes were taken during and after each interview before commencing next interview.

The data underlying the Norwegian case description covers the time period of mid 90s and until today, with respect to documents. Interviews were also conducted with respect to accounting and budgeting systems at central government level in Norway. The informants

were from the Ministry of Finance and parliamentary committees. Interview guides were sent to the interviewees beforehand and a summary of the interview was sent afterwards. The interviews lasted for about one hour. The search for parliamentary oversight issues (vis-à-vis the first research question) that involved management control was carried out by relying on information available at the parliament's home page. There, it is possible to review historical and current cases that have been subject to scrutiny by the Committee of constitutional affairs and scrutiny.

The choice of country cases – Norway and Sri Lanka was based on the authors' previous knowledge about similarities between Norway and Sri Lanka in certain parliamentary oversight matters, despite the apparent differences between the two countries. Such differences consist of wealth, welfare systems as well as geographical and demographical differences (to name a few). Since we expected differences between the countries to materialize into the undertaking of different parliamentary oversight actions and views, we found this puzzling, and worthy of a separate discussion.

3 A framework for pinpointing limitations of accountability

3.1 Rationality of political decisions and actions

Parliaments in democratic States are empowered through constitutional and legislative provisions to approve budgets and scrutinize the execution of budgeted programmes and projects. As a result, parliaments are compelled to deal with a great amount of demands and expectations. Nevertheless, the legislatures' endeavours to cater specifically selected demands and this is often considered to be a conscious act of judgement (Brunsson, 1989). This envisages that the legislatures and politicians would make judgements based on rationality. And they are intended to be accountable to the country's citizens. Accounting systems including parliamentary oversight committees are used to discharge different forms of accountability within the Westminster parliamentary tradition. Similarly, accounting and auditing practices enable to produce financial statements essential for rationality. The

conventional interpretation of rationality refers to an unbiased orientation consisting of constructive and destructive potential (Dillard and Ruchala, 2005).

Rationality can be discussed in terms of decisions and actions (Brunsson, 1989). In discharging accountability, both action and decision rationality need to be taken into account. The former type of rationality appears whilst politicians and the bureaucracy attempt to select one or few alternatives from a set of available options. The latter is concerned with the execution of selected activities. As viewed by Brunsson (1989), action rationality is deployed to coordinate and promote different organizational activities, whereas the form of decision rationality is likely to be a means of impeding some actions or events. Parliamentary oversight can be associated with these two forms of rationality. The bureaucracy is testified before oversight committees in discharging accountability (see Thomas, 1979; 2009). Accordingly, administrators provide justifications and accept responsibility for administrative decisions and actions associated with the implementation of governmental programmes.

Control systems are often used as a means of post hoc rationalizations for decisions made (Ansari and Bell, 1991). Parliamentary scrutiny is mainly concerned about the budget execution. This implies that action rationality is a main concern of oversight committees' investigations. As such, proceedings of oversight committees are likely to focus on the norms of action rationality rather than decision rationality (see Brunsson, 1989). This is done based on financial statements and other documents. Uddin and Choudhury (2008) show competing ideas, conflict of interest and institutions influence accounting practices. Rationality endeavours based on accounting practices can therefore be used to preserve the interest of powerful dominant groups. Indeed, rationality is employed to exert power and to influence others to do things in a particular manner (Ansari and Bell, 1991).

The realization of anticipated rationality potential mainly depends on parameters used and the way of applying rationality process amongst other things (see Dillard and Ruchala, 2005). Parliamentary oversight committees consist of parliamentarians from different political parties (see Kuruppu, 2010). These politicians represent different political interests. Hence, political rationalities need to be embodied in legislations and legislative procedures, and plans (Radcliffe, 1998). And the rationally articulated outcome criteria are seen to be unquestioned goals (Uddin and Choudhury, 2008). Nevertheless, parliamentary oversight may not carry out as expected and may negatively impact on the process of discharging accountability. Consequently, anticipated forms of accountability may not always transpire through the established regulations and institutions in the government sector (see Uddin and Choudhury, 2008).

3.2 Linking accountability to parliamentary oversight

3.2.1 Meaning of accountability

Accountability is an important concept under the auspice of democratic governance. It would be applicable to all the government's activities. Accountability is "an icon for good governance" (Bovens, 2005:184) and "not just another political catch word" (Bovens, 2005:184; 2007a: 450). Nobody would oppose the requirement of being accountable (see Bovens, 2007a; Iyoha and Oyerinde, 2010). It is, however, a multifaceted (Scarpora, 2008) and a contestable phenomenon (Bovens, 2007b). Accordingly, terms like chameleon are used in accountability discussions (see Sinclair, 1995). And discussions on this are articulated on the basis of different point of views (see Koppell, 2005; Scoot, 2000). As such, arguments on accountability have now been extended far beyond on its original main intention of providing accounts for one's conduct (Mulgan, 2000).

Based on principal agent relationship, accountability is generally discussed. Several elusive terms are used interchangeably with this concept (see Bovens, 2007a; 2007b; Kim, 2009; Koppell, 2005). Amongst such terms, responsibility, controllability, equity, responsiveness, answerability, transparency, blameworthiness, democracy, liability, efficiency, integrity and obligation are just a few to point. The reason for this is the inability of finding a term providing similar meaning to this concept in some countries. For example, in Norway the term "*ansvarlighet*" is used to denote accountability. The direct translation of this means responsibility in English. Scholarly arguments distinguish responsibility and accountability (see Barberis, 1998; Bovens, 2007b). The main concerns of accountability remain: who, for what, how and to whom is accountable (see Barberis, 1998; Haque, 2007; Mulgan, 2008)?

The forging discussions witness that accountability is a context dependent phenomenon. The way this term is defined envisages the perception of the ideal relationship between parties involved. As quoted by Carnegie and West (2005: 915), Public Sector Accounting Standard Board refers accountability as "the responsibility to provide information to enable users to make informed judgement about the performance, financial position, financing and investing and compliance of reporting entity". Bovens (2007a: 450; 2007b: 107) views accountability as "a relationship between an actor and a forum, in which the actor has an obligation to explain and justify his or her conduct, the forum can pose questions and pass judgement, and

the actor may face consequences”. Stemming from these arguments and the purpose of this paper, accountability is considered as the obligation of furnishing accounts, acceptable explanations and justifications to parliament or its oversight committees to assure that resources and authority have been used for legitimate activities and purposes. Similarly, the executive and public administrators are obliged to execute recommendations of parliament.

