



Landesrechnungshof  
*Niederösterreich*

# Principle 13 – Standards and Quality Control Common Assessment Framework (CAF)

EURORAI-Seminar in St. Pölten, 29. April 2016



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# Principle 13

## Standards and quality control

- complying with appropriate audit and reporting standards, ensure quality control procedures
- ensure quality control procedures and engage in self-assessment or peer-reviews
- setting standards by virtue of adaptability and innovation capacity
  - enact a code of ethics requiring moral integrity, credibility, confidentiality, impartiality, neutrality of all members and staff
  - Guidelines for Independent Regional Public Sector Audit Institutions
- being an ideal in matters of
  - trust, honesty and integrity
  - sound handling of our own funds and business – economy, efficiency and effectiveness in our own affairs



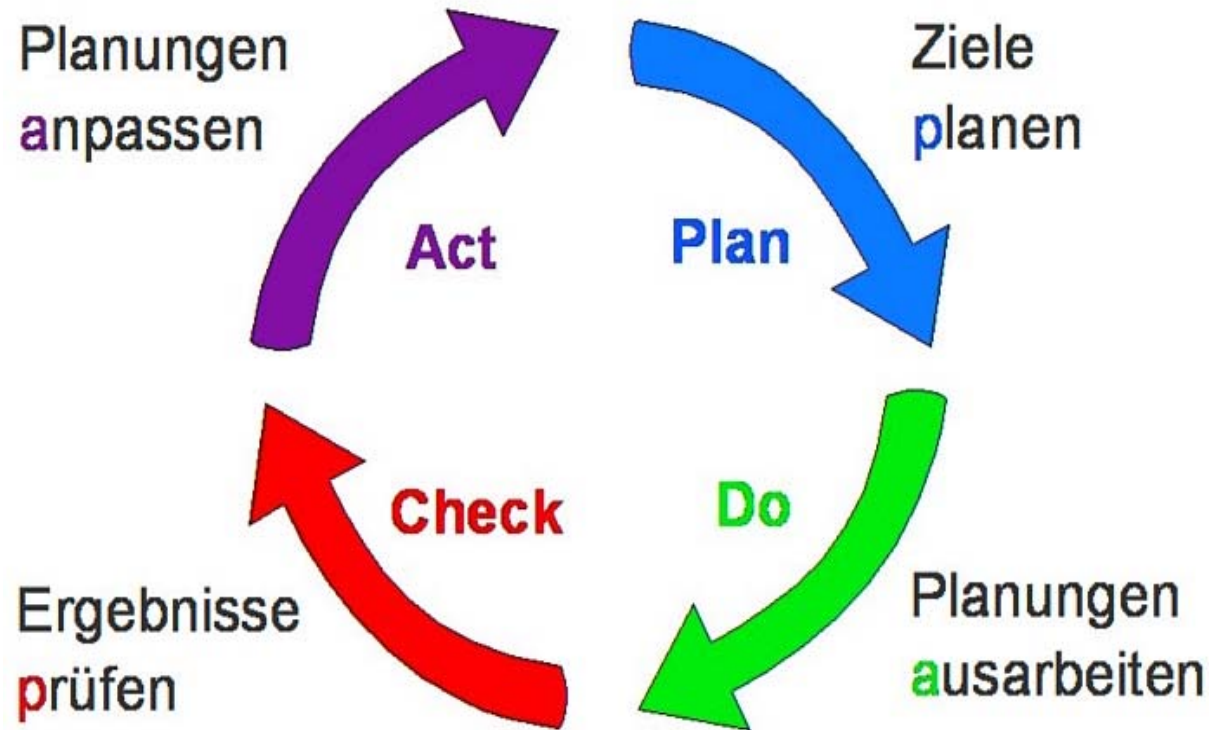
# Our quality management philosophy

- Principle 13 and self-concept of a knowledge based organization, relying on the personal expertise und efforts of the staff members
- **Knowledge and high quality** – especially of recommendations – determine our effectiveness (impact) and efficiency (assertiveness) and hereby our future, so these are **our critical factors of success**
- **quality** define **ex ante** the WHYS, the conditions and character, of our services and intended effects, which are required and expected by law, Landtag, audited entities, international standards and by our own
- Commitment to steady quality improvements in terms of PDCA-cycle (Plan, Do, Check, Act) and total quality management (TQM)

