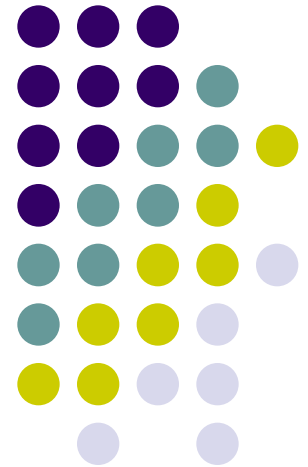
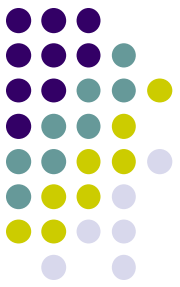


Transparency and Accountability - Key Elements of a Performance Management Framework

Anne Molyneux
CS International
amolyneux@csi1.eu
Ankara, June 10, 2014



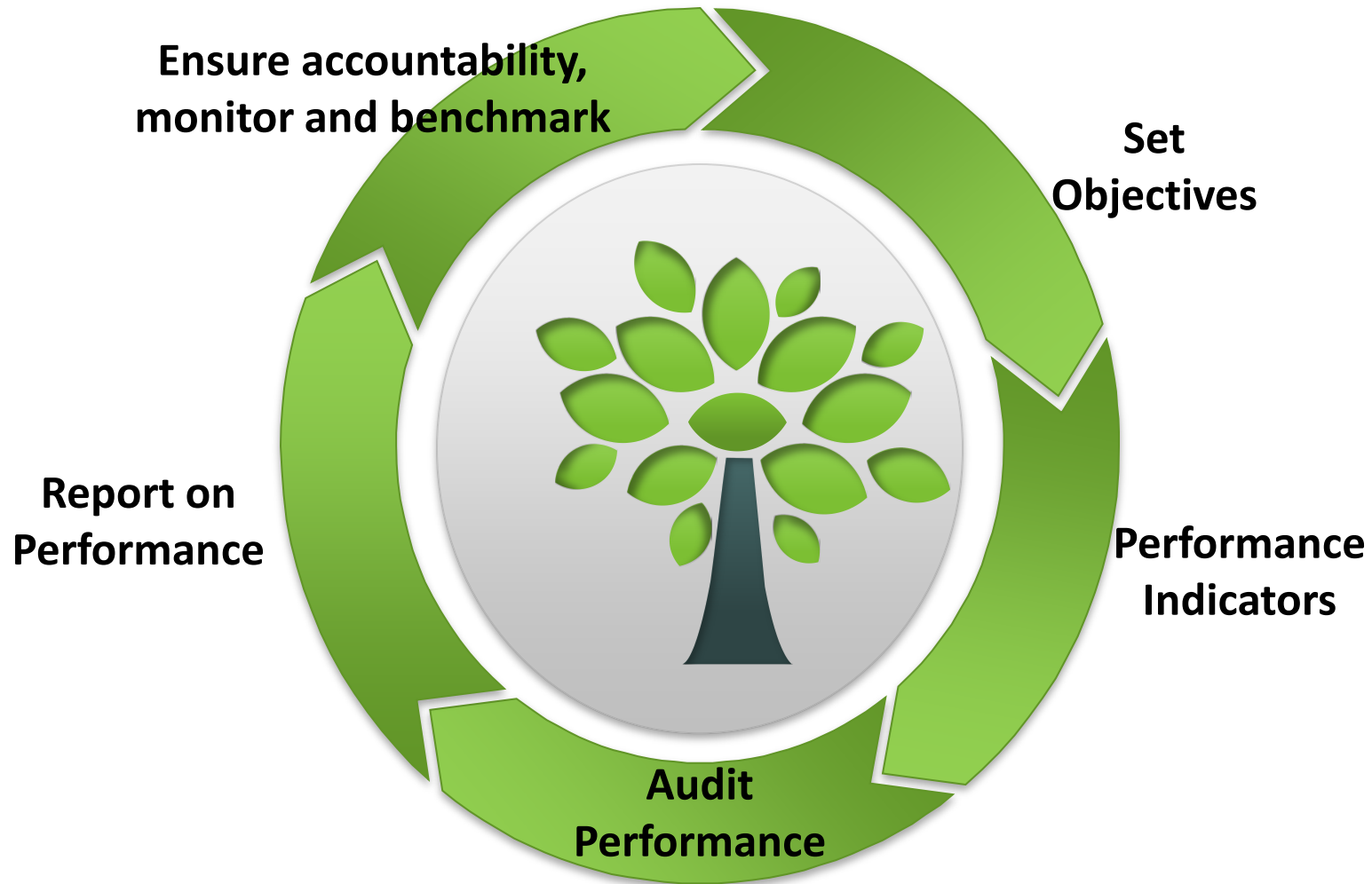
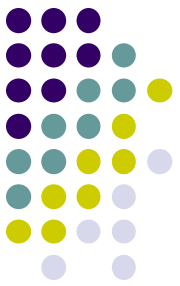
Transparency and Accountability



- Requires commitment of the state
- Commitment of the SOE
- Definition of commonly used tools
- And incentives – the ‘carrot and stick’



Performance Management System

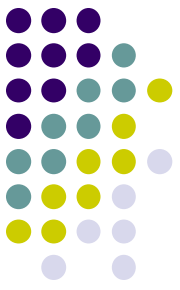


Setting Objectives



- State and SOE commitment
- Need to clarify SOE objectives
- Make any non-commercial public objectives explicit
- Requires an ownership view – statement of expectations
- Requires company response – statement of corporate intent
- May be called agreements, compacts, made individually with companies
- Sticking points – dividends, management incentives, CEO appointment



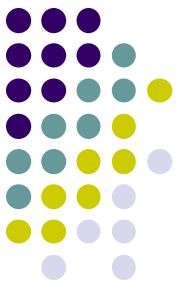


Define Performance Indicators

- Relationship between company strategy and performance is clear
- Indicators will reflect main objectives agreed with the entity
- Should be commercial and non-commercial and cover
- Annual and interim reporting
 - Financial performance
 - Non-financial performance
 - Performance on public obligations and stakeholder
 - Management focuses (operations and organisation)
- Whole of government reporting



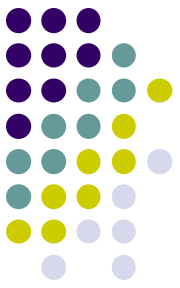
Robust Audit System



- Options – state audits, external audit, internal audit
- External audit gives credibility to financial performance
- Internal audit to focus on efficiency, compliance and risk management
- State audits can often be more defined
- Avoid duplication - check
- SOEs have an Audit Committee to oversee all reporting and the different types of audits



Monitor and Review Performance



- Vision, strategy and performance parameters regularly updated
- Formal v informal review, self-evaluation v objectivity,
- Annual reviews against all indicators
- Benchmark performance – peers, domestic or foreign, industry, previous trends PLUS
- Identify and review special issues or sticking points
- If whole of government reporting – consistency across reporting requirements



Transparency and Accountability

*Key Elements of a Performance
Management System*

amolyneux@csi1.eu