3.2.2 The expectation of parliamentary oversight

It is obvious that no country would possess unlimited amount of resources to satisfy its public needs and wants. This requires members of parliament to oversee and control ways of deploying public resources by the political executive. The legislature is, hence, empowered to control public finance of the country. Arising from this, parliament prevails as an institution of exercising checks and balances on the executive and government (see for example Degeling et al., 1996). Thus, the legislature forms committees to scrutinize functions and activities of a democratic government. This enables to wield some forms of control over governments (see Degeling et al., 1996) and to hold the executive answerable to parliament (see Thomas, 2009). Fundamental sense of accountability means being answerable to another person (see Roberts and Scapens, 1985; Romzek and Ingraham, 2000) or to a forum (Bovens, 2007a; 2007b).

It is a function of parliament to scrutinize at least most important issues stated in the reports of the Auditor General calling the executive to account for misuse of public funds and authority. This does not imply that accountability entails just ‘police-patrol oversight’. ‘Fire-alarm oversight’ would also take place due to this obligation (see McCubbins, and Schwartz, 1984). Parliamentary oversight committees contribute to pursuing accountability of the executive to parliament (Aldons, 1985) and take their obligation for the improvement of management in the government sector seriously (Funnell, 2003). And proposals for upgrading reporting systems are also provided. This would enable monitoring actions and redefining system and procedures (Rockman, 1984). Conversely, parliaments in Westminster are accused for being a servant of the executive in financial matters and for legitimating things rather than controlling (Hume, 1963).

The parliamentary oversight committees would be the eyes and ears of the legislature (Broadbent and Laughlin, 2003). Accountability of public sector operations must be assured by avoiding possibilities for ministers and governments to abuse them (Barton, 2006). The nature of parliamentary scrutiny and timing are generally assumed as institutional

preconditions exerting effective pressure on the government (Auel, 2007). And this induces the executive remained accountable and responsive to the legislature (see Liddle, 2007; Ogul and Rockman, 1990). It also prevents the executive's pressure on elected representatives (Holland, 2004). In order to do this, a minister should not chair oversight committees in a parliament (Aggarwala, 1966). In contrast to the Westminster tradition, the chairmen of these committees can be members of government (see Burnell, 2001; Funnell, 2003). This can impair the ability of parliament to hold the executive accountable to the public, as parliamentarians of the ruling political party often hesitate to express views that may annoy their superiors.

3.3 Contingency theory

Different inventory and management accounting systems (MAS) exist. This invites questions and discussions concerning whether some systems or models are generally better than others. Some researchers have argued against this viewpoint and pointed out that there is no universal and one preferred management accounting and control system. This viewpoint is at the core of contingency theory, as discussed e.g. by Otley (1980) and Chenall (2003). They argued that the question of finding as well as implementing different management accounting and control systems is mostly about considering certain factors that form the particular organization in question. They present different factors which have been found in different studies to be important when considering the design of management accounting and control systems. Frequently discussed contingency factors or contingent variables include organizational structure, strategy, technology, culture and the particular environment faced by the organization.

4 Empirical section

We start by describing the case of Sri Lanka with respect to parliamentary oversight mechanisms – relating especially to management control matters. Thereafter certain cases/episodes are introduced, illuminating challenging parliamentary oversight matters. This is followed by a description of similar matters in Norway.

4.1 The Case of Sri Lanka

The island has inherited a cash-based management control system from its colonial master, namely Britain. The country's constitutional provisions, acts passed by parliament, financial regulations, and other circulars issued by the Ministry of Finance provide a regulatory framework to present annual budgets and financial statements. The Treasury does this task based on documents provided by ministries and other government institutions. The section below describes reforms concerned with the government's management control system.

4.1.1 Parliamentary oversight mechanisms relating to management control system

The section below describes reforms concerned with budgeting, accounting and oversight committees

Budget and its developments

Planning programming budgeting: The country used planning programming budgeting (PPB) as from the 1970's. Some politicians and secretaries considered this budgeting model as an unnecessary burden and a bottleneck in implementing the government's plans (see Dean, 1986). Nevertheless, the government strived to use PPB with necessary refinements. And endeavours were taken to incorporate performance measures in the budget estimates (see Budget Estimates, 1978). Workload and results need to be accomplished under each project during the year were mentioned. Similarly, all the ministries were asked to present this information for three years, i.e. two past years and the budget year in 1979 (see Budget Estimates, 1979; 1980). Ministries were further asked to disclose backlog of work under a project, number of employees involved, average productivity, and the unit cost per unit of performance achieved from 1980 (see Budget Estimates, 1980).

In 1980, it was observed that inadequate attention is given whilst estimating total cost of projects (see Treasury circular No. 845). This contributed to revising estimates and to distorting the overall budgetary process. Consequently, the execution of projects was handicapped. Spending entities were, therefore, advised to give due care in this respect and were allowed to add a margin for contingencies and price escalation. Likewise, a Circular issued by the Treasury's Budget division in 1980(see BD. 965/1/260) requested all ministries and independent departments to furnish tentative estimates of capital expenditure projects for following two years together with the estimates of the year concerned from 1981 (see also Budget Estimates, 1981). One of the oversight committees of parliament revealed that budget

estimates were unrealistic in the 1980's despite endeavours had been taken to forecast them accurately (see PAC, 1989). Nevertheless, PPB format was used in the 1990's without making further changes until the end of 2002 (see Budget Estimates, 1990-2002).

Appearance of ZBB: All political parties holding the power of government in Sri Lanka experienced numerous problems and criticisms as a result of budgetary imperfectness. The increasing budget deficit and its impact proved to be a debacle for citizens from the 1980's. For example, the total amount of government expenditure was far higher than the revenues, i.e. the total revenue as a percentage of GDP was 16.7 and recurrent expenditure represented 21 percent in 2002 (see Budget Estimates, 2004). And ministry and department secretaries generally attempted to justify the amount they sought above the previous year. Thus, the government was compelled to adopt a budgetary model not enabling this strategy. A senior politician was appointed as the Secretary to the Ministry of Finance (MoF). This secretary issued National Budget Circular No. 97 and laid the foundation for applying some elements of ZBB from 2003.

