

SECTION 2 MAKING GOVERNMENT MORE EFFICIENT

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2.1 Improving strategic planning

Ministries/departments have been encouraged to employ modern business management tools to improve the management of their operations. In 1993, all ministries and departments were asked to develop five-year strategic plans outlining vision, core purpose, strategic objectives, strategies for achieving those objectives and the physical, human and financial resources required to achieve these objectives. These agencies were further asked to prepare yearly action plans which would inform their annual budgetary estimates. The ministries/departments will then be required to report on implementation of their yearly action plans.

The context for change

The strategic planning process is a useful tool which allows agencies:

- to project themselves conceptually into a predetermined point in the future;
- to review and assess their mandates, programmes and achievements to ensure consistency with government policy;
- to evaluate and improve the effectiveness of their administrative and delivery systems in executing government policy; and
- to strengthen their capabilities to survive in a constantly changing environment.

The suggested approach requires the commitment of senior managers. They are being encouraged to utilise consultation and consensus to ensure that staff feel a sense of ownership and personal investment in shaping the future directions of their organisations. In addition, managers are being asked to organise their work differently and become more results-oriented.

Implementing change

The strategic plan of a ministry/department must be consistent with the policy planning directions set by government and must be informed by the limitations and constraints that impact on the administration and execution of policy. Ministries/departments were given the following guidelines to prepare their strategic plans:

- the Permanent Secretary/head of department is responsible for directing the strategic planning effort;
- senior management should provide the forum and impetus for consultation, dialogue, communication and decision-making;
- the broad areas and aspects of strategic interest should be identified and articulated in a way that provides a framework for the strategic planning process to begin;
- record, document and communicate results, decisions and action plans on an ongoing basis.

A summary of the steps involved in the strategic planning process is as follows:

- Appoint a change team, representing a vertical cut of the ministry/department. The change team must be headed by the Permanent Secretary or head of department and should have union representation.
- Organise facilitated workshop/s for staff to:
 - contemplate the ministry/department's vision and core purpose;
 - assess and analyse the impact of environmental factors;
 - assess and analyse the current realities and future prospects;
 - determine stakeholders;
 - develop strategies for the plan.
- Appoint a strategic planning team, which could be the change team or a specially appointed team, to prepare the strategic plan and yearly action plans.
- Ensure Minister is included and kept informed of developments.
- Communicate the efforts/results of the Strategic Planning Process, using the "roll down" approach. The change team should be instrumental in that regard.
- Assign senior management with the responsibility for implementing relevant parts of the plan.

- Conduct continuous and systematic evaluation of plans by way of proper documentation of achievements and regular staff meetings to review and evaluate performance. These achievements are to be reported quarterly to Cabinet.
- Use the change team to assist the implementation effort.

Costs depend on the size of the agency and the extent to which the process may have been facilitated by external consultants. The sourcing of external assistance and training of staff in the areas of strategic planning and change management is critical to successful business planning.

Anticipated benefits of this improved strategic planning system include:

- greater responsiveness to the needs of clients;
- an improved quality of service;
- speedier delivery of services;
- greater efficiency in operations;
- greater efficiency in revenue collection;
- elimination of archaic systems which result in wastage of financial and human resources;
- greater accountability;
- growth, development and job satisfaction of public servants.

Supporting material

- (i) Mission Statement of the Cabinet Secretariat
- (ii) Mission Statement Ministry of Health and a Prototype for the proposed Regional Health Authority

2.2 Improving productivity

The public service traditionally has been regarded as a mammoth organisation with low productivity. Worldwide, steps are being taken to re-organise and restructure public service operations with a view to improving productivity and ultimately service delivery. It is expected that the increased delegation of authority to line managers will enable them to manage their agencies more effectively. In addition, emphasis is being placed on the development of standards of work performance and strengthening systems to ensure greater productivity. A more highly productive public sector will enhance private sector operations and will consequently benefit the entire nation.

