



Good Practice Guides for Public Managers

an innovative approach to achieving
good governance



Workshop structure

Part 1: Presentation on

- basic idea and purpose of the guides
- structure of the guides and the collection
- procedures

Part 2: Presentation on

- case studies

Discussion / Results



Basic ideas

- In its audit work the German SAI often detects “typical shortcomings”
- These include
 - ✓ lacking or inaccurate efficiency analyses before taking action
 - ✓ inefficient practices and procedures
 - ✓ poor management of building projects
 - ✓ non-compliance with public procurement law



Federal Performance Commissioner

- President of the German SAI = Federal Performance Commissioner
in German: **BWV**
- The Commissioner puts forward proposals to enhance federal sector efficiency
- The Commissioner decided to use audit findings and recommendations on common mistakes for developing “good practice guides”



Purpose of the guides

- to help public managers avoid typical mistakes when preparing for decision-making
- to present recommendations in a concise format
- to set up a structured collection of guides covering all areas of federal administration to be expanded over time





Beneficial side effects

- guidance to government staff
(e. g. when tackling new tasks)
- guidance to auditors
(e. g. when auditing similar cases)



Bases of guides

- audit findings of the German SAI on administrative mission performance (compliance with applicable regulations and rules)
- no “policy” recommendations (e. g. on amending rules)
- audit findings of a general / or fundamental significance (e. g. from horizontal audit missions)



Current status of the collection

- pilot project in 2012
- first set of guides published in spring 2013
- more guides added in autumn 2013
- federal ministries learn about new guides via electronic newsletter
- current versions posted on the internet
- collection expanded over time
- response fully positive



Structure of the collection

1. compliance issues
2. efficiency/efficiency analyses
3. target achievement; effectiveness
4. budget structure, financial management
5. public debt/borrowing
6. revenue/fees/tax revenue
7. staff (planning; expenditure)
8. general internal services
9. grants
10. capital expenditure, e. g. on construction projects
11. government shareholdings
12. public procurement
13. structural and procedural organisation
14. IT and communication technology



Presentation on the Internet

The screenshot shows a web browser window displaying the website of the German Federal Audit Court (Bundesrechnungshof). The browser's address bar shows the URL: <http://www.bundesrechnungshof.de/en/veroeffentlichungen/leitsaetze-der-externen-finanzkontrolle/leitsatzsammlung>. The website header includes the logo of the Bundesrechnungshof and navigation links for Site Map, Contact, Imprint, and Data protection statement. A search bar is also present. The main navigation menu includes: Bundesrechnungshof, Federal Performance Commissioner, Publications (highlighted), Institutional Relations, and Press / Service. A sidebar on the left lists various reports and guides, with 'Collection of Good Practice Guides' highlighted. The main content area features a large image of hands typing on a keyboard. Below the image, the breadcrumb trail reads: 'You are here: Home / Publications / Good Practice Guides Developed by the External Audit Function / Collection of Good Practice Guides'. The main heading is 'Collection of Good Practice Guides'. Below this, there are four categories of guides, each with a 'more' link: '01 Good practice guides – compliance issues', '02 Good practice guides – efficiency/efficiency analyses', '07 Good practice guides – staff (planning; expenditure)', and '08 Good practice guides – general internal services'. The '09 Good practice guides – grants' category is also listed but not fully visible. The browser's status bar at the bottom right shows a zoom level of 115%.

<http://www.bundesrechnungshof.de/en/veroeffentlichungen/leitsaetze-der-externen-finanzkontrolle/leitsatzsammlung>



Structure of the guides (1)

Chapter number/case number + Title of guide

Guidelines

(1)



(2)

...

Background

Legal basis/audit approach

(1) audit findings on recommendation no. 1

(2) audit findings on recommendation no. 2

...



Structure of the guides (2)

Notes

on

- additional information (comprehensive reports of the Commissioner, guidelines etc.)
- current developments (e. g. new audit findings)
- results of deliberations in Parliament
- ...



Analysis of audit findings for guides





Parties involved



Panels are responsible in technical terms (also for modifications, if any)



The Commissioner decides on publication (after consulting the Governing Board)



The Commissioner's office assists the panels and coordinates the procedure



Questions?





Good Practice Guide
on
Steering of
road construction
programmes

(case study)



Contents

- audit subject and audit approach
- audit findings and recommendations
- developing a good practice guide



Audit subjects

Additional road construction programmes

	Anti-Congestion Programme	Gap-Closing Programme
Extra Budget	€1.9 billion 38 projects	€420 million 9 projects
Period	2004-2008	2007-2010
Intention	to eliminate grave bottlenecks on motorways rapidly	to speedily complete projects, to eliminate congestions and to provide economic stimulus to construction industry in 2007



Audit approach

- separate audit exercises for each programme after programme conclusion
- key audit questions:
 - How were the programmes implemented?
 - Have the programmes met their targets?





Audit findings (1)

- projects started later than scheduled
- spending was independent of project start and progress
- authorities used programme funds for regular road works



road construction budget



programme budget



Audit findings (2)

- no monitoring of costs or target achievement
- ministry did not inform Parliament about problems
- at the end of programme period:
 - many projects uncompleted
 - 40 per cent spent for other projects
 - programme targets not achieved
- additional budget funds needed for completing projects



Audit recommendations

- clear definition of targets, period, indicators
- careful selection of projects
- use programme funds exclusively for programme projects
- monitor costs to take action in case of cost overruns
- evaluate programmes to prove successful use of programme budget funds
- inform Parliament



Suitable for Good Practice Guidance?





