



# PBO Governance Structures and International Experiences

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August 16-17, 2017

2<sup>nd</sup> AN-PBO Conference

Parliament of South Africa

Cape Town

# The fiscal ecosystem

- *Fiscal ecosystems* include governments, legislatures, the public administration and other key actors and institutions in our political and economic life.
- This ecosystem, rooted in hundreds of years of political history and economic development, is composed of an intertwined set of *incentives*, public and private *information* and a complex and sometimes opaque set of *rules and processes* based on constitutional law, legislative law, conventions and struggles for power.
- The actors within this system depend on one another as well as the robustness and *transparency* of information and processes, all underpinned by a society's standards of *accountability*.

...a PBO's governance model implicates each of these actors and stakeholders in different ways

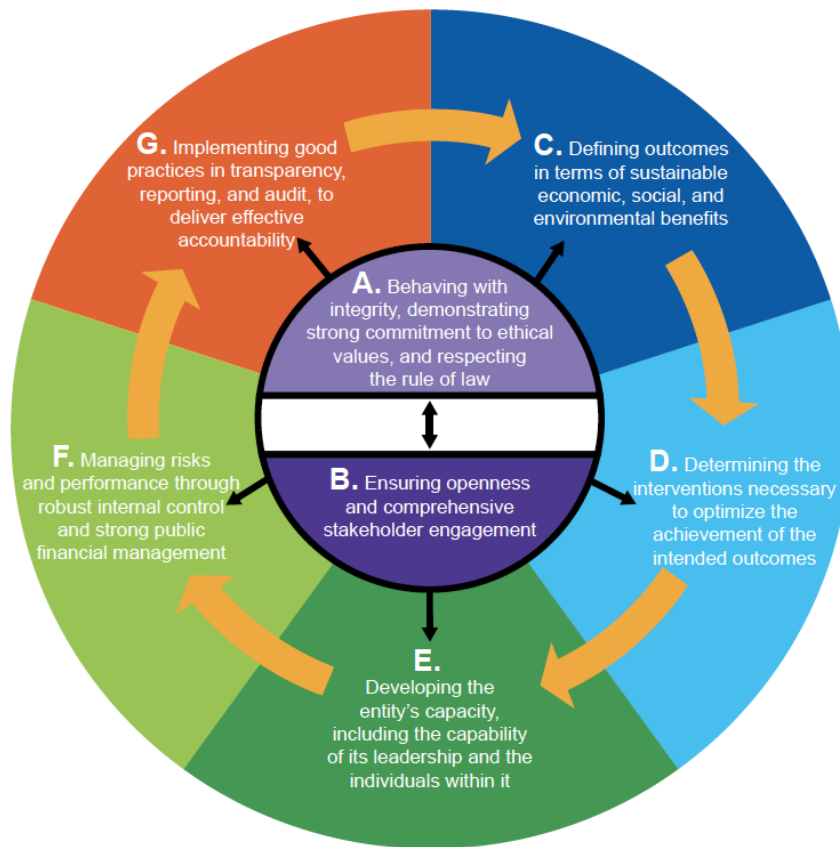
# What is governance?

- Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved
- The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times

Source: *The International Framework: Good Governance in the Public Sector*, International Federation of Accountants and Chartered Institute of Public Finance and Accountancy, 2014

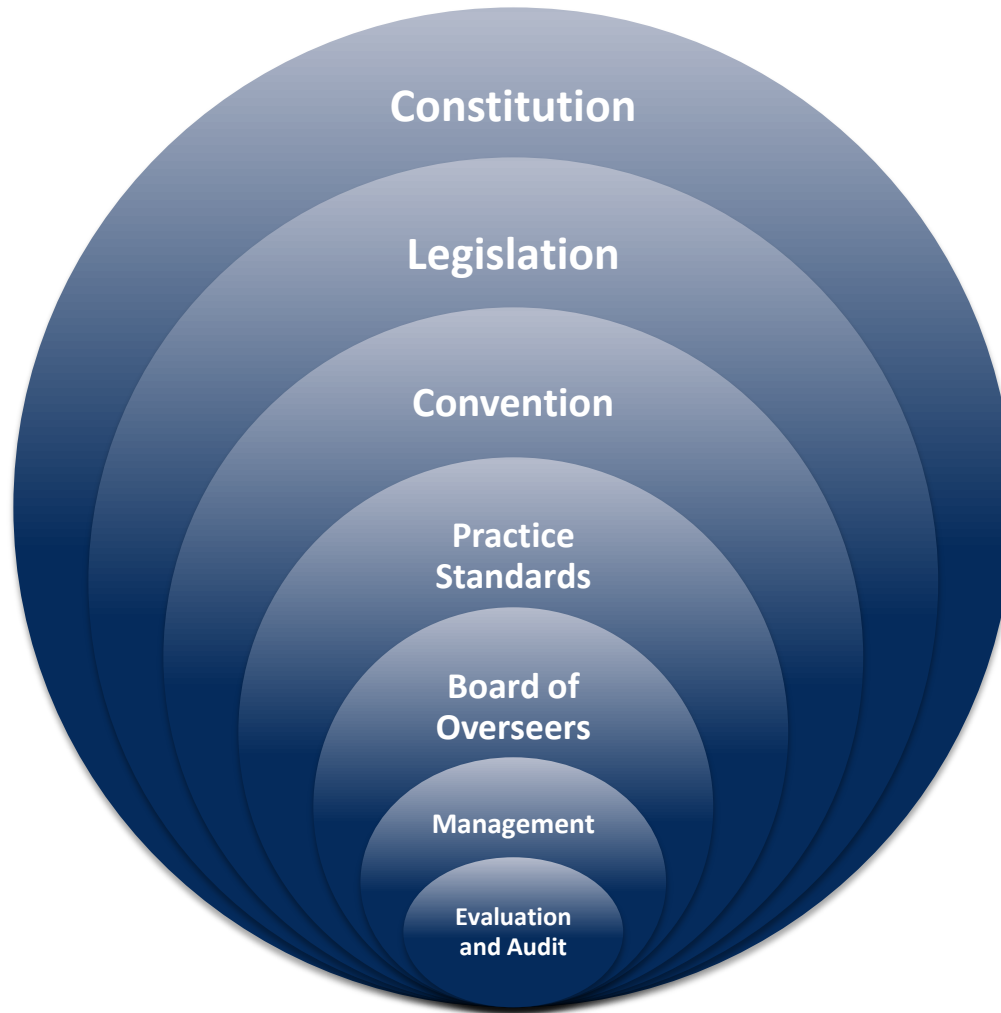
# Objectives of good governance

**Achieving the Intended Outcomes  
While Acting in the Public Interest at all Times**



Source: *The International Framework: Good Governance in the Public Sector*, International Federation of Accountants and Chartered Institute of Public Finance and Accountancy, 2014

# PBO governance landscape



# Implications for PBOs

- PBOs exist as part of a complex fiscal ecosystem
- Their accountability and governance framework must ensure that the relevant actors within the ecosystem see the PBO as relevant, credible and effective
- The PBO's governance framework is defined by the written and unwritten rules of the legislature
- The balance is drawn from the needs of the PBOs broader stakeholder community

# International practices

- Informed by local requirements (i.e. constitution, legislation, conventions etc.)
- Supplemented by emerging operating principles and emerging practice standards from the OECD, IMF and World Bank
- Public sector good practices, such as from IFAC/CIPFA, exist and are in use for broad application
- OECD/IFSD draft paper on evaluation of IFIs

...but the script hasn't yet been written. The AN-PBO has an opportunity to define the space.

# Thank-you

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