A particular initiative in improving productivity: the establishment of new human resource management structures

The human resource function in the public service is currently spread among several departments. This situation does not allow for efficiency and accountability in the management, training and development of this resource. The new vision is to decentralise and streamline the functions of the Central Human Resource Management Agencies and to establish Human Resource Management Units in ministries. The central agency will provide advisory/consultative service in Human Resource Management to the line agencies; formulate policy; and perform an auditing function. Line managers, through the Human Resource Units, will have increased responsibility to perform human resource planning, performance management, recruitment and appointment activities.

A particular initiative in improving productivity: computerisation

A consultant was engaged in 1993 to develop a computerisation policy for the public service. This project was part of an Institutional Strengthening Programme to improve government effectiveness in the area of Computerisation and Management Services. The specific objectives of this project are to:

- improve effectiveness in computerisation;
- recommend standards;
- plan for the introduction of key applications in the public service;
- ensure skills transfer.

A policy document is being prepared against the background of an overall strategy which emphasises the identification of organisational vision and strategic objectives and the matching of resources to strategic objectives. Specific projects, undertaken or planned, include:

- Bulk purchase of 73 computers to facilitate the introduction of PERSYS (Personnel Information System) and the Registry Information System in ministries/departments.
- Computerisation of the Judiciary/Magistracy. The following projects are in progress at the Supreme Court:
 - the Computer-aided Transcription Project;
 - the Supreme Court Legal Database and Information System;
 - the Registry Computerisation Project.

These projects are intended to reduce delays in the administration of justice and improve the delivery of services.

- Computerisation in the Ministry of Planning and Development to effect management of the Public Sector Investment Programme and improve capability in economic modelling and statistical analysis.
- Implementation of computerisation projects in the Ministry of Finance:
 - introduction of the Human Resource Information System (HRIS) in all divisions of Ministry of Finance, to provide a database for human resource inventory, establishment control and compensation administration;
 - computerisation of the Co-ordinating and Monitoring Unit to improve the financial monitoring system and to computerise the processing of entry documents both for export and import;
 - computerisation of the Treasury Division to enhance the financial management and control function;
 - computerisation of the Inland Revenue Division to modernise the tax processing system;
 - introduction of the Automated Systems Customs Data Project (ASYCUDA) in the Customs Division.

- Implementation of computerisation projects in the Office of the Prime Minister:
 - introduction of a Document Image Management System (DIMS) in the Prime Minister’s Secretariat to allow multi-user access simultaneous access to important information and effect compact document storage;
 - computerisation of the Central Statistical Office to enhance the production of statistical and financial data and to computerise the processing of entry documents for export and import;
 - introduction of an Electronic Mail/Records Management Information System pilot project linking divisions in the Office of the Prime Minister, to enhance search and retrieval capabilities and allow the electronic transfer of records.
- Computerisation in the Transport Division to modernise vehicle licensing operations.
- A comprehensive computerisation project including applications to facilitate human resource management, rostering, management of criminal records and fleet management in the Trinidad and Tobago Police Force.
- Computerisation of the Population Registration System to improve efficiency in producing birth and death certificates; identification of eligibility for National Health Insurance; and to establish a continuous population register.

A particular initiative in improving productivity: Work Flow Analysis

It is recognised that significant gains in productivity cannot be achieved by simply computerising existing operations. If there are inefficient processes in these operations, automation alone will not correct this problem. A work flow analysis needs to be undertaken. Such an evaluation has been done at the Immigration Division. The results of that study are yet to be implemented.

2.3 Selecting appropriate organisational structures

The organisational structure of ministries/departments and their varying responsibilities fall under the purview of the Office of the Prime Minister. The Prime Minister determines the functional differentiation of ministries based on the administration's political mandate. Notwithstanding this, ministries/departments have been asked to develop strategic plans which will identify Vision and Core Purpose statements and clarify their major functions and sub functions.

