

Traditional and new forms of accountability of agencies

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Organised by the Latin Group of countries



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Overview of presentation

- * Agencification in Latin countries: some basics
- * Vertical accountability towards government
- * Vertical accountability towards parliament
- * Horizontal accountability towards citizens and clients



Central issue in expert session 4

- * “How to optimize the accountability of agencies, by combining or substituting traditional accountability mechanisms with new mechanisms for accountability towards users, parliament and citizens?”



Part I

Agencification in Latin Countries



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I. Agencification in Latin countries

- * Rechtstaat – administrative law – Napoleonic tradition
- * Main traditional form: public institutes ('établissements public') – Type 2 agencies
 - * Own legal identity vested in public law; own patrimony; mostly an own governing board; under tutelage of parent minister and ministers of Finance (and Civil Service)
- * Large number type 2 agencies: France - 584; Portugal - 250; Belgium - 95; Spain - 136 (69); Italy as exception
- * Departmental agencies (type 1 agencies) more recent phenomenon in B and F; Type 3 agencies in F, B and S

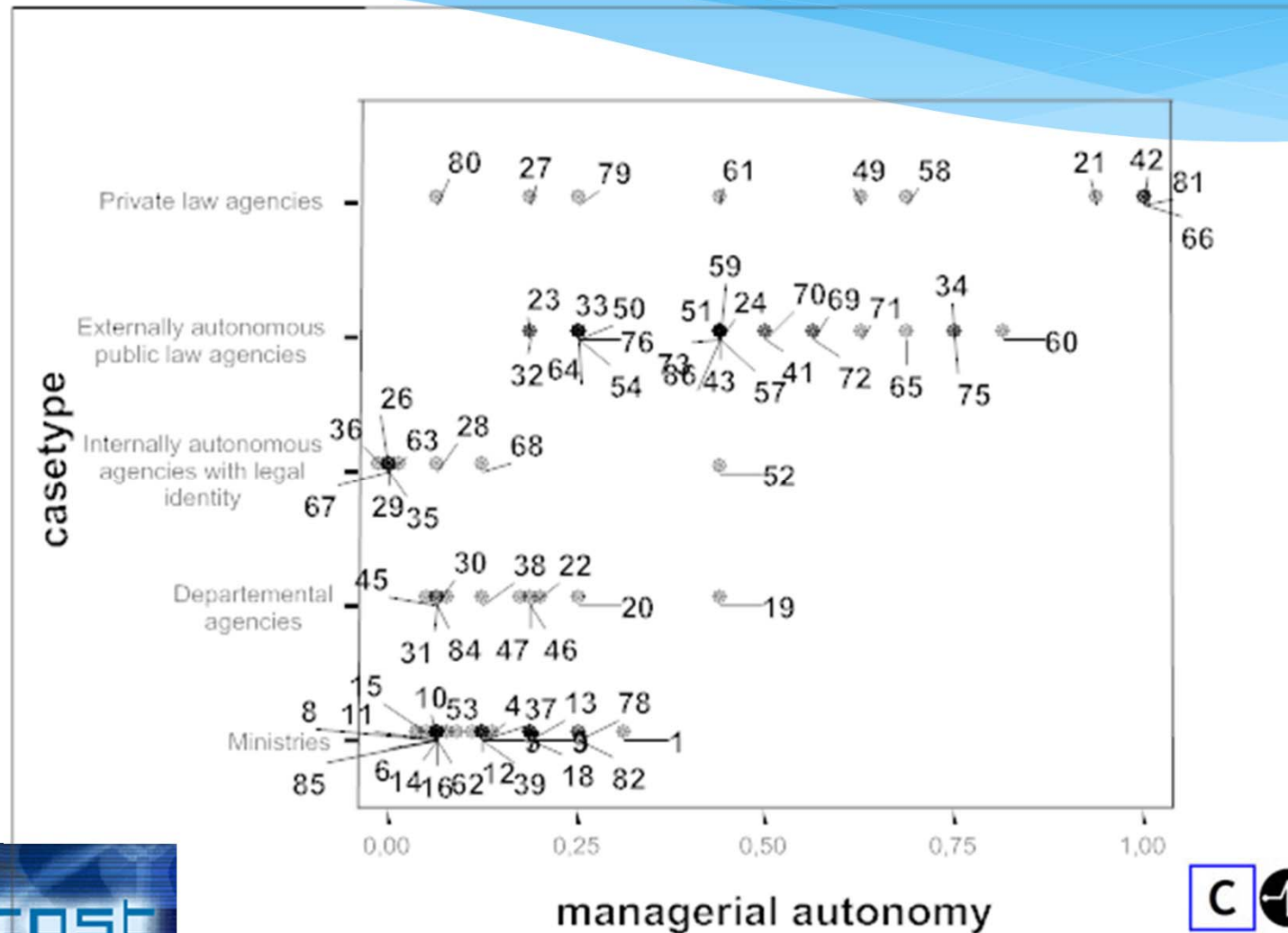


I. Agencification in Latin countries

- * Agencification to escape specific administrative regulations
- * Ad hoc creation, even in case of harmonizing laws (B - 1954; S - 1958)
- * Traditionally under strict 'tutelle' of PM and Minister of Finances (in the form of *ex ante* approvals)
 - * Financial tutelle
 - * Administrative tutelle
- * Since late 1990's move towards relaxation of 'tutelle' and towards performance contracting and performance control (B - 1992/1997/2003; I - 1999; F - 2001-2003; P - 2004; S - 2006), but problematic



I. Agencification in Latin countries: ad hoc creation and variety



Part II

Vertical accountability towards government



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II. Vertical accountability towards government

Traditional



Modern

- * Strict ex ante system of tutelle (ad hoc)
- * Input-oriented
- * Low managerial autonomy
- * Operational control

- * Ex post control by performance contracting
- * Result-oriented
- * High managerial autonomy
- * Strategic control

