

Performance evaluation of subsidized entities

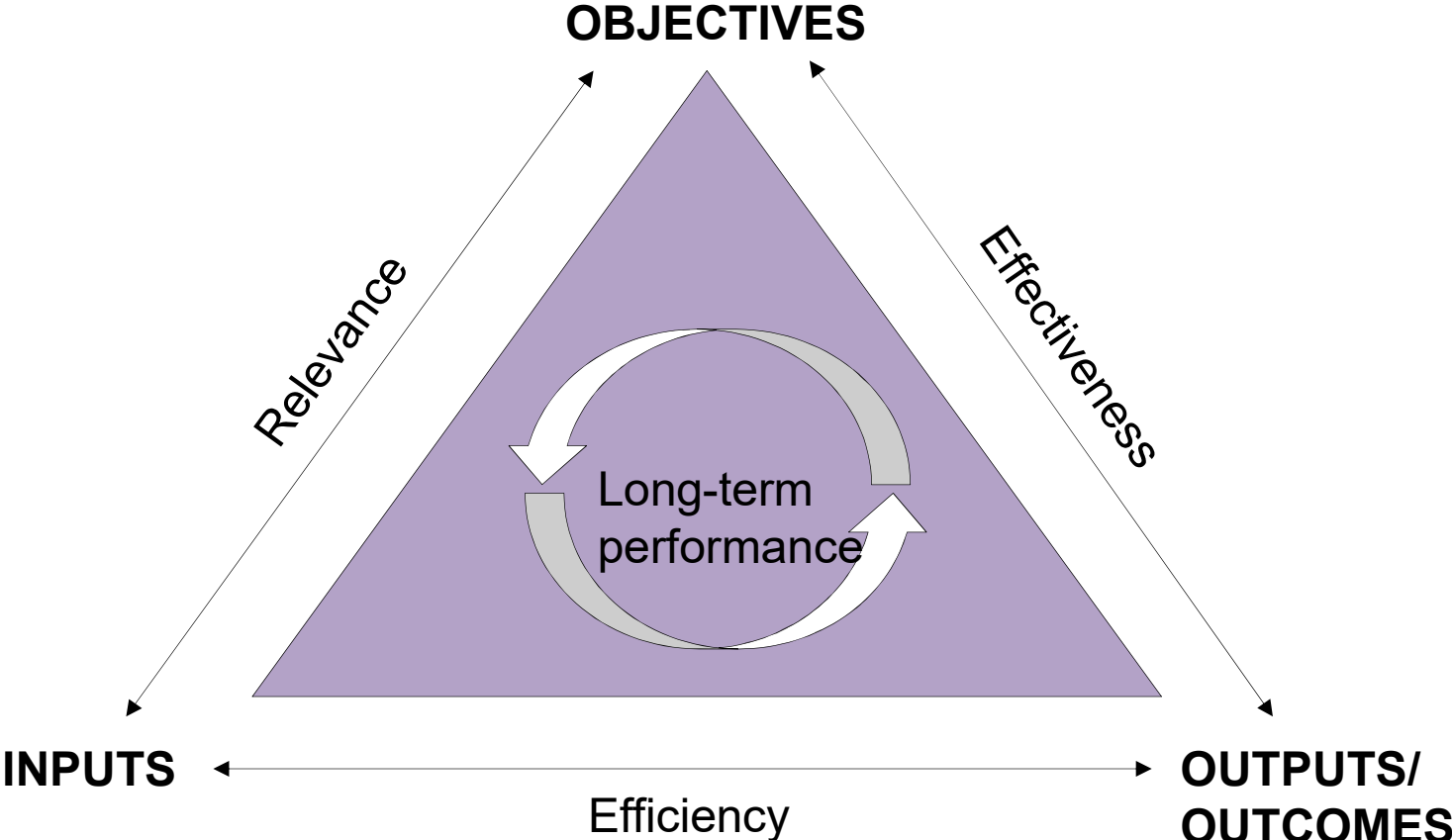
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Internal Audit Service of the State of Geneva