# PDCA – Cycle



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# Definitions

- **quality control**

checks the final product or rather the finished reporting concept

- **quality assurance**

checks during the manufacturing process or else while the provision of the services

- **quality management**

is always a procedure, that spans the entire organization, not only the product and service quality

- **total quality management**

spans the entire organization and integrates also the costumers, suppliers and business partners





## Starting situation 2014

- Need to avoid duplications of audits and potential audit-gaps supervisory defaults in the state audit and monitoring system, as coexistence of courts of audit (LACA, ACA, ECA) and other supervisory bodies and control institutions with partly overlapping fields of activity
- Want to give due emphasis to the principle of subsidiarity and interoperability (single audit concept) to defend trends towards centralisation (Fiscal Pact, dissolution of audit institutions in Castile-La Mancha and England)
- Proof of our quality as a provision for own or foreign insufficiencies („organ failures“) or in case of unfair attacks against auditors



# Solution options

- **ISO Certification (ISO 9000 ff.)** – already basis of our quality manual (International Organization for Standardization)
- **EFQM – Model for Business Excellence** – Excellence Model of the European Foundation of Quality Management to meet the needs of companies
- **NPO Label of Management Excellence** – Non Profit Organizations developed in Switzerland ([www.sqs.ch](http://www.sqs.ch))
- **CAF – Common Assessment Framework** – dedicated for use in all parts of public sector organizations, derived from EFQM Model
- **DIIR Quality Assessment** – designed by the German Institute of Internal Auditing (DIIR = Deutsches Institut für Interne Revision)
- **Peer Review** – expert study carried out by peers, equal partners, possibly on the basis of International Standards for Supreme Audit Institutions ([www.issai.org](http://www.issai.org))



# Comparison

## Peer Review versus

## CAF



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- benefit from external know-how, spends less staff
  - distinct memorandum of understanding (ISSAI)
  - risk of friendship service
  - well accepted expert colleagues and results
  - staff participation
  - evaluation report
- self-assessment, use of own resources; little need of adoption
  - common assessment framework; catalogue of criteria risk of self-esteem (hubris), therefore need of objectification
  - acceptance by certification
  - full employee involvement and greater learning effect
  - reports, action plan, feedback