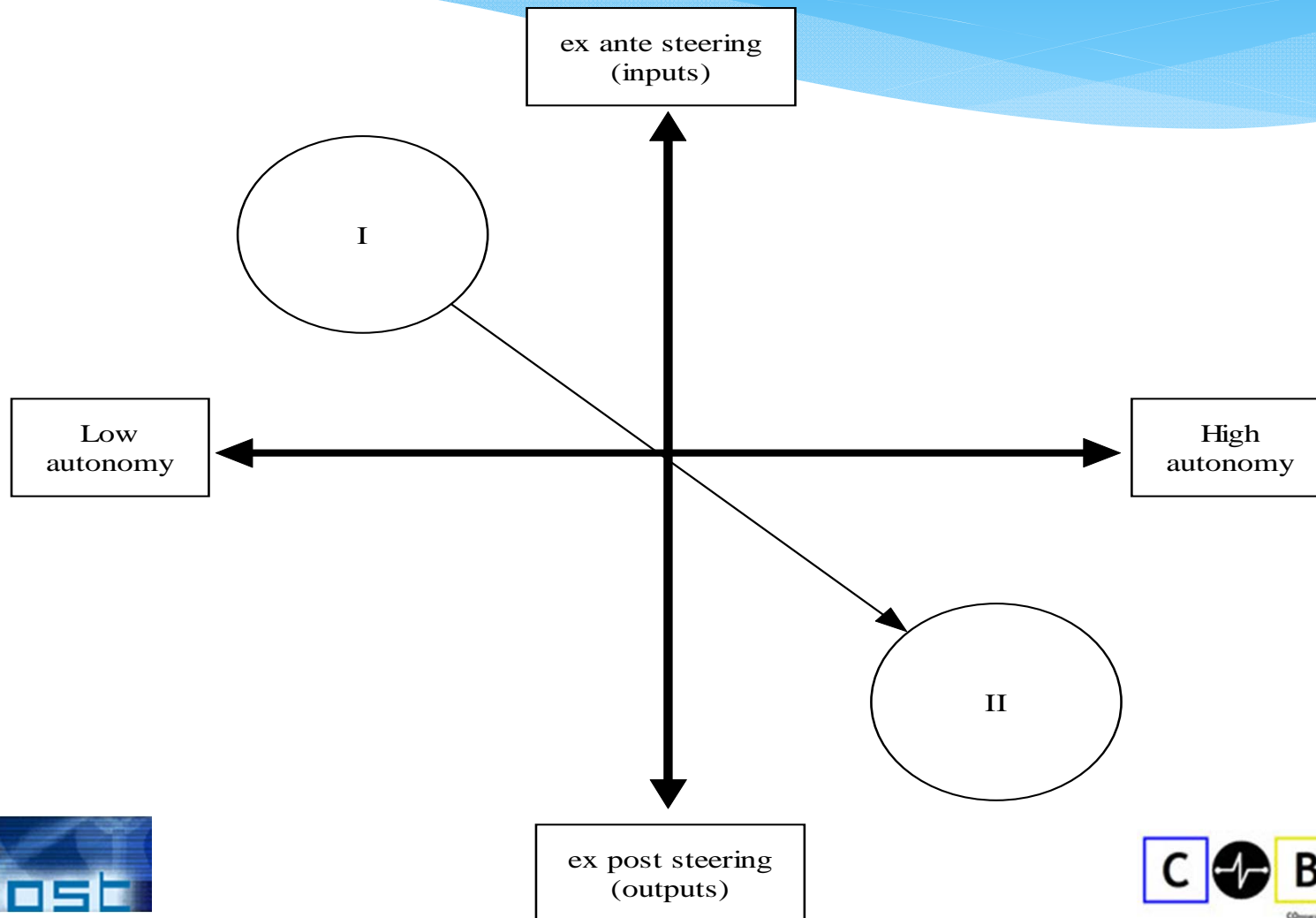
Current

- * Hybrid system of (relaxed) tutelle and suboptimal performance contracting
- * Still limited managerial autonomy
- * Incomplete implementation of reforms

