

Good Government: Core to Transforming the Economy

By Laurel Theresa Bain

In the previous article on Financing the Payment of Pension and Gratuity, I concluded that: **‘The existence of financial mysteries for extended periods is evidence of a fatal crash of the system for good government. If the arms of government and systems for financial management operate efficiently, the nation would not be plunged into these financial dilemmas’**. The following highlights some facets of the system of Good Government, some of which were outlined in previous articles.

In Grenada, the system of public administration is that of a bureaucracy. This implies that the administrative system operates with established rules and regulations; well defined roles and responsibilities; and documented policies, procedures, and decisions. In this bureaucracy, the Parliament is the highest decision-making body, and has constitutional authority (section 38 of the Constitution) to make laws for the peace, order, and good government of Grenada.

The composition of the Parliament allows it to perform the functions for the governance of the country. It comprises the elected members from the outcome of General Elections. Among the Parliamentarians is the Prime Minister, as Head of Government, who has the support of the majority of the members in Parliament; Also, there is an opposition led by the Leader with the second largest number of seats in Parliament. In Grenada, there is a separate upper House of Parliament, comprising of members nominated by the Prime Minister and the Leader of the Opposition, and it is referred to as the Senate.

The Parliament is required to provide tight oversight and deep insight into the financial management of the country through the examination and approval of the Annual Estimates of Revenue and Expenditure as stipulated by the Constitution; the review of the Mid-year Fiscal Policy Report as outlined in the Public Finance Management Act; and the examination of the Annual Report of the Director of Audit as required by the Constitution.

Then, there is the Executive, comprising the Prime Minister and Ministers, drawn from elected members of Parliament, and nominated members of the Senate, who are assigned ministerial portfolio and other businesses of Government. They are appointed by the Governor General on the advice of the Prime Minister. The Executive, known as the Cabinet, is responsible for maintaining law and order and for the administration and financial management of the country. The Executive is supported by the Public Service comprising a cadre of technical and administrative officers who impartially serve the Government. In carrying out the functions, the organs of Government are guided by the Constitution, and laws and regulations inclusive of the Public Finance Management Act [2015], the Debt Management Act [2015], the Fiscal Responsibility Act [2015] and the Audit Act [2007].

Before undertaking the duties of their office, members of Parliament, Cabinet and Ministers take and subscribe to an oath of office; swearing or affirming to faithfully execute the office without fear or favour, affection or ill-will, and in the execution of the functions of that office, to honour, uphold and preserve the Constitution of Grenada. This is a solemn vow requiring the officeholder to execute the powers and trusts reposed in that office in keeping with the Constitution.

In public administration, good government requires adherence to the rule of law, transparent and accountable government processes and institutions, an efficient and effective public service.

To operationalize this governance arrangement, the Minister is responsible for public administration and financial management of assigned portfolio. This is in accordance with Section 67 of the Constitution which indicates that, the Minister shall exercise general direction and control over the department of government, and subject to such direction and control, every department of government shall be under the supervision of a public officer whose office is referred to as the office of a Permanent Secretary.

In this context, the Minister is responsible for determining and promoting policies, and answering in the Parliament on both policy and operational matters. In the constitution, Minister means Minister in Cabinet; therefore, such policies should be approved by the Cabinet of Ministers. By virtue of section 59 of the Constitution, Ministers must account to Cabinet and to the Parliament for ensuring that the departments for which they are responsible carry out their functions properly and effectively. The Constitution binds the Parliament, the Cabinet, Ministers, and the Public Service as core entities within the State's public administrative system.

Therefore, Good Government requires a professional public service, efficiently managed, with well-defined accountability arrangements. The Permanent Secretary as the administrative head of the ministry or department of government has constitutional and statutory responsibilities for the efficient operations of the Ministry or Department. The Permanent Secretary anchors the department in the laws and regulations governing the Public Service; ensuring that the Minister is informed and kept abreast of the implementation of projects and programs, and other developments within the Ministry; providing objective, evidence-based advice, and implementing the decisions of the Government.

As the Accounting Officer for the Ministry, the Permanent Secretary has defined financial responsibilities as follows: 1. Accountable to Parliament for all monies allocated or voted to that department in the annual Estimates of Revenue and Expenditure. 2. Guides and supervises the preparation of the annual estimates and manages the budgetary allocations, ensuring expenditures are in keeping with the budget and statutory requirements. 3. Takes steps to reduce or eliminate waste, undertaking periodic reviews of the operations of the ministry or department ensuring adherence to planned programs, projects, other activities, and legislative requirements.

In the performance of their duties Permanent Secretaries and public officers in general are required to function in an impartial manner; be politically neutral in their work, serving the current Minister and by extension the Government in such a manner that will enable them to serve any future holder of the office or Government.

In conclusion. the Constitution binds the Parliament, the Cabinet, Ministers, and the Public Service as core entities within the State's public administrative system, and they are responsible for maintaining Good Government as enshrined in the Constitution.

Knowledge is power and experience is the greatest teacher.

Ms. Laurel Bain is a former employee of the Eastern Caribbean Central Bank, where she served for over 25 years. All Budget Alert articles could be obtained from website <https://www.innovativealliances.com/>.

August 5th, 2022