Streamline recommendations (1)

- clear definition of targets, period, indicators
- careful selection of projects



(1) Road construction programmes should include projects only where programme goals can be achieved within the scheduled programme duration. To this end, suitable indicators need to be defined to measure target achievement of the projects.



Streamline recommendations (2)

- use programme funds only for programme projects
- monitor costs to act in case of cost overruns



(2) The budget funds earmarked for programme projects must be used exclusively for these projects. Continuous monitoring of construction costs is absolutely needed. In case of cost overruns, action needs to be taken to ensure that programme goals are achieved.



Streamline recommendations (3)

- evaluate programmes to prove the successful use of budget funds
- inform Parliament



(3) Once fully implemented, road construction programmes should be evaluated to provide evidence of the successful use of budget funds.



Background – Legal basis, audit approach

In the years 2008-2010, we audited several road construction programmes. For these programmes, extra budget funds were appropriated on top of the normal road works budget in order to start new building projects.



Background – match audit findings

Guide:

- (1) Road construction programmes should include projects only where the programme goals can be achieved within the scheduled programme duration. [...]

Background:

- (1) The selection of building projects was neither transparent nor were construction periods aligned with scheduled programme duration. The programme goals did not significantly differ from the general goals which the authorities responsible for road construction and maintenance defined under their general requirements planning. It was therefore no surprise that there was no justification for including or not a project in a programme. [...]



Add notes

Notes

In its meeting of 25 February 2011, the Public Accounts Committee (PAC) endorsed our 2010 annual report item “Targets not met, cost and time overruns in road construction programmes”. The above good practice guides presents the PAC resolution in a generalised form. [...] Our annual report item was based on audits of the Anti-Congestion Programme, of the Gap-Closing Programme and of the Economic Stimulus Programme.



Final steps

- chapter **10**
Capital expenditure, e. g. on construction projects
- case number
1
- date of Commissioner's decision
6 December 2012



Steering of road construction programmes

Questions?





Good Practice Guide on **Task review**

(case study No. 2)



Audit subject and audit approach

- federal entities' duty to review their tasks regularly
- task review covered by audit work for many years
- task review treated as audit subject of its own in recent years
- across-the board audit / horizontal audit



Audit findings

- no task reviews done by several federal entities
- task portfolios did not reflect goals set
- task lists were not sufficiently detailed
- ministries did not limit activities to core functions
- new posts requested without task review
- some divisions were too small
- inefficiencies and non-compliance with regulations



Audit recommendations

- i. task review as a permanent challenge
- ii. guided by entity's goals and mandate
- iii. list tasks in sufficient detail
- iv. check need for tasks
- v. assign executive functions to subordinate entities
- vi. review performance of necessary tasks
- vii. base requests for new posts on sound reasons
- viii. avoid inefficient "mini divisions"



Suitable for Good Practice Guide?





Develop good practice guide (1)

Audit recommendations:

- i. Task review as a permanent challenge,
- ii. guided by entity's goals and mandate (1. compilation of task list, 2. purpose review, 3. performance review)



Good practice guide:

- (1) Task review shall be a permanent challenge within the administration reflecting the pre-set goals. Task review consists of three key steps:
 1. compilation of a task list,
 2. purpose review,
 3. performance review.



Develop good practice guide (2)

Audit recommendation:

- iii. list tasks in sufficient detail



Good practice guide:

- (2) When listing the tasks, care should be taken to ensure that all tasks of the entity are listed fully and in sufficient detail.

Background:

- (2) ... task lists the German SAI found in auditing lacked sufficient detail. If tasks are described too ambiguously, entities are not able to identify duplication of effort or other unnecessary activities.



Develop good practice guide (3)

Audit recommendations:

- iv. check need for all tasks
- v. assign executive functions to subordinate entities



Good practice guide:

- (3) The first step is to check whether all tasks of an authority are really needed. Those that are considered necessary need to be checked further to find out whether they can be performed at less cost by other entities (purpose review).

Background:

- (3) ... In the case of ministries, such a check is particularly important. Subordinate entities should be involved wherever possible given their less expensive payroll structure. ...



Develop good practice guide (4)

Audit recommendation:

- vi. review performance of necessary tasks (cost-effectiveness)



Good practice guide:

- (4) Once the purpose review has shown that a task should permanently be performed by the entity and the desired outcome has been defined, performance review shall follow. It focuses on checking whether the task with the same outcome can be performed at less cost. ...

Background:

- (4) ... An overall performance review is equivalent to an analysis of business processes ... (see other good practice guide).



Develop good practice guide (5)

Audit recommendations:

- vii. Base request for new posts on sound reasons
- viii. avoid inefficient “mini divisions”



not included in the guide

Result:

- guide focuses on task review only
- leaves out staff-related aspects



Questions?





Conclusions of workshop



- Similar examples in your country?
- Most interesting aspects for you?
- Ideas for you to take home?

Thank you
for your attention!