

Focus

Public Management Newsletter Number Twelve

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... there can be no serious doubt that the [global economic] crisis has been aggravated by corruption. [...] The point is — corruption in one country can make its impact felt around the world. No country can seal itself off from the impact of corruption beyond its borders, and therefore every nation must work with every other nation to fight corruption wherever it is in the world. At the same time, to work well together, we must all acknowledge a central truth: no nation has a monopoly on virtue. None has a corner on corruption. And no nation has the right to lecture any other.

U.S. Vice-President Al Gore
(from his keynote address at the Forum)

Co-operating to fight corruption

A "Global Forum on Fighting Corruption: Safeguarding Integrity Among Justice and Security Officials" was held in Washington, D.C. on 24-26 February 1999. This conference, the first of its kind, was organised and chaired by U.S. Vice-President Al Gore, and attended by representatives of 89 countries from both the developed and developing worlds. Participants included senior politicians, high-level officials, experts and leaders of civil society.

A global problem

As Al Gore noted in his keynote address, official corruption is an old problem. It is one to which all countries are susceptible, and whose damaging effects on democracy and the economy are increasingly felt worldwide. At the Global Forum, an international effort was launched to combat this problem.

An international response

The conference began with participants examining the causes of corruption and the damage it inflicts on economies and societies. Participants also analysed the various mechanisms and strategies employed by countries to prevent, expose and correct corruption.

Participants favoured a balanced, comprehensive approach addressing both bribe givers and bribe takers. Government reinvention and reform, strong leadership, openness and transparency, information and accountability were all identified as important elements in the fight against corruption. A list of anti-corruption strategies was distributed to serve as guiding principles for government action.

Further action

At the end of the conference, which took place in a spirit of consensus, participants signed a declaration expressing their common sense of urgency about

After three days of serious, searching work, we emerge persuaded that corruption is not inevitable. [...] Governments and their peoples can act and can succeed in our struggle against it, if only we have will and the determination to do so. [...] We call on all of our governments to cooperate in appropriate regional and global bodies to rededicate themselves to adopt effective anti-corruption principles and practices, and to create ways to assist each other through mutual evaluation.

From the final **Declaration** of the Forum

The OECD is helping its Members fight corruption in several different ways. The OECD addresses corruption from both the "demand side", through work on public service ethics, and the "supply side", by taking action against bribe givers. On the "demand" side, corruption should be seen as more than individual criminal actions. It results from flawed government systems, faulty legislation and weak public institutions that do not enforce laws, and fail to provide adequate control, oversight and transparency.

Donald J. Johnston
Secretary-General of the OECD
(from his statement at the Forum)


corruption and their commitment to continue the dialogue. They agreed to meet at a second Global Forum in the Netherlands next year, and proposed the establishment of an annual ministerial forum on fighting corruption. They also pledged to assist each other through mutual evaluations.

Mr. Gore announced U.S. plans to continue actively to fight corruption worldwide, including helping to


develop and implement global standards on transparency and accountability, and urging other countries to ratify and implement conventions such as the OECD Anti-Bribery Convention. He also proposed an Internet-based reporting device to supplement the mutual evaluation process.

More information on the Forum, including conference papers, can be found at www.usia.gov/integrity. ■


●How citizens see the public sector

In spring 1998, over 1500 **Danish** citizens were surveyed to determine their satisfaction with, trust in and support for the public sector. The overall conclusion is that Danes are satisfied with public services, and support reforms such as outsourcing, choice among service providers and voluntary social work. Opinions are more divided on issues such as user charging and the introduction of supplementary public services for those who are willing and able to pay for them. There is a high degree of trust in public institutions and employees, and general support for the welfare state. A summary of the analysis in English is available on the Web at <http://www.fm.dk/nyt/ny11.htm>. 


●Improving service quality

The **Greek** Ministry of the Interior, Public Administration and Decentralisation has drawn up a programme to improve the quality of services to citizens. Initiatives involve all levels of government and include the improvement of working conditions; the preparation of a citizen's charter, a code of administrative procedure and regulatory checklists; the simplification of procedures; and the creation of one-stop shops, citizen information centres and an online communications network linking public services. 


●E-mail in the public administration

All directors-general and services with similar status in **Portugal** are now obliged to have a publicly known e-mail address. Post received by e-mail has the same legal value as paper post, and must be processed accordingly. Pending further regulation, however, matters regarding signature and authentication of legal documents are not accorded this legal value. 


●One-stop-shop for documents

Citizens from all over **Greece** can now apply for passports or request certificates of birth, marriage, death or origin by calling a single telephone number. They then receive the certificate through the post. It is planned to extend this possibility to other certificates and services in the future. 

●Keeping citizens informed

In 1993, **Portugal** created INFOCID, the interdepartmental system of official information for public service users. Originally aimed at providing information on citizenship, INFOCID soon widened its range of services to include a directory of government addresses and other contact information, a database on public administration licences, an information service to support businesses, interactive applications and other features. To reduce costs and make the service more accessible, it is now being made available via automatic teller machines (ATMs). By 2002, 1200 ATMs will be installed. INFOCID is also being made available on CD-ROM and diskette, and is on the Internet at <http://www.infocid.pt>. 