Ministries and public sector institutions were requested to review their missions, institutional objectives and activities, and to assess their roles (see National Budget Circular No. 97). This was done to ascertain whether their activities and functions were in accordance with the government's policy objectives. Similarly, the identification of irrelevant activities, duplication and gaps, assessing the effectiveness of plans in achieving objectives were asked for. Reviewing organizational structure in relation to objectives and activities, and making recommendations to streamline organizational arrangements were also demanded. All institutions were advised to review their expenditure programmes and activities. This process focused on the identification of specific objectives and activities of each project and the assessment of appropriateness between a ministry's strategy and the objectives, and the corresponding outputs. In the case of selected activities, the estimated output of the programme or projects, cost estimate, human resources requirement and agreed performance indicators must be presented.

A Cabinet subcommittee on economic development specified the maximum expenditure ceilings for each ministry from 2003. Spending agencies were given the freedom to forecast their expenditure estimates for the year within their expenditure limits (see National Budget Circular No. 97). The MoF however, reserved the right to reallocate funds according to the

policy priority. It was prohibited to submit supplementary estimates to the Cabinet of Ministers without the Treasury's approval. Supplementary estimates were entertained only in unforeseen circumstances. Spending agencies were not allowed to transfer funds between projects in the same programme. Nevertheless, they were permitted to utilize saving from personal emoluments in any projects. The government decided to impose a reduction on the total budgetary provisions of spending agencies failing to furnish their performance reports on or before 31st May (see National Budget Circular No. 109). This began from June, 2003 and the reduction was one percent per a month.

ZBB plus MTEF to overcome the economic crisis: In 2004, Medium Term Expenditure Framework (MTEF) was introduced to strengthen the expenditure rationalization endeavour. The MoF ordered all ministries to present their budget estimates for 2005 and 2006, in addition to the year 2004 (see National Budget Circular No. 111). The MTEF was supposed to give confidence to investors and citizens with respect to the continuation of government policies and its efforts to tackle the budget deficit. The figures in the budget were revised when these did not conform to the macro projections. The MoF was concerned about the objectives and performance indicators of each individual project for the time span 2004 - 2006. The spending agencies were instructed to measure their performance in terms of input, output, efficiency and outcome. The objectives and performance indicators were formulated in identifying the specific results to be achieved in 2004, 2005 and 2006.

The estimates of expenditure were predicted on the basis of cash (see Budget Estimates, 2004). From 2004, a new internet-based application system was introduced. This new system let the users view the budget ceilings and the historical budgetary allocation information. It allowed creating new sub-projects and object items, and submitting all attachments online. The government was not able to control the budget deficit as intended at the end of 2004 (see Budget Estimates, 2006). The MoF instructed spending agencies to submit their budget estimates and performance measures for the years 2005, 2006 and 2007 on the basis of ZBB (see National Budget Circular No. 117). And the secretary to each ministry was ordered to establish a Budget Steering Committee. This committee was expected to plan, manage and monitor expenditures and to accomplish the objectives of the MTEF from 2005 to 2007 (see National Budget Circular No. 120). It was chaired by the secretary of each ministry and consisted of senior officers such as the Project Director, the Chief Accountant, the Planning

Director and representatives from the Treasury. Despite such measures, the budget deficit continued to increase and the existence of ZBB was terminated at the end of 2005.

The MTEF in a new direction: The MoF introduced performance budgeting in 2006 (see National Budget Circular No. 123). The need of accomplishing and maintaining good governance was also highlighted in the budget circular. In the budget drafting guidelines, each spending agency was offered a recurrent and a capital expenditure ceiling. The secretary of each ministry was allowed to allocate capital expenditure to the projects under his or her purview within the ceiling of capital expenditure. Such appropriation must be implemented by giving high priority to the projects that complied with the policy priority of government. In case of inadequate expenditure allocation to high priority activity, the MoF reserved the right to reallocate funds within the ceiling given, in consultation with the secretary of the ministry concerned.

Development projects were financed using foreign aid and domestic borrowing. In 2007, the MoF emphasized the importance of prudent financial management and efficient resources planning within the MTEF. All non-performing projects were required to be presented on a separate list in order to propose suitable alternatives in the estimates for 2007 (see National Budget Circular No. 131). Likewise, any request for additional funding and funds transfer except in special circumstances was not permitted. The budget estimates for 2008 were a continuation of the MTEF and performance budgeting. The ministries and departments were advised to submit a self-assessed performance report for 2006 and 2007, together with estimates for 2008 (see National Budget Circular No. 136). In this year, the tight control exercised over additional funds and funds transfer requests was softened up. Hence, spending agencies were allowed to seek additional funds and also to transfer funds between projects in consultation with the Treasury. At present, the country continues to rely upon performance budgeting and the MTEF.

Financial reporting and developments

The State Accounts Department (SAD) attempted to prepare the consolidated financial statements of the central government for the year 2002 in accordance with the IPSAS cash basis. This department stated that this as a partial shift to modified accrual accounting. The WB (2007) admitted that the financial statements of the government for the year 2002 are in accordance with the IPSAS cash basis. This was the first endeavour to deviate from the

conventional format of preparing financial statements, which had been followed since independence (see SAD, 2003). The consolidated financial statements prepared in accordance with the IPSAS cash basis, included a consolidated statement of cash receipt and payments and notes to financial statements. The notes furnished with these financial statements comprised notes on accounting policies, financial position, budget outturn, and the report of the Auditor General.

The consolidated statement of cash receipts and payments envisages six types of receipts, i.e. taxation, grants and aid, borrowings, capital receipts, receipts from trading activities and non-tax revenue. The payments were made up of operational expenditures, transfers, capital expenditures and loan and interest repayments (see SAD, 2003, 2004, 2005). In the notes on accounting policies, the reporting entity was defined. It revealed that the financial statements of central government exhibit transactions in ministries and departments excluding the public corporations, state-owned enterprises and statutory boards. The expenditure outflows from the national budget to these entities were identified and included in the consolidated accounts except any other transaction in these entities. Likewise, it was stated that in the preparation of financial statements, generally accepted accounting principles for cash basis accounting were taken into account (see SAD, 2003, 2004, 2005). Moreover, the consolidated financial statements for the years 2003 and 2004 were prepared using the same structure.

A senior administrator and member of the Institute of Chartered Accountants became the Director General of the SAD in 2005. This department took further initiatives to provide a comprehensive overview of the financial position, financial performance, cash inflows and outflows including accounting policies in 2006. As stated in the financial statements for the year ending in 2005, these were articulated in compliance with GAAPs (see SAD, 2006). Apart from this, the financial statements were prepared following the guidance, given in the Sri Lanka accounting standards and IPSASs. This department highlighted their move as an initiative taken in the transitional stage of drafting and presenting the financial statements per accrual accounting. The WB (2007) appreciated the disclosure of additional information and views the move as a step towards the accrual basis. Some information, previously disclosed in the notes, was given as main statements by changing the format of the general purpose financial statements. These were the cash flow statement, the statement of financial position, the analysis of total expenses in the statement of financial performance for the year, and the statement of accounting policies.