Performance in the public sector

- What measurement of results (health, safety, education)?
- How to set the objectives?
- Are the resources used relevant to the objectives?
- How to measure efficiency?
 - Difficult to make comparisons with other entities (benchmark)
 - Possible comparisons over time for the same entity

Performance evaluation

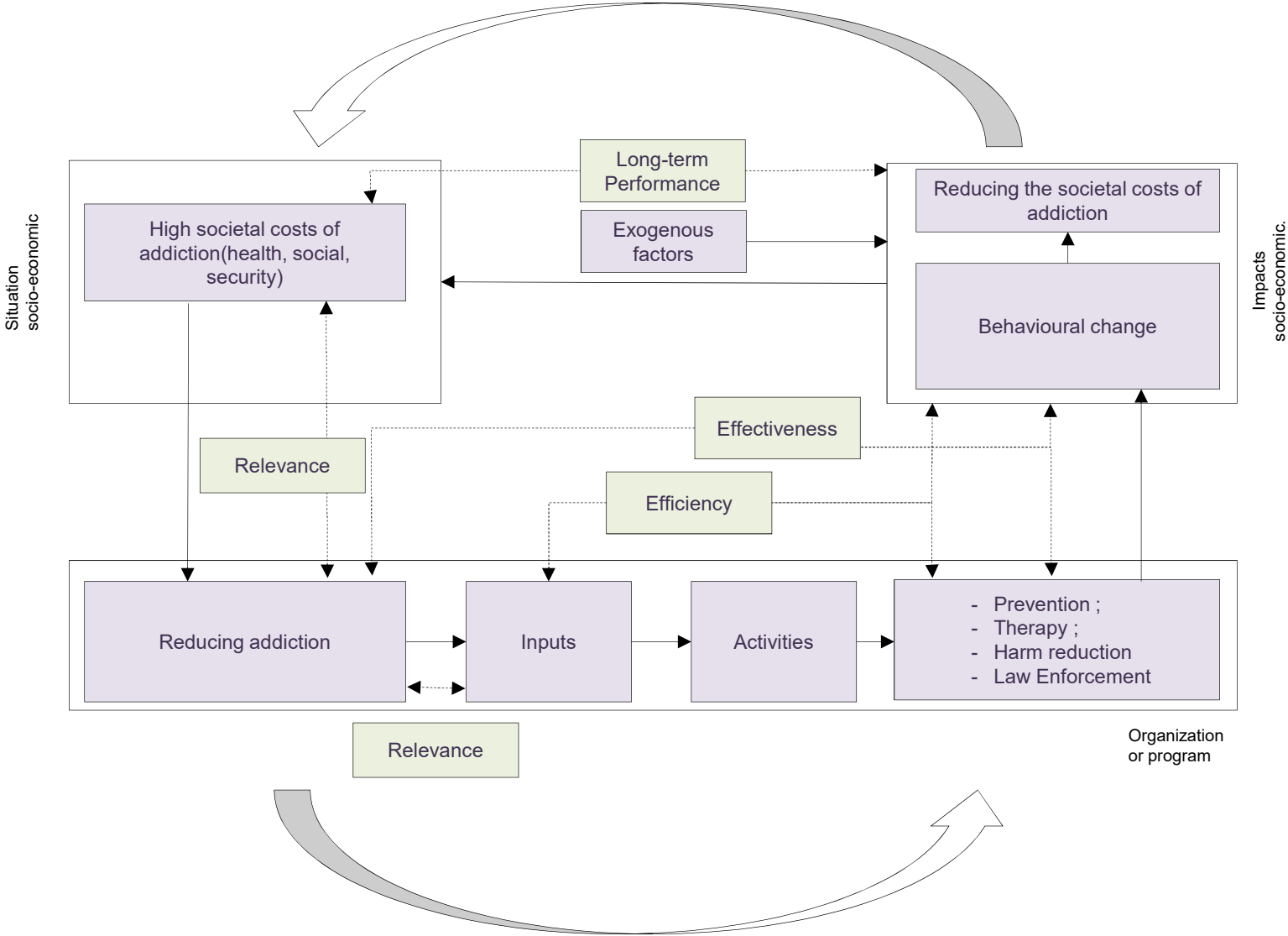


The performance audit



- Existence of general objectives
- Establishment of qualitative and quantitative indicators (KPI)
- Determination of target values
- Implementation of procedures and controls to manage the service's delivery
- Measurement of results
- Implementation of corrections
- Measuring efficiency through resource indicators
- Analysis of the relevance

