HESSISCHER RECHNUNGSHOF

Auditing the Digitalisation of the Public Sector – The Hessian Approach

Matthias Eckes
Director, Department VIII
Hessian Court of Auditors

Agenda

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II. The Hessian Court of Audit

III. 5 Challenges in Auditing the Digitalisation of the Public Sector

    (1) Methodology

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    (3) Organisational structure
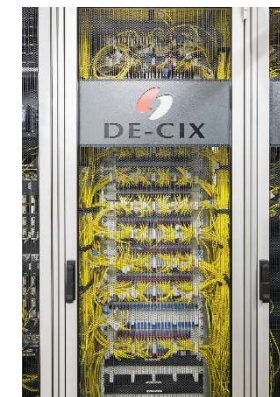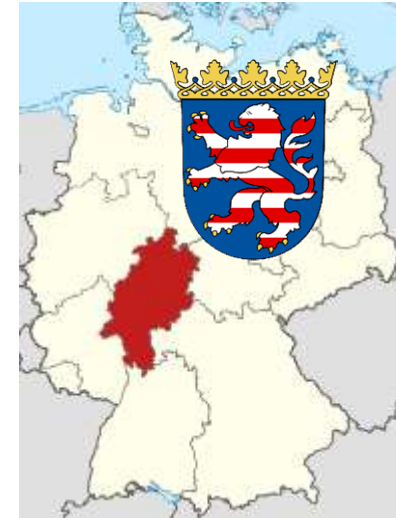
    (4) Speed

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IV. Conclusion

About Hesse
Some Facts

- Basics
  - Area (2021): 21.115,64 km²
  - Population (2020): 6.293.154
  - GDP (2021): 303 Billion Euro

- Most important economic fields
  - Chemical and pharmaceutical industries
  - Banking and finance, esp. Frankfurt am Main
  - Mobility and logistics, e.g. largest airport
    in Germany
  - IT and Telecommunications

- One of the largest internet exchange points is located in Frankfurt am Main

About Hesse
Organisation of the State Administration

- State administration is three layered

- Digitalisation topics
  - until 2018: Ministry for Economic Affairs in charge of strategic digitalisation topics
  - since 2019: consolidation of topics regarding digitalisation by the Hessian Minister of Digital Strategy and Development (part of the State Chancellery)
    - Central controlling and coordination of all plans concerning digitalisation within the state
    - Chief Information Officer
    - Several support programmes, e.g. mobile network & gigabit coverage, Artificial Intelligence

About Hesse
Current Digitalisation Projects (Examples)

- Implementation of the federal Online Access Act
  – Until the end of 2022 575 administrative services need to be available online for citizens and corporations
  – In Hesse: Implementation by state and municipalities
  – Other state's and municipalities' solutions can be used

- Extension of digital infrastructure
  – Actively locating places without broadband connectivity
  – Focus on expansion of optical fibre deployment
  – Closing supply gaps in broadband connectivity by establishing wireless technologies, e.g. 5G

- Digital Records
  – First introduction in some parts of the administration, modernisation in most parts of the administration
  – Entire state administration is concerned, incl. Hessian Court of Audit
  – Before pilot operation could start, the project needed to be rolled back and restarted

The Hessian Court of Audit

- Main location in Darmstadt, a subordinated agency is located in Kassel

- Approx. 240 employees

- 8 departments with 23 sub-departments for auditing activities, 1 department for presidential topics

- Department VIII is responsible for auditing digitalisation activities, IT, organisation and personnel
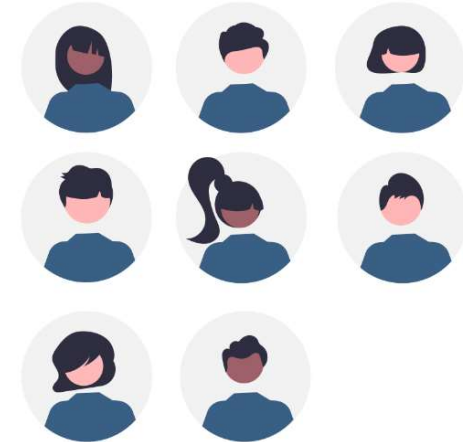
Five Challenges in Auditing the Digitalisation of the Public Sector (1) – Methodology

- Digitalisation includes organisational and technical aspects

- Does the auditing of digitalisation need „new" approaches or can we refer to existing methods, e.g. from auditing IT and organisation?

- Hessian solution
  - Using methodology from different fields as appropriate
  - Cooperation with colleagues from different departments

Five Challenges in Auditing the Digitalisation of the Public Sector (2) – Skills
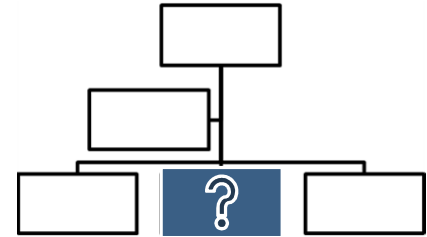
- Which skills are necessary to audit digitalization and where can we find these?

- Both specialist expertise and technical knowledge are a must!

- Options
  - Recruit or train personnel with (all) the necessary skills (→ labour market situation!)
  - Cooperation in interdisciplinary teams

- Hessian solution
  - Recruiting personnel from different fields in administration of state and municipalities as well as from corporations → 6 new auditors hired
  - Close cooperation in interdisciplinary teams

Five Challenges in Auditing the Digitalisation of the Public Sector (3) – Organisational structure

- Which department is responsible for auditing digitalisation?
- Not only a question of skills, all departments are interested in this "hot" new topic
- Options
  - All departments audit digitalisation activities
  - One department centralises the skills necessary for auditing this topic
- Hessian solution
  - Reorganisation and creation of a new department with 2 sub-departments: Organisation & IT and Digitalisation
  - Topics are divided between audits of specialised procedures and audits of general questions concerning digitalisation and IT

Five Challenges in Auditing the Digitalisation of the Public Sector (4) – Speed

- Digitalisation is often a dynamic process
  - Audited topics are changing quickly → changes while the audit is still ongoing are possible
  - Results might only be useful for a very limited period of time

- Implications
  - Audits need to follow the dynamics – from first announcement until first communication of results.
  - Results should be communicated ASAP in order to be useful for the audited administration.
  - Focus the audits.

Five Challenges in Auditing the Digitalisation of the Public Sector (5) – Responsibilities

- Very frequently different Ministries cooperate in central digitalisation topics
  - Digitalisation is multi-disciplinary
  - Example Hesse:
    - Strategic planning and coordination: Hessian Minister for Digital Strategy and Development
    - Operational planning: Ministry of the Interior
    - IT operations: Ministry of Finance
    - Digitalisation projects: all departments

- Often needs clarification – depending on the audit topic
  - Who is the responsible Point of Contact?
  - Who really takes decisions?
  - Who manages the implementation in practice?

Conclusion

- Digitalisation means change – also for Courts of Audit!

- More than ever Courts of Audit need to learn. Skills need to be acquired and expanded in order to keep pace!

- BUT: the "Hessian Approach" is not a blueprint for everyone – each organisation needs to find its own solution!

Thank you very much for your attention!

Internet: rechnungshof.hessen.de
E-Mail: pressestelle@rechnungshof.hessen.de