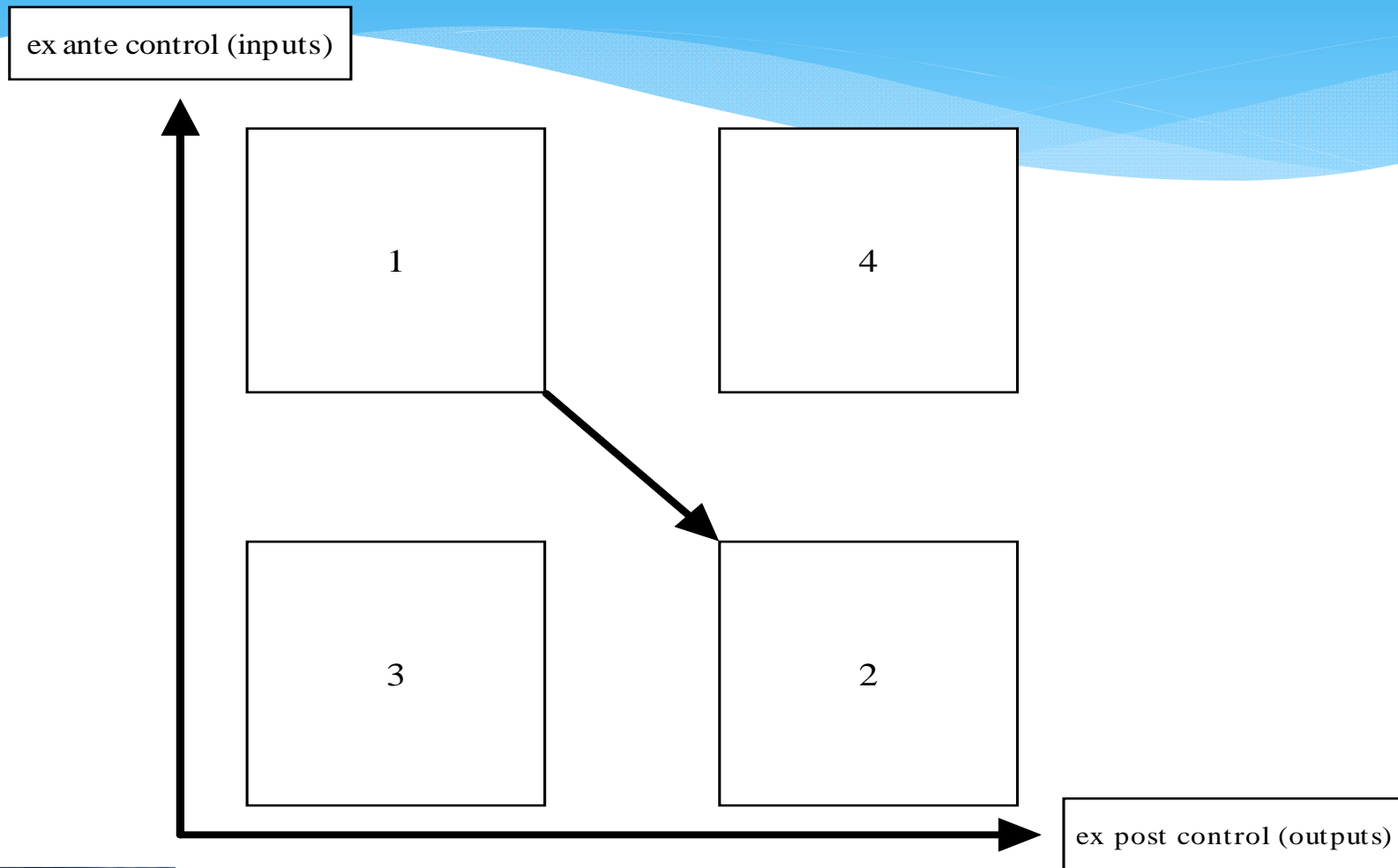


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