The statement of financial performance is divided into three main sections namely revenues, expenditures and financing budget deficit (see SAD, 2006, 2007, 2008). The revenues consist of tax and non-tax revenue, whilst the expenditures are recognized as recurrent and public investment related expenditures. Domestic borrowings and foreign borrowings, taken to finance the budget deficit, are indicated separately under the title of financing budget deficit. In the statement of financial position, financial assets and liabilities were not initially separated as current and non-current. The SAD indicated that the department is in the process of collecting information relating to asset management, commitments and liabilities (SAD, 2007). As a result of this effort, information pertaining to noncurrent assets is disclosed in the financial statements, published for the year 2007 (see SAD, 2008). The Auditor General (AG) is of the view that a new format is in accordance with IPSASs (see SAD, 2006; 2007; 2008).

Parliamentary oversight and public finance

Parliamentary control over public funds in Sri Lanka is anticipated to enhance accountability and to ensure executive responsiveness to legal requirements and to society's demand. The Constitution of the country provides provisions for parliament to have full control of public finance (see Article 148 to 154 in the Constitution of 1978). Accordingly, the legislature establishes oversight committees to investigate the matters pinpointed by the AG. Two committees, namely Public Accounts Committee (PAC) and Committee on Public Enterprises (COPE) are expected to review the accounts of ministries and government's institutions. The AG and the Treasury officers provide the expert knowledge to these two committees.

The PAC and COPE are empowered to summon any officer and call for documents, necessary in discharging their duties except ministers and deputy ministers. Likewise, they can examine any property, office and storage facility. Their proceedings take place behind closed-doors. These committee's proceedings should be non-party based and resembled a judiciary process (see Keuneman, 1964; Warnapala, 2004). Nevertheless, in contrast to the Westminster tradition, a minister is often appointed as the chairman of these committees from the 1980's and inexperienced parliamentarians of ruling party are also appointed. There have been fifty- six ministries in 2009. Every ministry is under the political authority of a minister and a deputy minister. At least one hundred and twelve parliamentarians would become members of the Executive. Accordingly, most of the parliamentarians, appointed to these committees to represent the ruling political party or alliance are likely to be either

ministers or deputy ministers. At present, both committees consist of thirty-one parliamentarians, selected in proportion to different political parties in parliament.

The PAC and parliamentary oversight: Parliamentary Standing Order 125 provides guidelines to carry out this committee's investigations (see Financial Regulations, 1992; Parliamentary Secretariat, 1998; Parliamentary Standing Orders, 1995). The PAC is the institutional mechanism in parliament for a comprehensive oversight of financial administration in ministries, department and local governments. This committee examines the financial activities and procedures, performance, and management. Its investigations enable the legislature to ascertain whether the budgetary appropriations were spent as intended. The committee's investigations should be conducted before the end of the following financial year from the date of the accounts was finalized.

The PAC first orders secretaries of ministries to provide written explanations for issues stated in the audit report before demanding verbal explanations. These written justifications have often been incomplete and full of mistakes (see PAC, 1980; 1989a; 1992; Warnapala, 2004). Similarly, the administrators tend to attend the committee's hearing unprepared or inadequately prepared to provide justifications for deficiencies, irregularities and shortfalls (see PAC, 1980; 1989; 1995; 1996; 2007). Their answers are often incomplete, inadequate, inaccurate or inconsistent (see PAC, 1980; 1989a; 1989b; 1995; 1996; 2007). They do this in order to avoid giving any opportunity for the members of the committee to ask further questions (see Perera, 1964; Warnapala, 1973; 2004). Consequently, the committee has repeatedly ordered them to present fresh explanations (see PAC 1980; 1984; 1989a; 1995; 2007; Warnapala, 2004). Despite this impediment, the committee submits its reports proposing improvements to avoid the occurrence of similar incidents. These reports are often not taken into parliamentary discussions and do not get due attention (Warnapala, 2004). This committee's investigations envisage that similar malpractices and errors continue to occur (see PAC, 1980; 1989a; 1989b; 1995; 1996; 2007).

Parliamentary oversight and the government-owned entities: The Parliamentary Standing Order 126 provides guidelines to conduct this committee's investigations. This committee is concerned with the management of the government-owned entities. It endeavours to ensure that the State-owned institutions are managed in accordance with sound business practice and prudent commercial practices. Akin to the PAC, the chairman of the committee is the

key to the success of its committee proceedings and findings. This committee discovered in 1981 that internal audit departments in the public corporations are barely functioning (see COPE, 1981). The present findings of this committee do mean that the similar situation exists (see 2007b). The COPE has observed in the 1980's, 1990's and 2000's that the administrators do not furnish acceptable justifications for questions both in writing and oral forms (see COPE, 1981; 1994; 2002; 2007a). Accordingly, the same administrators have been called for interrogations several times.

The provisions made in the Finance Act, No.38 of 1971 emphasises that public corporations are bound to present printed copies of annual reports in parliament before the expiry of ten months from the closing date of the financial year. In contrast, there is a long delay in the presentation of annual reports to parliament (see COPE, 2002; 2007b). This committee's examinations, therefore, resemble 'an autopsy' as it scrutinizes accounts prepared a few years ago. For instance, in 2005, the committee examined the financial reports of public corporations from 1990 (see COPE, 2005a; 2005b). Similarly, in the year 2007 it investigated accounts between 2000 and 2006 (see COPE, 2007a; 2007b). It delivers its reports to parliament stating recommendations to improving financial management and administration in the State-owned institutions. Nevertheless, these reports would not always be discussed in Parliament.

4.1.2 Accountability concerned cases

Ministerial malpractices

The PAC emphasised that accountability cannot be accomplished without accounting in 1980. This committee acknowledged that the island's accounting system doesn't provide necessary information on time (see PAC, 1980). For example, ministries and departments comprehended overspending after the Treasury had found and inquired about this. Similarly, ministries attempted to transfer appropriations to deposit accounts in order to withhold funds, provided for a particular financial year. The Treasury was unable to ascertain such events until they are pointed out by the AG. The cash-based accounting system was blamed for this. Similarly, the committee argued in 1984 that accounts should be created in a way that would disclose economics and financial results. Furthermore, it pinpointed that the accounting system should produce financial information essential for development planning, and "the review and appraisal of performance in physical and financial terms" (PAC,

1984:13p). This committee further observed that accounting must be based on accrual basis where operational results have to be determined (see PAC, 1984).