Application to addiction policy



The Geneva framework for performance evaluation

- New Public Management (NPM) implementation project in 2000
- Introduction of management by policy and program from 2011
- Definition of 16 public policies, 56 programs
- Objectives by policy, program and service
- Cost accounting by service
- Application to subsidized entities in a law on subsidies

Subsidies Law



- Introduction of public law contracts validated by the Government or above a certain threshold by the Parliament
- Contracts voted for a duration of 4 to 6 years
- The community ensures that the beneficiary performs the task in accordance with the legal conditions, the objectives set and the public law contract
- If there is an annual profit, part of it is returned to the community
- More thorough accounting control if the grant is higher than CHF 2 million.

Subsidies in numbers

Subsidized service	Budget 2023 Mios francs
Individual social action measures and financial support	1'245
Individual financial support for the elderly	342
Actions and individual financial support for people with disabilities	504
Family and integration support	97
Culture	25
High schools	535
Housing and land planning	60
Care network and actions for the elderly	1'561
Transport and mobility	362

Service agreements



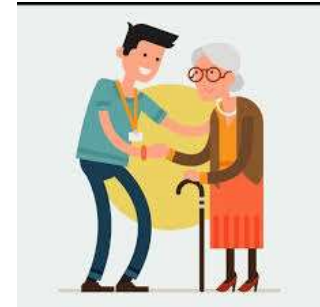
- Agreement between the community and the grantee
- Duration of 4 to 6 years
- Defines objectives
- Allocates grant amount for each year of the period (subject to annual parliamentary approval)
- Requires an ICS to be in place
- Establishment of a multi-year financial plan
- Respect for the working conditions of the sector and even of the community
- Compliance with the law on public procurement
- Compliance with the laws on sustainable development

Service agreements



- Compliance with the guidelines set by the community
- Contract monitoring system (monitoring committee)
- Transmission of :
 - an activity report
 - a report on the execution of the service contract
 - annual accounts in accordance with strict standards
 - an audit report
- Treatment of profit and loss
- Possible verification by the community's auditing body

Example of performance management for a nursing home for the elderly



- Objectives and targets
 - Bed occupancy rate (98%)
 - Minutes of care per day (145 minutes)
 - Composition and qualification of the nursing staff by level of training (30%, 45%, 25%)
 - Rate of professional training (2-3% of h/year)
 - Absence rate < 5%
 - Animation activities per day 2
- Others
 - Institutional project
 - Authorization to operate

Examples of performance management for a foundation for people with disabilities



- Objectives and target values
 - Number of places offered in workshops
 - Number of places offered in homes with occupancy
 - Number of places offered in day care centres
 - Services in the home
 - Cost per place
- Others
 - Institutional project
 - Authorization to operate

The auditor's findings



- Weakness of the objectives
- Insufficient objectives
 - Lack of qualitative and efficiency objectives
- Lack of indicators and target values
- Policy or service not covered by objectives
- Control of the calculation of objectives and indicators to be put in place
- Insufficient contract content (requirements)
- Poor monitoring of contracts
- Weaknesses in the calculation of the grant amount
- Issue of profit hoarding
- Quality of financial statements to be improved
- Lack of sanctions

Conclusion

- Measurement tools are in place
- Performance measurement culture not implemented
- Performance measurement not yet mature
- Difficulty in finding relevant indicators
- Benchmark not yet part of the habits
- Management not yet aware of this approach
- Parliament makes little use of indicators for decision-making
- Tool used occasionally to reframe a policy or service but not a daily management tool

Thank you for your attention