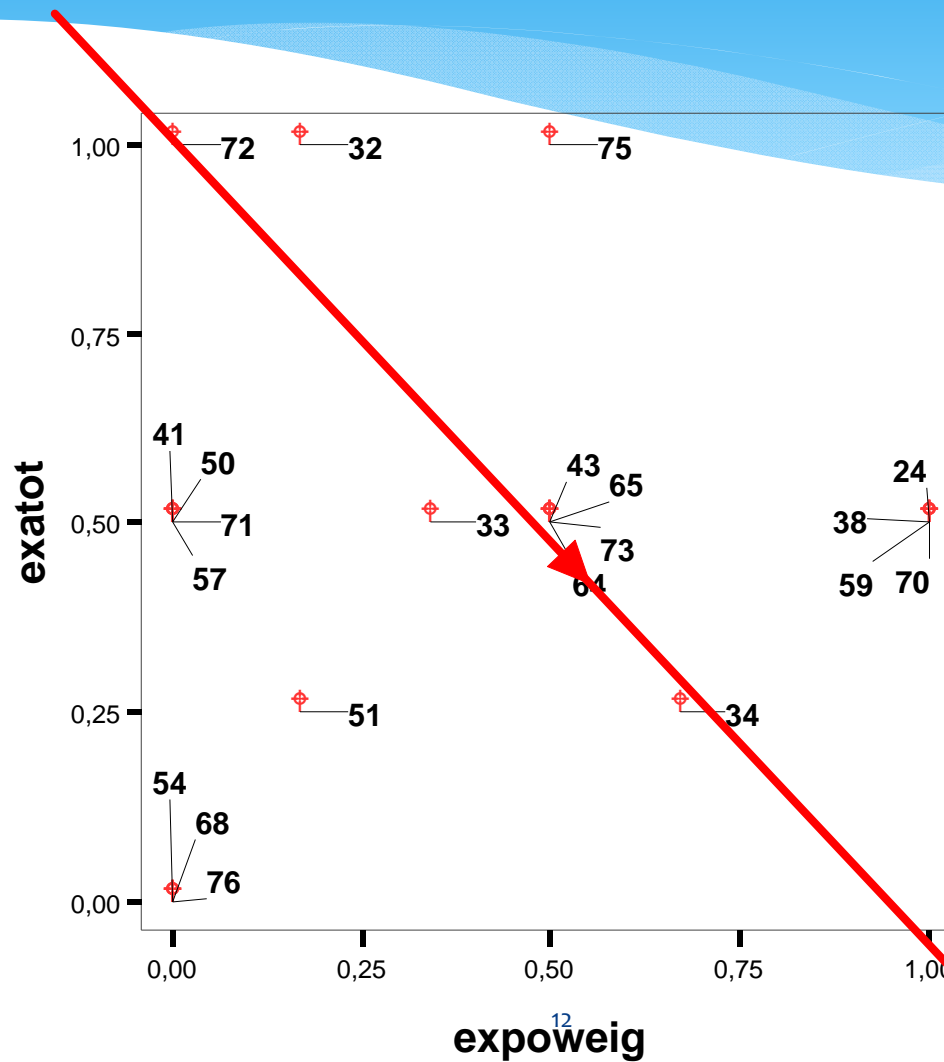
II. Vertical accountability: move towards ex post control and managerial autonomy