The recently introduced strategic planning process should seek to ensure that programmes and projects are consistent with government policy directions. Ministries/departments should then use the objectives in their yearly Action Plans to determine their personnel establishment, work load and system requirements.

Most ministries/departments, although they have developed strategic plans, have not advanced the process sufficiently to make informed decisions concerning organisational structure and size. The Ministries of Health and Education, however, have developed new top structures bearing in mind their strategic objectives.

The context for change

Most public services are described as being overstaffed. Administrative reform in Trinidad and Tobago has argued that reform is not about retrenching staff arbitrarily, in fact careful analysis may reveal that some departments are understaffed or not suitably staffed. The strategic planning process allows ministries/departments to match their strategic objectives with their human resources, thereby ensuring effective utilisation of that resource.

Implementing change

The main prerequisite for this action is the development of a strategic plan and yearly action plans. The critical element in this process is consultation both with:

- the political directorate to ensure consistency with political emphasis; and
- staff, thereby facilitating the achievement of both individual and organisational goals.

Another measure that will enhance this action is the development of a human resource information system. This will provide information on the personnel

establishment regarding training and skills. When an agency's work plan has been defined, the information systems enable decisions to be made as to the human resources required to implement the plan.

Supporting material

- (i) Ministry of Health – Old Organisational Structure
- (ii) Ministry of Health – New Organisational Structure
- (iii) Towards a Healthy Nation, prepared for the Ministry of Health by Health & Life Sciences Partnership

2.4 Deregulation/re-regulation

The economic policy of the Government of Trinidad and Tobago for the period 1994 to 1996 has the following objectives:

- enhanced fiscal discipline supported by complementary monetary and financial policies;
- reliance on the private sector for incremental investment and growth;
- promotion of exports as the major source of growth and employment; and
- preservation of the social fabric.

The Government's monetary and financial reform policies and its trade reform policies have shifted away from a strict regulatory function towards the freeing up of controls. In 1993, the Government introduced exchange rate arrangements that involved the removal of exchange controls on both the current and capital accounts. The floating of the dollar is linked to the trade liberalisation programme which includes the following measures:

- removal of almost all non-oil manufactured items from the Import Negative List, with some exceptions;
- administration of a temporary protective regime of import surcharges on those items removed from the Negative List;
- introduction of a duty rebate system;
- phased reduction of the Common External Tariff from forty-five per cent in 1992 to twenty per cent in 1998; and
- the implementation of the ASYCUDA (Automated Systems Custom Data Project) system to facilitate the processing of both imports and exports.

In support of these efforts, the functions of developmental agencies, which fell under the portfolio of the Minister of Trade, Industry and Tourism (now Trade and Industry), were rationalised. The Tourism Development Authority (TDA), the Industrial Development Corporation (IDC) and the Trinidad and Tobago Free Zones Company (TTFZC) were merged into one agency, the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO).

The Government's monetary policy is influenced by the need to:

- achieve stable non-inflationary growth;
- strengthen the external competitiveness of the domestic economy; and
- improve the country's level of foreign reserves.

Senior managers of public sector agencies need to be aware of these policy objectives and measures for the purposes of organisational planning. Recognising the emphasis being placed on private sector investment with a view to generating increased employment, these agencies need to be structured to facilitate this investment.

Another area in which the Government has changed its approach to regulation is with respect to public utilities. The Government has re-organised the Public Utilities Commission (PUC). The Commission's new focus will be the carrying out of performance audits of all designated public utilities. It is intended that the conduct of these audits will inform the rate fixing process and, more importantly, evaluate whether services are being provided efficiently and effectively.

Regulation of public utilities is necessary because of market failure. It is therefore a substitute for competition and consequently its goals should be directed, as far as practicable, to achieving such results that would normally be evident in a free market setting. The Government is of the opinion that "regulation should seek to ensure that public utilities are so managed that they provide adequate and safe services in their market area to all customers on equal terms at 'just and reasonable' prices."