●The People's Panel

The **United Kingdom** Cabinet Office has set up a People's Panel to seek citizens' views on improving public services. The Panel consists of 5000 members of the public randomly selected from across the country, who provide a representative cross-section of the population (by age, background, region, etc.). Panel members are being consulted on how to improve the delivery of public services from the point of view of the user rather than the system. All government departments and agencies, other publicly funded bodies, local authorities or associations representing these organisations can use the panel to examine citizens' views of public service delivery. Results will be used to help co-ordinate government research. For more information, see the Panel's Web site at <http://www.servicefirst.gov.uk/panel.htm>. 




This symbol indicates that more detailed information on a news item exists in Focus On-Line


(<http://www.oecd.org/puma/focus>).

For more information, including contact names and addresses in countries, see the Supplement.

●Alternative dispute resolution


To help make the **United States** federal government more efficient, the Attorney General has asked all federal agencies to set up alternative dispute resolution (ADR) programmes. ADR techniques include mediation, arbitration, early neutral evaluation, agency ombudsmen, etc. A working group has identified four main areas in which ADR can be used: workplace, contracts and procurement, civil enforcement and claims against the government. Data gathered thus far indicate that ADR has led to greater understanding among parties and fewer complaints being filed. For more information, see the working group's Web site: <http://www.financenet.gov/iadrwg.htm>. 

●Supervising pension funds


As a first step in reforming its pension fund system, **Poland** created the Supervisory Authority over Pension Funds. Its role is to protect the interests of the funds' members and participants in employee pension schemes. It supervises the operation of the funds and schemes, enhances the development of the pension fund system, and promotes public awareness, particularly regarding members' rights. 

●Leadership development

The **Australian** Public Service and Merit Protection Commission (PSMPC) has launched a project to reinvigorate leadership development in the public service. In collaboration with agencies, the PSMPC will:

- identify the capabilities required by Senior Executive Service (SES) leaders;
- review existing SES selection criteria;
- consider how capabilities can be applied to leadership activities; and
- develop a good practice guide on leadership development and succession planning for agencies. 

●Performance-related pay

Korea introduced performance-related pay for all government employees on 1st January 1999. A new performance appraisal system based on management by objectives has been set up, with employees establishing their own objectives in line with the goals of each ministry. Good performance is rewarded by either a salary increase or a lump-sum award, depending on the rank of the employee. 

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●Employing ministerial advisors

A committee of the **Danish** Ministry of Finance studies the relationship between ministers and civil servants. To preserve the principle of recruitment by merit, the committee proposed that four principles be applied to the future appointment of ministerial advisors:


- advisors should only be employed in a staff function close to the minister;
- they should not be given authority over permanent civil servants;
- they should be employed for a limited time and according to terms in collective agreements; and
- all positions should be advertised publicly in order to ensure openness.

The government has subsequently adopted these principles. 

●Benchmarking people management

The **Australian** Public Service and Merit Protection Commission (PSMPC) is co-ordinating a People Management Benchmarking Study on behalf of 20 public service agencies. The study will measure improvements in performance and look at how people management practices contribute to better organisational performance. A report covering the entire public service should be available in March 1999. 

●Surveying employee attitudes

In late 1998, **Iceland** launched a survey of state employee attitudes. The survey covered a range of areas, including job satisfaction, attitude toward supervisors and organisation, quality of working life, teamwork, stress factors and career development. Every state organisation and all hierarchical levels were represented in the sample. Preliminary findings should be published by summer 1999. 

Accrual Accounting and Budgeting in the Public Sector

Cash and accruals represent two end-points on a spectrum of possible accounting and budgeting bases. The cash end of the spectrum has traditionally been applied by OECD Member countries for their public sector activities. In recent years, however, there has been a movement toward the accruals end of the spectrum in a number of Member countries. In this context, it is useful

to differentiate among countries that apply accruals for both accounting and budgeting purposes; countries that apply accruals for their whole-of-government consolidated accounting; and countries that apply accruals for reporting by individual agencies or departments only. The table below summarises the use of accruals by 11 OECD countries. ■

	Accrual accounting for individual agencies and departments	Consolidated whole-of-government accrual accounting	Accrual Budgeting
Australia	Since 1995	Since 1997	From fiscal year 1999-2000
Canada (1)	From fiscal year 2001-02	From fiscal year 2001-02	No
Finland	Since 1998	Since 1998	No
Germany	Permitted since 1998 (2)	No	No
Iceland (3)	Since 1992	Since 1992	Since 1998
Ireland	Pilot launched in 1995 (4)	No	No
Netherlands	Pilots launched in 1994 (5)	No	No
New Zealand	Since fiscal year 1991-92	Since fiscal year 1991-92	Since fiscal year 1994-95
Sweden	Since 1994	Since 1994	No
United Kingdom	Launched in 1993; all by fiscal year 1999-2000	Planned	From fiscal year 2001-02
United States	Since fiscal year 1997-98	Since fiscal year 1997-98	No (6)

Notes:

1. Canada applies modified accruals (i.e. full accruals except all capital assets fully expensed at time of purchase) for accounting and budgeting. Above refers to full accruals.
2. Law on Budgetary Principles amended in 1998. German government organisations are now explicitly allowed to adopt accruals in addition to standard cash accounting requirements.
3. Iceland has not finalised the treatment of certain physical assets.
4. A single department reports on accruals in addition to standard cash accounting requirements.
5. Pilot agencies report on accruals in addition to the standard cash accounting requirements.
6. Accruals are used only for loan and guarantee programmes in the United States budget.