II. Vertical accountability: move towards ex post control

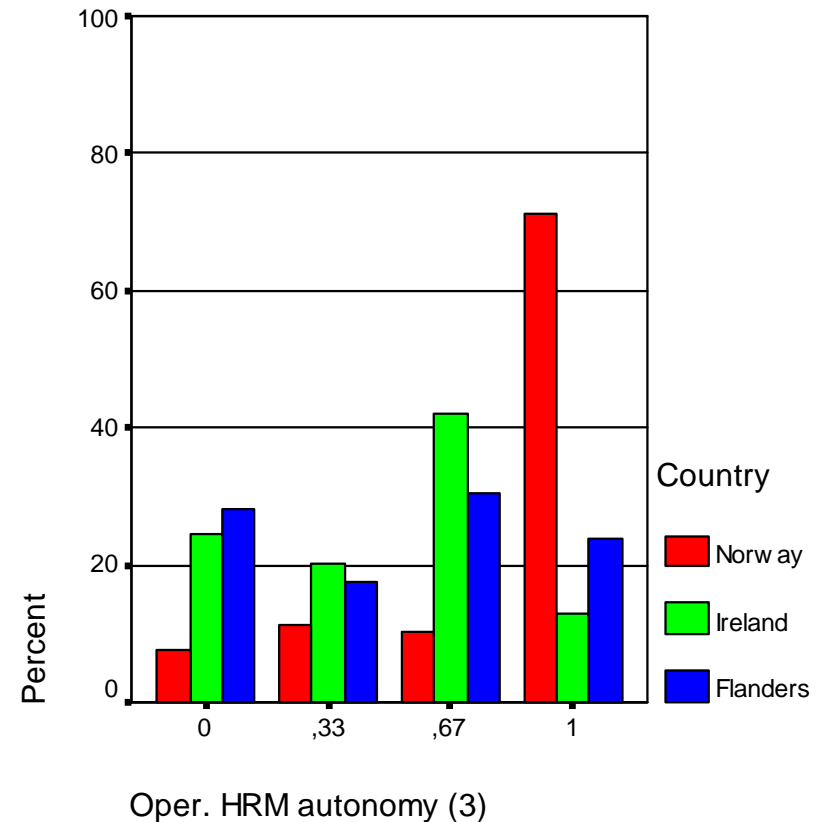
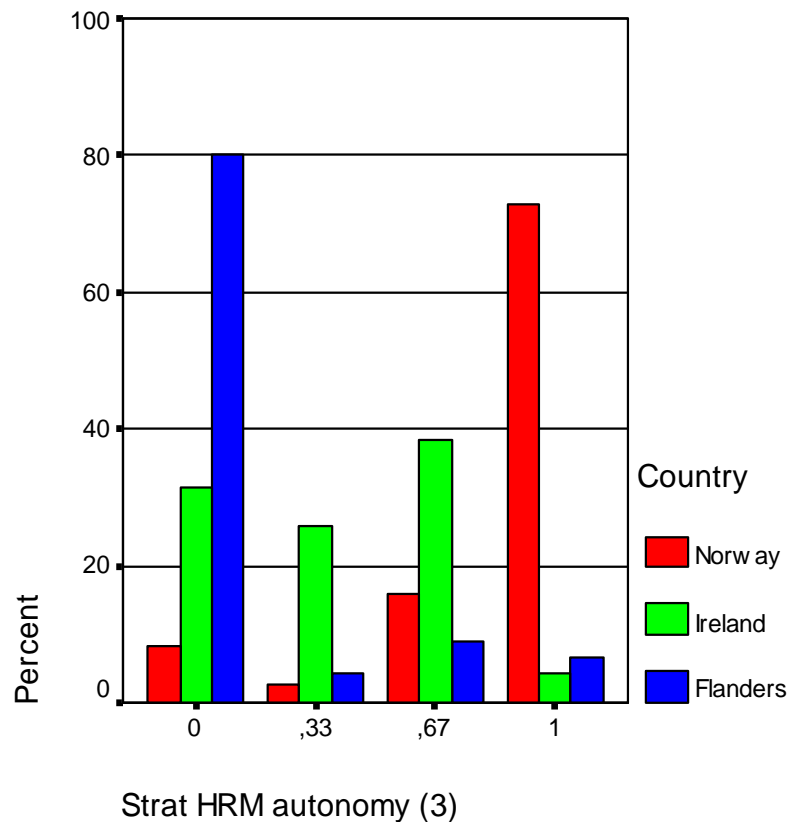