Previously the PUC was primarily concerned with fixing rates for public utilities. This was done by conducting rate hearings and the mechanism used was the Strict Rate Base/Rate of Return. This system provided little incentive for cost reduction and efficiency as there was little or no reward for minimising costs. The new approach emphasises the undertaking of studies in economy and efficiency and utilises a formula approach for setting rates. Consequently, the regulatory machinery will be simple and the time and cost of rate hearings will be avoided.

2.5 Contracting out of services

Increasing emphasis is being placed on service delivery and one of the means identified for improving service delivery is the contracting out of services. The Regional Health Authorities Act 1994 provides for the decentralisation of the Health Services. The Ministry of Health will no longer run health services directly. These services will be provided by five Regional Health Authorities. Annual service contracts will be negotiated with each region, specifying type and volume of service to be provided. The Ministry of Health will ensure that these services are provided efficiently and effectively by means of end-of-year performance reviews.

The context for change

It is recognised that the contracting out of services is a measure which can ensure that services are provided more effectively and efficiently. High costs, unreliability of supply and a lack of professionalism, as is evident in the present in-house system of providing janitorial services, are among the factors which would influence the decision of an agency manager to contract out services.

Implementing change

Ministries/departments have been asked to examine the services that they provide in the context of their strategic objectives with a view to identifying those services which should be discontinued. In addition, it has been indicated that agencies should apply the principles of activity-based costing in determining the cost of the services they provide. In the call circular for the 1995 Estimates of Expenditure and Revenue, ministries/departments have been required to cost at least two programmes. This measure is intended to strengthen the linkage between the strategic plans and the budgetary estimates. However, it will also provide costing information which will be useful in determining whether a service might be more effectively provided by an external agency. Services already contracted out include:

- maintenance services for new police stations (such services are to be phased out in all police stations);
- security services at the Inland Revenue Division, the VAT Administration Office and the District Revenue Offices;
- security services at the post offices and mail delivery between Piarco Airport and the General Post Office.

The sequence of activities is as follows:

- (i) prepare agency's strategic plan;
- (ii) apply the principles of activity-based costing to the agency's operations;
- (iii) identify those services that can be contracted out, based on the agency's strategic objectives and cost information data.

2.6 Redundancy management

The context for change

With the introduction of new human resource management structures in the public service, public sector organisations will have increased responsibility for their human resource management functions, including human resource planning. Effective human resource planning will result in strategies for staffing the organisation. In those instances where surpluses are identified, one of the approaches may be separation of workers. This process will allow for effective planning and implementation of such measures.

The following initiatives have resulted in the separation of workers:

- the rationalisation of the developmental agencies which fell under the Ministry of Trade, Industry and Tourism;
- the re-organisation of the Public Utilities Commission (referred to under Section 2.4);
- re-structuring at the Public Service Transport Company (PSTC), whereby the 1,500 workforce was reduced by 84.6 per cent to 230 by way of an enhanced voluntary separation package;
- early retirement and voluntary separation programmes for daily paid workers, whereby a total of 26,000 workers was reduced by 15 per cent to 22,000. Of these, 40 per cent took early retirement and 60 per cent accepted voluntary separation programmes.

Implementing change

Separation from an organisation is traumatic both for the individual and the organisation. Proper management of separation exercises is important to minimise the traumatic effects on both parties. Essential elements of such an exercise are:

- *communication* to counteract suspicion and distrust;
- *keeping staff informed* of developments and receiving feedback on the proposed changes can inform management's strategies for implementing the changes;

- proper *preparation of staff* for the separation (both those who will be leaving and those who remain) to show concern for employees and the continued life of the organisation.