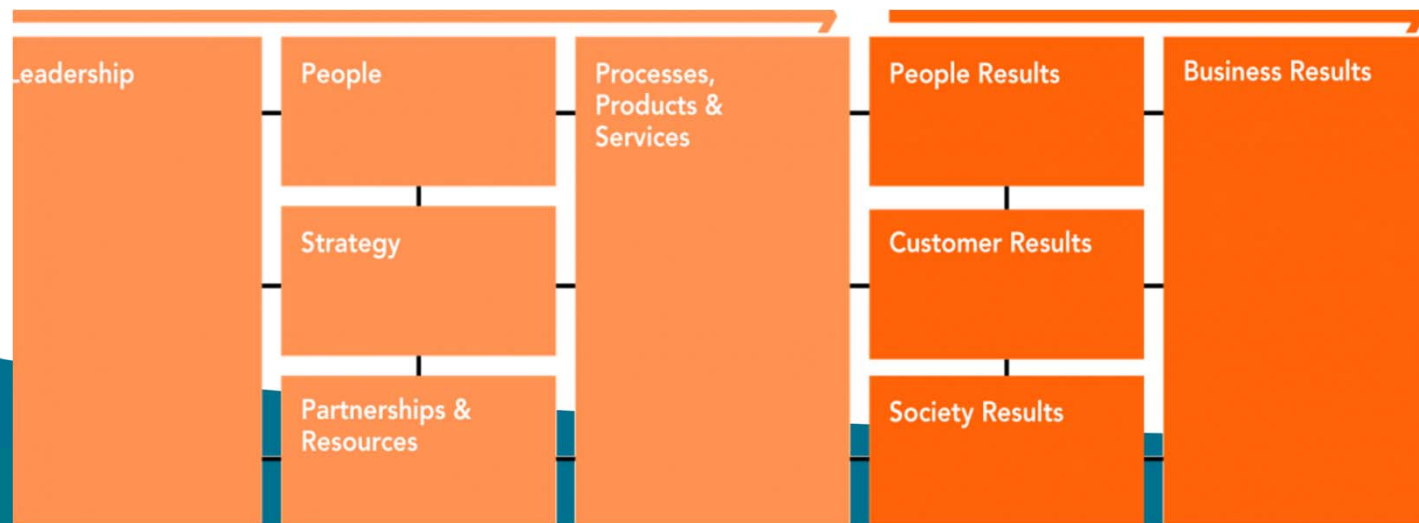


# Basis of decision-making

- CAF is an international approved quality assessment procedure; **a bridge across the various models used in quality management** in public and private sector, focused on sustain improvements
- SWOT analysis based on a given catalogue of criteria and pre-scribed list of questions, therefore well accepted and with general applicability in the European public sector and swift availability
- self-assessments, that integrates the entire workforce and facilitates bench learning between public sector organizations
- high degree of objectivity by the CAF-Center Austria ([www.caf-zentrum.at](http://www.caf-zentrum.at)), incorporated in the Center for Public Administration Research



## CAF-Model



## EFQM-Model



## 9 CAF – Criteria

- **1 – 5 deal with enablers**

these determine, what an organization does and how it approaches its tasks to achieve the desired effects

- **6 – 9 deal with results**

through perception and performance measurements including

- customer satisfaction, citizen satisfaction
- employee satisfaction, social responsibility
- outputs, outcomes, impacts and key performance results

- **28 sub-criteria**, illustrated by **200 examples**, identify the main issues that need to be considered during self-assessment



## Our CAF – project

- competent project manager and team (7 out of 18 involved employees)
- consultancy services and training courses from CAF-Center Austria
- timeframe: September 2014 until end of January 2015 (final report)
- action plan: 11 Quickwins und 11 improvement actions with timetable, responsibilities and resources, 1 memory list, 1 project for electronic documentation of data and services
- expert review of the implementation of measures and achieved improvements (2 CAFFEX) at the LACA and certification audit in September/November 2015
- quality label „effective CAF user“ presented in March 2016 by the Federal Chancellery in the Lower Austrian Parliament



# Key objectives of the CAF-project

## main goals:

- transform our vision and mission statement into reality  
„Lower Austria can be proud of its court of audit, first choice in public auditing“
- push personnel and organizational development
- achieve quality label „effective CAF user“ for crisis preparedness

## non-goals:

- personnel reduction or staff cuts
- benchmarking or hidden employee monitoring

## slogans:

- „we like harmony, but we prefer clarity“
- „Teach me, and I will forget. Show me, and I will remember. Involve me, and I will understand.“ (Benjamin Franklin)