II. Vertical accountability: move towards ex post control ?

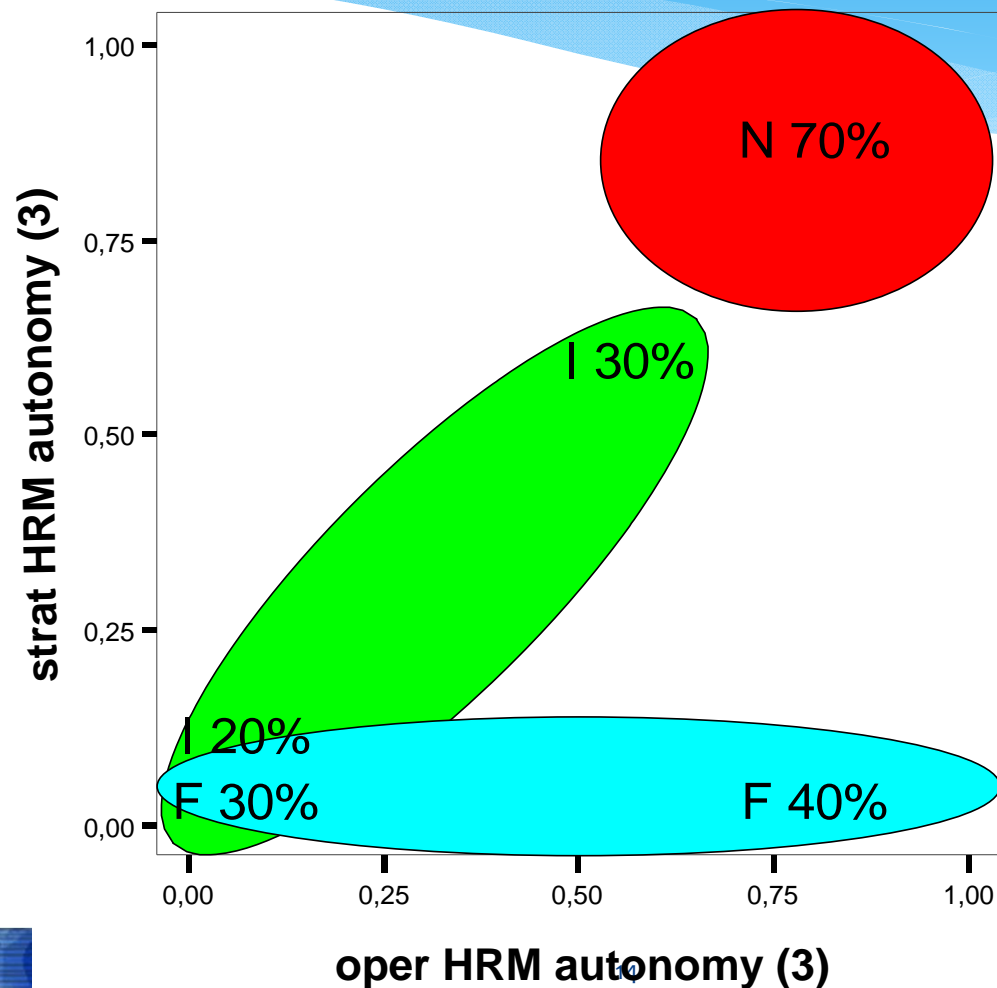


II. Vertical accountability: move towards more managerial autonomy?

- * Comparing Norway, Ireland and Flanders (public law agencies) re. HRM autonomy



II. Vertical accountability: move towards more managerial autonomy?



II. Vertical accountability: remaining issues

- * Both ex ante and ex post control : reported problems
- * Variations in control and autonomy between agencies (saliency, task, size)
- * Other mechanisms for control: CEO and board appointment and evaluation
- * Mainly organisational reforms, but little reform by budget laws
- * Difficulty of linking budgetary information with performance information (S – 2003 law; FI - 2003 law; F – LOLF)



II. Vertical accountability: remaining issues

However,

- * Benefits from managerial autonomy and result control (internal management, innovative behaviour)
- * Better performance? → conditional on quality of management and organizational culture



Part III

Vertical accountability towards Parliament



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III. Vertical accountability towards parliament

- * Paradox: parliament agrees to create agencies but is sceptical about controllability
- * Agencies and ministerial responsibility
- * Parliament should not steer agencies, but only scrutinise (laws, budget)
- * Doctrine: Basic routine control should be mainly on headlines and output-oriented (instead of incidence-based and detail-oriented) (police patrol – fire alarm)

III. Vertical accountability towards parliament: instruments

- * Instruments are available (or foreseen)
 - * Enacting laws
 - * Budget approval and budget consolidation (cfr. LOLF)
 - * Performance agreements (?)
 - * Reporting and annual accounts
 - * Evaluation and audits by Court of Audit
 - * Parliamentary hearings
- * but the way instruments are implemented and used is problematic !

III. Vertical accountability towards parliament: use of information

- * Parliament should formulate its routine information need
- * Parliament and government can conclude a periodical information protocol (information needs change)
- * Parliamentarians should increase their knowledge about how to use instruments
- * Shift to performance based control needs also culture shift in parliament
- * Parliamentary staff more active role
- * Online accessibility of information (commercial information – overview)