The key principles of redundancy management are:

- (i) The strategic planning exercise is critical for ensuring organisational relevancy. The involvement of the political directorate in this process ensures consistency with policy directions.
- (ii) Develop strategies to ensure communication flows are established and maintained throughout the transition.
- (iii) Develop strategies for dealing with the unions. The unions should be involved from the very beginning of the process.
- (iv) Undertake a needs survey of those persons who will be separated to determine the mix of programmes that should be offered.
- (v) Conduct separation workshops for staff which deal with letting go of the past and visioning for self. Other programmes that should be offered might include personal counselling; financial counselling; training and re-training; and entrepreneurial development.
- (vi) Proper planning and preparation to ensure that severance benefits are paid on time.

2.7 Strengthening anti-corruption measures

Ethics and accountability are major issues which need to be addressed by any democratic government wishing to ensure the trust of its citizens in its stewardship. Consequently, the creation of an environment which promotes integrity is of paramount importance to any administration.

The Service Commissions are responsible for disciplinary procedures and in this regard are guided by the Service Regulations. In the case of the Fire, Prisons and Police Services, the Regulations include a Code of Conduct. The Code of Conduct prohibits activities outside the service and the acceptance of gifts and rewards. The Code also clearly identifies what are regarded as corrupt practices. The Civil Service however has no Code of Conduct and consequently the interest of the employer predominates and such acts of misconduct are regarded as a breach of the public servant's implied terms of employment. In addition, there is the Integrity in Public Life Act No. 8 of 1987 which requires persons in public life to declare their financial affairs. Members of the House of Representatives, Ministers of Government, Parliamentary Secretaries, Permanent Secretaries and Chief Technical Officers are required to file a declaration of income, assets and liabilities annually with the Integrity Commission. It should be noted that corruption is also a breach of criminal law.

Notwithstanding the legislative measures outlined above, a preventive measure is the creation of an organisational climate which produces members of high integrity and professionalism and contributes towards the development of the full potential of the members of the organisation. Such a climate would greatly reduce the incidence of corruption. The Government, through its Human Resource Management Philosophy and Policy Framework, has indicated its commitment to the creation of this type of working environment throughout the public service. Top management has a critical role to play in the creation of such an environment.

2.8 Introducing comprehensive audits

The traditional role of auditing in Trinidad and Tobago, and indeed worldwide, has been the conduct of regularity audits, embracing all aspects of compliance with laws and regulations and of financial accountability. More recently however, information is also being sought on whether government activities are achieving the purpose for which they were established and whether they are doing so economically, efficiently and effectively. Consequently, auditors are increasingly being called upon to perform audits that go beyond the traditional determination of whether funds were spent in accordance with legal and financial requirements. This new audit, sometimes called Performance Auditing or Comprehensive Auditing, seeks to determine whether monies were used in an economic manner and whether programme results were achieved.

The Auditor General's Department recognised the need for Comprehensive Auditing several years ago and introduced a limited form of efficiency auditing during 1972. Reports on these audits were included in the Report of the Auditor General on the accounts of government departments and agencies which were submitted to Parliament. A further step was made in 1986 when the Department established a Comprehensive Auditing Division and introduced full comprehensive auditing procedures in its work programme. To date, eight such audits have been undertaken. The strategic plan of the Auditor General's Department 1993 – 1997 identifies increased conduct of comprehensive audits as one of its strategic objectives.

In addition to the above, training was undertaken in the area of management auditing. In 1993, seventy persons were trained to conduct management audits and eight were trained as trainers. This programme was part of an Institutional Strengthening Programme to improve the Government's effectiveness in the area of Computerisation and Management Services. The participants have conducted a practical assignment in the Judiciary/Magistracy to assess that organisation's administrative machinery.