The PAC concluded in 1984 that the Treasury had failed to provide an effective financial control system contributing in the negation of parliamentary control over public finance. This committee revealed a tax fraud believed to amount to the highest loss to the government of Sri Lanka in 2007. This loss incurred between 2002 and 2004. The businessmen who believed to be the master mind in this tax racket had escaped to a foreign country before it was disclosed. The committee revealed that the ignorant behaviour of senior officers in the Inland Revenue Department had deliberately permitted this fraud to take place and proposed to initiate an inquiry regarding this. The government was asked not to grant promotion to officers who were responsible for this loss. The government neither accepted nor executed the suggestions in the report. One of the accused officers was promoted to a high ranking position. The chairman of this committee, a minister and leader of a coalition party, crossed over to the opposition by denouncing the government's hesitancy in this regard.

Government-owned enterprises and malpractices

The COPE views that financial statements of government-owned enterprises do not represent real situation in these institutions (see COPE, 2002; 2007a; 2007b). Its report revealed irregularities and corruptions, and specifically accused the Secretary to the Treasury and two ministers of the government existed from 2001 to 2004. It was stated that "a mere presentation of a report before parliament might not make any impact on the wrong doing in public enterprises" (COPE, 2007a: 4). This committee blamed the Treasury for weak management in government institutions and some ministers were also accused of failing to observe institutions under their purview. The Secretary to the Treasury was blamed for selling a government land to a multinational company far less than its market value as the Chairman of the Public Enterprises Reform Commission. Moreover, two internationally known audit firms in the island were also accused for unprofessional behaviour (see COPE, 2007b). The reports of 2007 were generated under the chairmanship of a ruling party's parliamentarian.

In accordance with the Constitution, the secretary to a ministry should exercise supervision over the departments and institutions attached to the ministry concerned. The secretaries in

ministries and chairmen of state-owned enterprises are appointed by the President of the country. The government did not take any disciplinary action over the accused officer or politicians in 2007. The blamed two opposition politicians crossed over to the ruling alliance and became ministers. One of them became a member of this committee and participated only three committee meetings. Consequently, the chairman of this committee refrained from supporting the budget for 2008. This politician criticised the government for safeguarding the accused officers and the politicians. In 2008, it was intended to table this committee's report in the last parliamentary session. The President prorogued parliament. In this way, the government avoided discussing this report and its findings.

4.2 The case of Norway

The formal government system in Norway is monarchy. However, in practice the royal family has outplayed its role in the practical running and decision making. They are still in place, and formally in charge of different tasks, but that this ceremonial. The central government is de facto taking care of the various duties and tasks performed at central government level. The Parliament in Norway is called the Storting, and holds the highest decision making authority in Norway. The Parliamentary system is based on different mechanisms.

The description of the way in which Parliamentary oversight is tackled in Norway is divided into three sections. The first section presents formal Parliament oversight and control mechanisms. Having covered the formalities, the description then turns to elaborate on certain problematic areas with respect to management control and parliamentary oversight, namely accounting, budgeting and performance measurement.

4.2.1 Formal Parliamentary oversight and control mechanisms

Three formal forms of Parliamentary oversight and control mechanisms are presented below, including the parliaments privilege to discharge/replace the central government, the role held by the Office of the auditor general of Norway, and finally, the role held by The Standing Committee on Scrutiny and Constitutional Affairs.

Discharging/replacing the central government

In accordance with the Westminster model, the Norwegian Parliament is reserved the power to dissolve the government. In Norway this “threat” has been very much “alive” by means of the long Norwegian history of minority governments and multi-party system. The latter frequently implies the need to form coalitions, rendering it possible to obtain majority for the coalition of political parties. In extreme cases, this will have to be negotiated on a case to case basis. However, coalitions make it sometimes tough to stand united, and it may happen that controversies arise between the Parliament and the central government. This does not happen very often, but it has happened from time to time. Last time was around 2001, ending with the central government at that time stepping down as a result. Nevertheless, there are other Parliamentary oversight functions which are smoother and working more frequent, if not to say non-stop. One is carried out by the Office of the auditor general of Norway.

The Office of the auditor general in Norway

The office is independent of the central government and carries out its audit according to predefined auditing standards (which correspond more and more to similar international auditing standards). The Office of the auditor general in Norway holds an important position with respect to parliamentary oversight, via its auditing function, and perhaps more and more so in recent years. Frequently, the auditor general presents critical remarks about various practices at the central government level, many of which relate to inappropriate and flawed management control practices. Some examples are given below.

In the year of 1999, the Office of the Auditor General in Norway (i.e. the auditor of the state accounts) criticized the accounts disclosed by some state agencies, including two universities and four university colleges and found some of them to be materially misstated (The Office of the Auditor General, 1999). The following comments were e.g. made:

“The Parliament has changed the organizing of a number of state agencies into becoming state agencies with special authorizations. This means that these state agencies are granted autonomy and responsibilities in regards to management control matters. The audit conducted has revealed great variation and uncertainty in how the special authorizations have been practiced and handled. This includes the annual accounts’ content, and structure, which principles to apply, which reporting requirements that apply. Development of instructions and guidance material, which clarify the premises for the accounting practice and reporting are regarded as a necessity in relation to the special authorizations given. ...several of the accounting disclosures are marked by, at times, substantial failure in routines related to

bookkeeping and management control. It may seem as though accounting errors and faulty reporting can mainly be related to the accounting systems that are implemented and a lack of sufficient accounting competence in the state agencies.“
(The Office of the Auditor General, 1999)

The severity of the matter was deemed to have reached a level that necessitated that the Office of the Prime Minister and the Ministry of Finance was informed about the matter. This event was also discussed in Parliament where e.g. the leader of the Standing Committee on Scrutiny and Constitutional Affairs made the following statement (parentheses added by the author):

“It is obvious that something has to be done. If there is a lack of competence in the agencies, then immediate action needs to be taken to improve the competence. If this is not taken seriously enough, then the ministries have to, via their ministers, instruct their agency/public servants and tell them that by the time of the next accounting reporting (disclosure), then things shall be in order! ...I must say that I think – to put it mildly – that Parliament will be very dissatisfied if also the next Dok. nr. 1 (a report by the Office of the Auditor General) contains the same critical comments addressed to the same ministries and the same agencies as was the case this year. I therefore ask, as strongly as I can, to the Minister of Finance to deal with this problem, and that the necessary resources are allocated for this cause.”
(Kosmo, 2000)