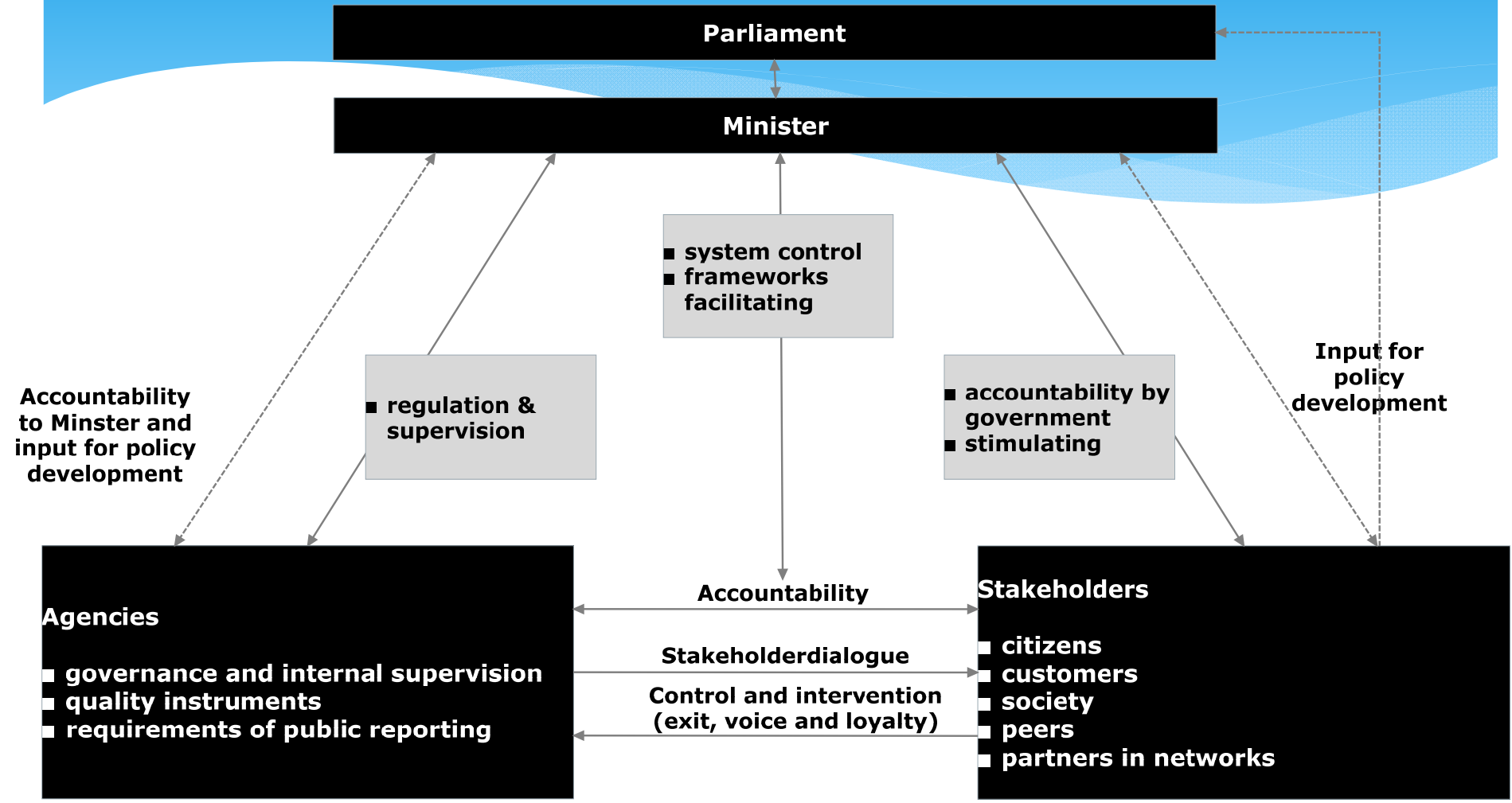


IV. Horizontal accountability to stakeholders, clients and citizens

- * Horizontal accountability
 - * By public reports, websites ...
 - * By quality charters, quality systems, accreditations, certification, visitations, customers surveys,
 - * By including stakeholders in boards of Directors, advisory councils, user panels,
- * Increases legitimacy and organizational reputation of agencies
- * But: can horizontal accountability strengthen, substitute or replace vertical accountability?



(Dutch Court of Audit)



Program expert session 4

- 14.00- 14.20: 'Traditional systems of 'tutelle' and new forms of accountability of agencies ('Opérateurs de l'Etat') in France' by **dr. François Lafarge** (ENA – France)
- 14.20-14.40: 'Innovative forms of agency accountability to users, peers and citizens' by **Prof. Dr. Roel in 't Veld**, Chairman of the Audit committee of the Charter Group for Public Accountability
- 14.40-15.00: 'Parliamentary oversight of agencies' by **Mr Jan Peumans** (Chair of the Flemish Parliament)
- 15.00-15.45: A discussion with a panel from practitioners from agencies and with the audience, moderated by **Prof. dr. Silvia Mendes** (University of Minho, Portugal)
 - o Mr **Jo De Cock**, CEO of the Health Insurance Agency (Belgium)
 - o Mr **José A. de Azevedo Pereira**, Director-General of the Portuguese Taxation Administration (Portugal)



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