The context for change

As indicated previously, the use of comprehensive auditing in the public sector enhances public accountability. It gives the taxpayer the assurance that public funds are being properly accounted for and that programmes are being economically and efficiently operated. It is also a business management tool which seeks to appraise and improve management methods and performance. It assists managers by providing them with an independent and systematic examination of how well their

operations are being planned, conducted and controlled. It identifies major deficiencies in management practices and controls. Such an audit provides recommendations on how to achieve better value for money in the future. It has been found that the close working relationship that comprehensive auditing requires between the auditor and the entity's managers and staff improves communication by helping top management to understand better the organisation's operations and provides lower management levels with a useful channel for communication to the top.

Implementing change

Increased conduct of comprehensive auditing in the public service requires proper planning and preparation. It would be impossible to subject all agencies to comprehensive auditing annually because of limited availability of qualified personnel and limited financial and other resources. A plan should be worked out whereby over a given period of time all agencies would be subjected to this type of audit. The parliamentary term in Trinidad and Tobago is normally five years and so the suggested time frame is five years, thereby ensuring that all entities would be audited at least once in a parliamentary term.

In scheduling the audits, the Auditor General's Department should take into account knowledge and experience gained from doing financial audits of the entities. Other criteria for determining priority would be:

- parliamentary concern;
- public concern as expressed in media comment;
- potential for savings or improved quality of service; and
- value and significance of programmes and projects.

Plans should be formulated both for the long-term (five years), and the short-term, or current fiscal year. The next step is to identify the number, size and mix of audit teams required for the current financial year. It must be noted that comprehensive audits can take one to two years to complete.

Throughout the audit, emphasis must be placed on co-operative efforts and interaction between client and auditor. In addition, the establishment of Audit Advisory Committees are essential for the successful implementation of comprehensive auditing, providing a sensitive and strategic steer. A Committee should be established for each comprehensive audit and its membership should be knowledgeable in the operations of the auditee and should include outside experts.

Since the Committees are to provide technical and policy advice to the audit team, it is important that they be involved at all stages of the audit, especially at specific control points.

Contracting the required skills from outside the Department would address the problem of limited availability of qualified personnel within government.

The Auditor General is statutorily required to report annually on the accounts of departments, statutory boards and public enterprises. Some change must take place to allow the Auditor General to undertake more comprehensive audits. There is a need for legislation which would give the Auditor General's Department a clear mandate to perform comprehensive audits. In addition to legislative changes, the internal audit function in ministries/departments needs to be strengthened.

There is some difficulty in determining satisfactory levels of management performance; standards need to be established. However, initiatives in the areas of strategic planning and performance management will facilitate this type of evaluation.

2.9 Strengthening records management

Records Management in the Public Service is presently controlled and managed manually. The present system provides the following functions:

- registration and indexing of records (letters, memos, reports, files etc.);
- cross referencing;
- tracking the physical movement of records; and
- retention and disposal scheduling.

The National Information Systems Centre (NISC) developed a software application which can perform some of the functions outlined above. This Registry Information System (RIS) is limited in that it is designed for single user use. It has been installed in twenty-six ministries/departments.

The divisions within the Office of the Prime Minister have been selected to participate in a pilot introduction of an Electronic Mail and Records Management Information System. Such a system would, in addition to the above functions, provide increased search and retrieval capabilities and allow for the electronic transfer of records.

The context for change

Proper management and control of information is essential to facilitate decision making at all levels of an organisation. Timeliness of information flow and retrieval will influence efficiency and effectiveness of the organisation. Information is a resource and like any other organisational resource it should be linked to the organisation's goals and objectives. Consequently, in moving from a manual record management system to an automated system, the organisation's information systems strategy must be informed by its business strategy.

Implementing change

The following issues need to be addressed in determining a suitable application for information management:

- What information does the organisation need to achieve its strategic goals and objectives ?
- How do people need to use information to do their work properly ?
- How should information flow inside the organisation and between the organisation and the outside world ?
- What are the organisation's information resources ?

Improvements in strategic records management are planned which will:

- integrate the management of documents, files and records with the management of data processing and management of information systems;
- streamline information flows within the organisation; and
- encourage and empower staff to upgrade their skills in handling recorded information.