In addition, as of the 1st of January 2001 the state universities changed budgeting principles, by which net budgeting replaced the old gross budgeting principle. At the same time, the universities were told by their head ministry to comply with private sector accounting solutions and practice. According to an interviewee, this led to each of the four universities presenting their own translated version of private sector accounting rules. The results were accounts that were largely incomparable. The Office of the Auditor General found this to be an unacceptable accounting practice. The Ministry of Education and Research in cooperation with involved subordinated agencies started therefore to develop a set of rules to standardize accounting practice in the net- budgeted agencies. The goal was to contribute to more uniform accounting and to improve accounting quality, with private sector accounting rules and practice providing the basis, yet taking sector specific frames of constrictions into consideration (see also The Office of the Auditor General, 2003: 63). As part of this process, there were, according to one interviewee, quite a lot of discussions as to what constitutes equity in the universities. E.g., one solution was first selected, but later reversed. This process of making rules and standardizing practice emerged into what was called “best practice” and was made official as of 17.12.02.

The Standing Committee on Scrutiny and Constitutional Affairs

The Norwegian parliament is organized into twelve fixed committees. One of them is called the Standing Committee on Scrutiny and Constitutional Affairs. The following description can be found of the Standing Committee on Scrutiny and Constitutional Affairs on the homepage¹ of the Norwegian parliament:

“The Storting has organised its supervisory work in different ways over the years. From 1814 to 1972 it was the responsibility of the Protocol Committee. From 1972 to 1981 it was dealt with by the various standing committees. A separate Standing Committee on Scrutiny was established in 1981. Its areas of responsibility were limited initially and its members also sat on other standing committees. Since 1993 the Storting has had a separate supervisory committee: the Standing Committee on Scrutiny and Constitutional Affairs. The creation of this new committee represented a strengthening of the Storting’s supervisory role. Today’s committee has wider powers than its predecessors.”

The Standing Committee on Scrutiny and Constitutional Affairs deals with two key areas; matters relating to the Storting’s supervisory authority and constitutional matters (www.stortinget .no)¹

Furthermore, the main tasks of the Standing Committee on Scrutiny and Constitutional Affairs relate to reviewing and submitting recommendations to the Parliament in the following (see § 12, paragraph 9 of the Rules of Procedure)¹ areas:

- a. records of proceedings etc. of the Council of State, cf. Section 75, subparagraph f, of the Constitution,*
- b. the annual report from the Government concerning the follow-up of resolutions of the Storting containing requests to the Government and concerning Private Member’s Motions submitted by the Storting to the Government for consideration and comments,*
- c. documents from the Office of the Auditor General, and other matters concerning the Auditor General’s activities,*
- d. reports from the Parliamentary Ombudsman for Public Administration and other matters concerning the Ombudsman’s activities,*
- e. reports from the Storting’s Committee for the Monitoring of Intelligence, Surveillance and Security Services and other matters concerning the committee’s activities,*
- f. reports from the Storting’s Accountability Select Committee and commissions of inquiry appointed by the Storting.*
- g. reports from the Parliamentary Ombudsman’s Committee for the Armed Forces and the Parliamentary Ombudsman’s Committee for the Civilian National Service.*

¹ <http://www.stortinget.no/en/In-English/Standing-Committees/The-Standing-Committee-on-Scrutiny-and-Constitutional-Affairs/>

The Committee on Scrutiny and Constitutional Affairs decides in each case whether a draft recommendation shall be submitted to the appropriate standing committee for comment before the recommendation is presented.

Furthermore the committee deals with constitutional matters, legislation relating to elections, and allocations to the Storting and to the Royal Household.

The committee also deals with matters in which the Storting shall consider the extent to which constitutional responsibility shall be asserted, including whether the Storting's Accountability Select Committee shall be requested to make the necessary enquiries to determine the basis for such responsibility, cf. the Act of 5th February 1932 no. 2 relating to the Legal Procedure for Offences Indicted before the Court of Impeachment. One-third of the committee's members may require that the committee shall deal with such a matter on its own initiative. The committee shall make recommendations on the matters it deals with. Should the committee find that circumstances in an external request regarding breach of constitutional duties cannot be prosecuted through the Court of Impeachment, the request shall be referred to the appropriate prosecuting authority. Furthermore, the committee may decide that a request shall not be put before the Storting when it is evident that the circumstances in question will not result in further action. The request shall be put before the Storting in a recommendation if one-third of the committee's members require this. The party that has put forward the request shall be notified of the result of the matter once it has been dealt with. When a decision has been made to prosecute through the Court of Impeachment, the committee acts on behalf of the Storting during the preparation and implementation of the case.

Before committees other than the Standing Committee on Scrutiny and Constitutional Affairs submit a recommendation that puts forward a proposal that constitutional responsibility shall be asserted or a proposal to implement enquiries as mentioned in Section 45 a, a draft recommendation from the committee concerned shall be submitted to the Standing Committee on Scrutiny and Constitutional Affairs for comment.

The committee may also make any further inquiries within the administration deemed necessary for the Storting's scrutiny of the public administration. Such a decision shall be made by one-third of the committee's members. Before the committee itself makes such inquiries, the minister concerned shall be notified and requested to procure the information required. The committee shall make recommendations on the matters it deals with.

One-third of the committee's members may require a committee hearing to be held on a scrutiny issue pursuant to section 18.

The committee may lay down further rules for its secretariat, including the duties of the secretariat and the use of the secretariat that may be made by individual committee members."

Supervisory matters

The Storting's supervisory authority is there to ensure that the Government and public administration implement decisions taken in the Storting. The Storting has established three independent supervisory bodies to assist in this work:

The Office of the Auditor General is the Storting's auditory and control body. The Office of the Auditor General is independent of government administration. It is responsible for auditing the central government accounts, monitoring administration of the government's interests in companies and banks (corporate control) and ensuring that the State's revenues are paid as intended and that the State's resources and assets are used and administered in a sound financial manner and in keeping with the decisions and intentions of the Storting (performance audits). The Office of the Auditor General reports to the Storting on these areas. In addition, it issues an annual report.