# Challenges and ventures

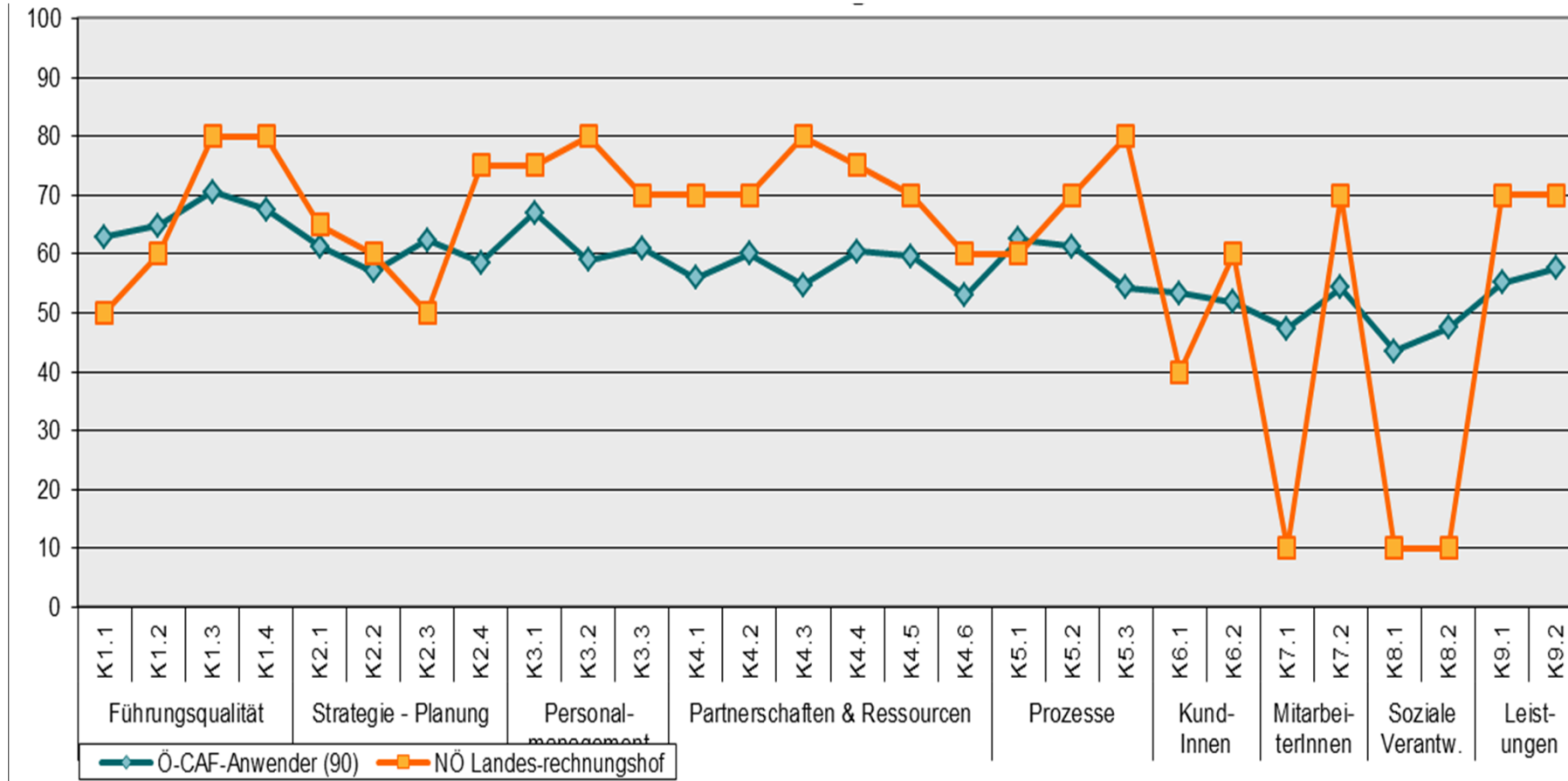
from two different points of view



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Management	Staff
CAF applies not only to audit institutions	insecurity due to unrelated requests
adequate evidence of cost-benefit-ratio	personnel savings or staff cuts
efficiency of management is on the test; poor results might damage the reputation	openness towards the directorate and the consultancy
convincing the decision and policy makers	lacking resources for the auditing work
benchmarking, risk of poor performance	outbreak of conflicts
enough employee motivation	demotivation in case of failure
accumulation of problems instead of solutions	opposition to change; reaction of staff committee
perpetuation of PDCA-cycle	pressure to get higher marks, performance pressure

# Our Results 2014 in comparison with other CAF-users in Austria







# Our conclusions 2016

- clear pictures of the strengths, weaknesses and potentials
- ongoing activities and strong commitment to further improvements based on an action and strategic plan, including
  - strategic concept, mission statement, indicators, intellectual capital report, electronic file and documentation
  - stakeholder, customer and staff surveys: show high satisfaction („very content“ or „more content“) of the members of parliament (Landtag, 100 percent) and even of audited authorities (88 percent)
  - strengthened reputation, credibility and relationships to parliament
- altogether a positive cost-benefit-ratio
- challenges and ventures were mastered or did not occur
- Key success factors:
  - external consultancy by CAF-Center and high level of staff participations

**Thank you  
for your kind attention,  
are there some questions?**

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