

BUDGET COMMITTEE
October 2004 Session (on 18-22 october 2004)

EXTRACTS ON PERFORMANCE INDICATORS

Extracts of the meeting report (CM(2004)192)

Presentation (points 22-27)

In recognition of the fact that the change in presentation of the draft budget under a Results Based Budgeting format meant that the focus of the budget was now on the achievement of results and the measurement of the attainment of those results, the Committee had invited the budget holders from all administrative units of the Organisation to attend its meeting in order to present their first draft budgets under the Results Based Budgeting format.

Whilst welcoming and recognising the huge steps that the Organisation had taken in introducing Results Based Budgeting to the whole of the Ordinary Budget and the Partial Agreements, in accordance with its recommendations, the Committee noted certain areas where improvements could be made in Objective Setting and the definition of Performance Indicators.

The Committee noted that, in many Logframes, Performance Indicators were not sufficiently well quantified and that this was an area that must be improved for coming years. This aspect should also be integrated in the reports on the implementation of the 2005 budget. The Committee stressed that in order to be able to measure results it was important to have benchmark figures against which to draw conclusions regarding performance or indeed the level of appropriations required to achieve expected results. The Committee highlighted that non-achievement against certain performance indicators should not always be regarded negatively but that the importance of Results Based Budgeting was that it obliged budget holders to critically analyse results in a given financial year and report on their achievement or non-achievement. Formal reporting on the results would give budget holders the opportunity to provide details of variances between objectives and actual results and how these may be brought in line in future years.

Whilst the Committee did not examine in detail the Logframes contained within the Programme of Activities (Vote II), it felt that its general remarks regarding the definition of expected results and Performance Indicators applied equally to the Programme of Activities.

The Committee requested the Secretariat to take note of all the specific comments which it made on the content of individual Logframes in order that these could be taken into account when the 2006 draft budget document was being prepared.

The Committee questioned the indicator appearing in all of the Logframes stating that "99% of financial resources are utilised in financial year". Whilst recognising that this performance indicator is quantified, the Committee draws attention to the fact that there is not necessarily a correlation between the fact that 99% of the allocations have been consumed and that the expected results achieved. The Committee expects Directorates to put more emphasis on the achievement of expected results in the most efficient manner.

Extracts from the Minutes (P-BUD(2004)CR3)

2005 budget – Protocol

The Chairman stated that he would like the performance indicators to be quantified, so as to have a starting point for making assessments. He noted that Protocol's current statistics should be shown in the performance indicators (points 16 – 17).

The Chairman wanted the number of receptions to be indicated. The aim was to enable subsequent comparison of estimated and actual figures and to explain any variances. When examining future budgets, the Budget Committee intended to verify whether the expected results had been attained and to seek explanations for any differences noted (point 19).

The Chairman would like the performance indicators to be quantified in the 2006 budget, including the average number of visits and visa applications and time-limits for payment of bills (point 22).

2005 budget – DG III Social Cohesion and Partial Agreement in the Social and Public Health Field

The Chairman wanted the performance indicators relating to the activity concerning people with disabilities to be quantified (number of pilot projects) so as to enable comparison of objectives and results attained (point 25).

The Chairman saw no need for detailed discussion by the Committee of the logframes included in the programme of activities. He merely pointed out that the performance indicators must be quantified to permit assessments (point 28).

2005 budget – Vote II and Directorate of Strategic Planning

The Chairman pointed out that for assessment purposes the prime need was to analyse variances, verify whether the objectives had been attained and explain differences between estimated and actual results (point 33).

2005 budget – Directorate General of Political Affairs

Regarding performance indicators, the Chairman firstly wanted the descriptions to be far more precise and, secondly, would like the indicators to be quantified by stating amounts or percentages (number of meetings of the Liaison Committee, significant number of parliamentarians) to enable subsequent assessment (point 38).

2005 budget – Directorate General of Legal Affairs

One Committee member thought the performance indicators should be reworded and quantified and should specify a time-frame. He pointed out that the aim was not to list activities, but to set quantifiable objectives with a view to subsequent assessment of their attainment (point 45).

2005 budget – Directorate of Communication

The Chairman noted that the performance indicators answered the Committee's expectations; amounts and percentages were shown, which would enable an assessment to be performed when next year's budget was examined (point 46).

The Committee suggested that statistics on the quantities of information transmitted to journalists might be produced on a quarterly basis, for example, and could be subject to regular reviews, which would serve as a basis for drawing up the next budget (point 48).

2005 budget – Committee of Ministers

The Chairman noted that the information provided in the logframes was clear and the indicators were quantified. The Committee nonetheless recommended that information in the Committee of Ministers' possession be included in the performance indicators (point 49).

It also suggested that the statistics kept by the Committee of Ministers and transmitted to the Committee at the meeting should be appended to the budget on a regular basis (point 50).

2005 budget – Congress of Local and Regional Authorities of the Council of Europe

The Chairman wanted all the performance indicators to be quantified, so as to enable comparison of objectives set and results attained (point 55).

2005 budget – Directorate General of Education, Culture and Heritage, Youth and Sport

European Youth Centres – the performance indicators must be quantified (number of candidates, activities and participants) so as to permit comparisons for assessment purposes (point 64).

2005 budget – Parliamentary Assembly

It was difficult to quantify the performance indicators, since, to cite but one example, the volume of amendments debated by the Assembly did not depend on the secretariat. Nonetheless, since the secretariat had statistics available for the last ten years, the Committee considered that those statistics could serve as a basis for quantifying the indicators and thereby enable comparisons at the assessment stage. This would make it possible to show the workload incumbent on the Assembly secretariat (point 70).

2005 budget – Vote VI – Directorate General of Administration and Logistics and Medium-Term Investment Plan

Finance Directorate

The Committee noted that due payment of suppliers also depended on the efficient, proper processing of invoices by the administrative unit which had concluded the supply contract. It recommended that, in future, in line with the decentralised financial management principle, all administrative units should include among their expected results a deadline for processing supplier payments, so that the entire invoice settlement system would be covered by both expected results and performance indicators (point 111).

2005 budget – Directorate of Human Rights

With regard to the quantification of performance indicators, as requested by the Committee, of course there are imperfections in the 2005 logframes, but it must be pointed out that this approach entailed a change of culture for the Organisation and that the documents would gradually become more in line with reality and give a better idea than before of the progress being made. Nonetheless the Committee's attention is drawn to the fact that the subject-matter dealt with by certain sectors could make for difficulties in the precise determination of both objectives and indicators. The Human Rights Directorate was aware that the presentation must be refined, but emphasises that an important point to be borne in mind was that some programmes lasted two, three or four years, and it was accordingly difficult to take stock of the situation year by year with a view to making an annual assessment (point 159).

The Chairman said it was true that some programmes covered a number of years, but in that case an approximate calculation of annual progress in attaining objectives, expressed as a percentage, could be made. He said that where it was possible to quantify the indicators, this should be done, and the assessment report would then take on full significance, as it would be a matter of comparing the results attained with the objectives set (point 160).