The Storting's Ombudsman for Public Administration (Parliamentary Ombudsman) ensures that individuals do not suffer injustice at the hands of public administration, and that human rights are respected. This work is carried out first and foremost by investigating complaints brought by private individuals. The Ombudsman also takes up issues on his own initiative and carries out inspections and visits to the civil service, prisons, psychiatric hospitals and other closed institutions. In addition to endeavouring to prevent injustice, the Office of the Ombudsman also aims to improve administrative agencies in general and strengthen confidence in public administration. The Ombudsman submits an annual report to the Storting.

The Committee for the Monitoring of Intelligence, Surveillance and Security Services is a permanent seven-member committee who monitor the Police Security Service, the Defence Security Service and Military Intelligence. The committee is responsible for continuous supervision of the work of these services, and investigates complaints. It also takes up issues on its own initiative where appropriate. The main aim is to protect the security of the individual. The committee reports annually to the Storting.

The Standing Committee on Scrutiny and Constitutional Affairs makes recommendations to the Storting on issues arising from the Storting's independent supervisory bodies. These most commonly involve documents from the office of the Auditor General, of which reports on performance audits are the most frequent.

In addition to dealing with supervisory issues arising from one of the independent bodies, the committee reviews other matters which come under the Storting's monitoring of the Government and public administration. The committee reviews:

The Records of the Council of State. These include decisions taken by the King in the Council of State. The records are submitted by the Government twice a year and the committee makes recommendations twice annually, in the spring and autumn.

The Government's annual report on the follow-up of decisions of the Storting that contain requests to the Government and on consideration of private member's bills submitted by the Storting to the Government for investigation and comment.

The Standing Committee on Scrutiny and Constitutional Affairs is distinguished from other committees by the fact that it can take its own initiatives. This means that the committee can instigate investigations into public administration which it finds necessary in order to fulfil the Storting's supervisory function. The other committees can only deal with issues that have been referred to them by the Storting in plenary.

At least one-third of the members must vote in favour to allow the committee to open a case on its own initiative. Once such an agreement has been reached the committee must make recommendations to the Storting.

The committee may decide to subject a scrutiny matter to a public scrutiny hearing. Separate rules apply for these hearings. The minister responsible is requested to attend together with other parties whom the committee believes may be able to shed light on the matter. Official reports are kept of public scrutiny hearings.

Constitutional Issues

The Standing Committee on Scrutiny and Constitutional Affairs reviews and makes recommendations to the Storting on constitutional bills.

A bill to amend the Constitution may be put forward by a member of the Storting or a member of the Government. Article 112 provides that proposed amendments to the Constitution must be submitted during the first three sessions of an electoral term and must be considered during the first, second or third session of the following term. There will therefore always be a general election between the submission of a proposed amendment and the decision whether or not to adopt it. This allows the electorate to make its opinions known.

A two-thirds majority is required to adopt an amendment to the Constitution and at least two-thirds of the members must be present in the Chamber to vote on any constitutional matter.

The committee also deals with electoral legislation issues.”²

4.2.2 The Parliament’s Budget-Reform-Commission of 1996 and its evaluation

A “Parliament’s Budget-Reform-Commission”³ was established by The Parliament's Presidium of 21st of March 1996 (henceforth termed the Parliamentary Commission of 1996). The commission presented its recommendations and assessments as of 20th of March 1997. It had been asked to explore the need for reforming the Parliament’s budgetary process. Specifically, it was given (see The Storting's Presidium, 1997: 1) the following mandate (author’s translation):

“Describe the budgetary process’ purpose and role. Consider the budgetary process; in light of maintaining key economic matters and long-term economic matters and in relation to the amount of resources devoted to this. Propose, based on aforementioned requests, amendments perceived to be needed in order to simplify the budgetary process as well as making it more efficient. This should in particular

² See <http://www.stortinget.no/en/In-English/Standing-Committees/The-Standing-Committee-on-Scrutiny-and-Constitutional-Affairs/Scrutiny-and-Constitutional-affairs-Responsibilities/>

³ Author’s translation. The Norwegian term is “Stortingets budsjettreformutvalg”.

emphasize steps needed to ensure that the focus on the budgetary process becomes more long term oriented, and that it is treated more as a whole.”

As part of its analysis, the commission considered what overall principles could be applied to the state budget and accounts. One of the conclusions reached by the commission was that, as a principal rule, the use of the cash principle in the state budget and accounts should continue. The main argument for upholding the cash principle is founded on the role the state budget plays as an important macro-economic steering and stabilizing tool in the field of fiscal policy. To serve this purpose, the commission perceived the cash principle to be better suited than accrual accounting. It is nevertheless stated that one ought to consider which adjustments can be made (to the cash accounting principle) without weakening the function of the state budget as a fiscal policy-stabilizing tool. Furthermore, it was said that other considerations, than that of stabilizing the fiscal economy, could result in the conclusion that capital expenditures ought to be considered as a long-term investment, as opposed to treating them merely as expenditures. For this reason, the commission recommended that the central government should consider, whether one ought to change the way that the administrative business units of the state as well as the state’s petroleum activities & involvement are treated in the state budget (The Storting's Presidium, 1997: Section 3.4.1).

Based on the commission’s recommendations it was decided to temporarily test proposed changes to the budgetary process during 1997-2001 and to assess the new temporarily budgetary process in 2001. To follow up the new preliminary solutions enforced based on the recommendations given by the Parliamentary Commission of 1996; the Parliament’s presidium established a commission, which evaluated the experiences with the new solutions. It presented its recommendations in 2001. It suggested (see The Storting's Presidium, 2001) that the preliminary system in force that was introduced on a trial basis in 1997 ought to be established permanently. Of importance is also that the commission considered (though briefly) in their report the need for modifying the cash principle. It recommended that;

“...the question of a more long-term orientation in the budgetary process and treatment ought to be considered more closely and that the central government should take the initiative to conduct such an evaluation. To the extent that a modification of the cash principle in the state budget would be a natural part of an increased focus towards a long-term horizon that too should be discussed in the (suggested future commission’s) report.” (The Storting's Presidium, 2001)

In different interviews with employees in the Ministry of Finance and with other people, I asked about the initiation of the Commission of 2001 which was given the task of exploring the usefulness of accrual accounting at state level (see the beginning of this chapter and the next chapter for more details). In the interviews, the respondents said that the advice given by the Parliamentary Commission of 2000 (which evaluated the Commission of 1996) was a main predecessor for the establishment of the Commission of 2001. Thus, the referred text above is seen to be a request for a more detailed consideration of alternative principal principles to apply in the state budget and accounts, and as being interrelated to a more long-term planning horizon.

4.2.3 Concerns over performance measurement

In recent years, several changes have been made to strengthen management control and accountability at central government level in Norway. A recent example includes a project endeavoring to experiment with accrual accounting in central government subordinated agencies. However, already back in the 80s (Eide & Nagell-Erichsen, 2007) the Parliament shifted its orientation towards management by objectives and results. This was picked up and readdressed in 1996, when a new regulation was put in place, seeking to strengthen and structure management control and reporting structure at central government level in Norway. More or less since then, it has been said that management by objectives (and results) is the key steering principle and focus at central government level. To facilitate this steering principle and focus, different guidance material has been development. (Senter for statlig økonomistyring, 2005), (Senter for statlig økonomistyring, 2006), (Senter for statlig økonomistyring, 2008)

This embarked the task to not only setting goals, but also measuring achievements and results. Such performance measurement has, however, not been easy. A centre subordinated the Ministry of Finance – called SSØ – has since its establishment in 2004 been working to promote this system of enabling objectives and holding agencies accountable for them. Still, as recent as in 2008 the SSØ acknowledged in one of its reports (SSØ, 2008) that although progress has been made there is a long way to go in this area.

4.2.4 Accountability concerned cases

The Standing Committee on Scrutiny and Constitutional Affairs deals with various cases related to parliamentary oversight. These are divided into two categories, namely cases under scrutiny (in process) and cases that have been handled (finalized cases). Moreover, the cases are divided into three types, dealing with: budget, judicial matters and other/general matters. The budgetary cases are related to periodical/annum budgets and related questions. Cases about judicial matters concern a variety of different issues and are beyond the scope of this paper. The third group about ordinary, general cases contains quite a lot of cases about management control, the majority of which concerns issues related to efficiency and effectiveness. Examples of raised and discussed issues are: concerns over the results and effects of foreign aid/bilateral support, pinpointed matters by the Auditor general concerning last years accounts – as disclosed by some central government agencies, the way in which the central government exercise its ownership positions/financial investments, and planning and follow-up investigations of big infrastructure (herein road-related) projects.

5 Discussion

The subsequent discussion is structured according to the defined research questions in the paper. We start by readdressing accountability issues raised in the two countries, before continuing with discussing accountability mechanisms in place and the extent to which they facilitate parliamentary oversight.

5.1.1 Accountability issues raised in the two countries

Brunsson (1989) discussed the rather disparate relation between talk and action in decision making and practical organizational conduct. The struggle witnessed in the Norwegian case regarding performance measurement illuminates the way in which it sometimes become difficult to convert reform ideas, talk and decisions made by the parliamentary into (concrete) action. This creates problems in discharging accountability, but should not necessarily be seen as only reflecting a pursuit of legitimacy. It seems just as much, or more, to be a case of performance measurement difficulties in practice. Albeit there are difficulties in measuring and following up on performance targets and measurement, it is still possible to do it. There

are many cases of balanced scorecard implementations in the public sector, internationally, but also in Norway (both in municipalities and central government agencies. The Balanced scorecard reflects many of the same challenges, and when some cases show that this could work, it becomes a question also about steering traditions and culture.

5.1.2 Do accountability mechanisms in place facilitate parliamentary oversight?

Parliament of a democratic State is anticipated to exercise control over governments and remain as an institution of exercising checks and balances over the executive and government (see Degeling et al., 1996). This is no exception in the context of Sri Lanka. The PAC and COPE have been established to do this task. As a result of these two committees' investigations, public administrators are forced to appear before their proceedings and to provide justifications. Therefore, the PAC and COPE seem to hold the bureaucracy accountable to parliament. Similarly, they propose recommendations based on their findings. Indeed, accountability is seen as a relationship between the agent and the principal, and the agent has to provide justifications and explain his or her conduct and to accept consequences (see Bovens, 2007a; 2007b).

Parliamentary oversight entails both police-patrol oversight and fire-alarm oversight (see McCubbins and Schwartz, 1984). Oversight committees of Sri Lankan parliament initiate their investigations having received the Auditor General's report. As such, the intention of these committees' investigations is to pinpoint malpractices occurred and to make recommendations in order to avoid happening such events in the future. In order to do this, it is essential to obtain necessary information and conduct investigations as early as possible. Likewise, the committees' members need to be free of political interest (see Aggarwala, 1966; Burnell, 2001; Funnell, 2003). Parliamentary scrutiny should exert effective pressure on the government (see Auel, 2007) and to hold the Cabinet of Ministers accountable to Parliament (see Liddle, 2007; Ogul and Rockman, 1990). However, ministers can be members of oversight committees in Sri Lanka and can even become the chairman of these committees. Indeed, this is in contrast to the Westminster parliamentary tradition.

Brunsson (1989) views that rationality is concerned about decisions and actions. Sri Lankan parliamentary oversight committees have been established to deal with both decision making process and execution process. Accordingly, these committees' investigations would contribute to hindering taking illegitimate decisions and illegitimate actions. However, the conflict of interest can negatively affect on accounting practices (see Uddin and Choudhury, 2008). The Executive President of the country can intervene into the parliamentary activities by suspending its sessions. It is not surprising to comprehend that the executive endeavours to take the control over the legislature to the maximum possible level (see Funnell, 2003).

Another point is also worthwhile to mention: The UNP obtained a five-sixth parliamentary majority and enacted a new Constitution in 1978. This facilitated to inaugurate an Executive President with a Westminster-type parliament (see Parliamentary Secretariat, 1998).

Some of the former colonies have often attempted to inaugurate new political models by replacing the parliamentary system inaugurated in the dawn of independence. This is done in accordance with the interest of political leadership in the government. A political model consisting of an executive president has been seen as the choice in many instances (see Stepan and Skach, 1993). This kind (semi-presidential) of model is being selected to strengthen the executive.

6 Conclusions

We have studied and discussed parliamentary oversight. To conclude our findings, we found that Parliament oversight is to some extent taken care of by parliamentary committees. However, we also find that other mechanisms are in place, like the threat to replace minority governments as found in Norway and the scrutinizing carried out by both the office of the auditor general and, in the Norwegian case, the (special) Standing Committee on Scrutiny and Constitutional Affairs. As for changes being made to Parliament oversight, our empirical evidence points to the importance of inadequate or ill-functioning management control practices and tools, like accounting, and budgeting, not to mention performance measurement.

Suggestions for further research include e.g. a more detailed overview of the cases dealt with by the parliaments. Relevant questions include e.g.: How were the formalities handled? How long did it take to clarify certain matters in the committees? How many voted for or against certain cases – made subject to parliamentary oversight and scrutiny?

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