



Changing the Mindset of the Administration: Presenting the World Bank Engagement on Shared Services with the Administration of the Council of Ministers

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Sofia, Bulgaria



SHARED SERVICES FOR PUBLIC ADMINISTRATION

What is it?

- Consolidating business processes, moving people, technology and assets from different units to serve the whole organization by sharing resources, data and expenses for doing business.
- Areas usually covered: ICT, HRM, FM, property management, procurement

What are the benefits?

- Reduce costs
- Standardize processes
- Improve service delivery
- Shifts focus to core functions
- Optimizes resources, data, transparency, and openness
- Professionalizes the function

Who else is doing it?

- United Kingdom
- Ireland
- Canada
- USA
- New Zealand
- Denmark
- Finland
- Estonia
- Malta
- The Netherlands

SHARED SERVICES IN BULGARIA'S ADMINISTRATION

- To have a more efficient and modern public administration by introducing the latest technologies and organizational practices;
- To deliver high quality administrative support services in information and communication technology, human resource management, finance and accounting and property asset management.
- To move towards a government-wide system for shared services delivery without causing undue disruption of day-to-day Government functions.
- Directorate “Modernization of the Administration”, part of the Administration of the Council of Ministers provided leadership and guidance, while the Ministry of Health and the Bulgarian Food Safety Agency piloted the shared services model.

SHARED SERVICES PROJECT

Baseline Diagnostic

- Conducting surveys and gathering data
- Analysis of legal and procedural arrangements
- Review of international experience regarding the frameworks, processes and institutional arrangements

Support pilot implementation

- Designing most suitable shared services model for Bulgaria
- Establishing the shared services units
- Supporting capacity building activities to ensure sustainability

Methodological framework

- The methodology was piloted in the Ministry of Health and the Bulgarian Food Safety Agency
- Designing mechanism and indicators for performance management

Monitoring and evaluation

- Introducing M&E system to track implementation and allow feedback to refine strategies during implementation

INFORMATION AND COMMUNICATION TECHNOLOGY

Observations on ICT environment:

- Strong foundation for e-government in place
- Hardware investment focused
- Fragmented e-initiatives & lack of architectural framework
- Lack of disaster recovery
- Uneven information security
- Moving from building to services provisioning

Survey data on IT Units:

- Mostly small teams (1-5 people)
- Work primarily on desktop management and end-user support
- Information security is a top priority
- Receptive towards cloud computing
- Open to shared services

HUMAN RESOURCE MANAGEMENT

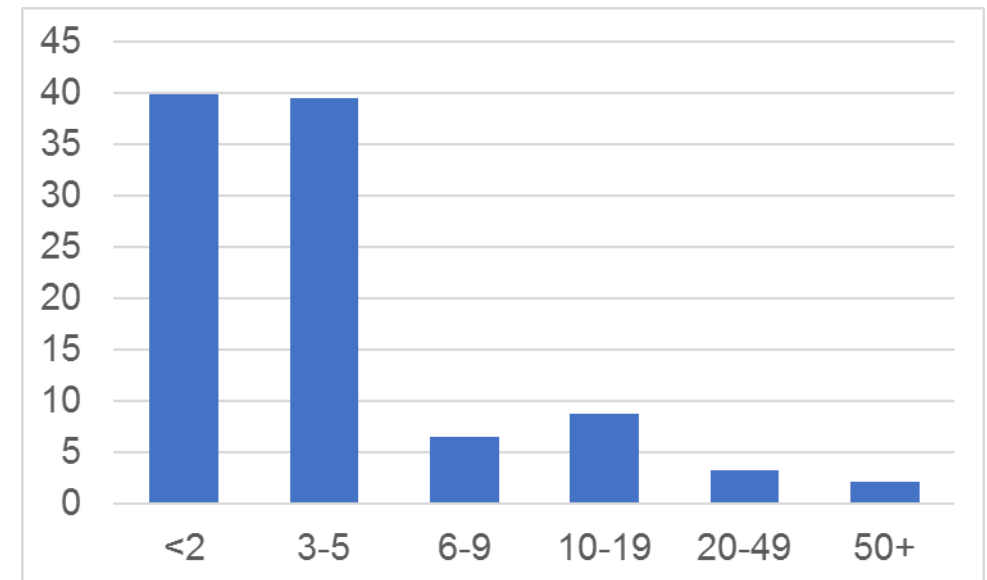
- High-level of decentralization of the HRM function in the public administration
- High share of HRM staff in smaller secondary administrations
- Different HRM rules and procedures at primary and secondary level
- **Government incurs high costs to support HRM function:**
 - In Bulgaria one HR expert serves 50 employees; in Estonia one HR expert calculates the salaries for 1083 employees;
 - Efficiency is low: 40% of staff process HRM tasks manually;
 - More than 10 different HRM information systems are used: all funded by the state budget, despite the roll out of the central HRM system – EISUCHRDA – and lack of integration with payroll or document management systems
- **Lack of consolidation of HRM and payroll information weakens administrative controls.**

FINANCIAL MANAGEMENT

- Many small FM units with limited opportunities;
- Highly fragmented IT-systems - separate systems for individual FM sub-functions with only limited integration or interfaces;
- Centralized accounting policies and standards and uniform use of accounting systems within ministries (73%)
- Potential for cost savings with significant increase in the quality of service through shared services
- No common information system for FM - using desktop-based programs connected through exchange servers

Almost 80 % of FM units have 5 staff or less for full range of FM functions

Distribution of FM units by staff size categories (% of total)



Source: Survey of Administrative units, World Bank 2017

PROPERTY MANAGEMENT

- Review of 115 recreational facilities, subsidized by government as they serve as places for social cohesion among to public administration staff and their families.
- Facilities are not self-sustainable and there are no incentives for efficient operation and revenue generation.
- The management of most recreational facilities is fragmented and there is no uniform model.
- There are good property management models in Bulgaria, however only few of the facilities are centrally managed, which impacts negatively monitoring and control functions.
- Current framework does not incentivize to improve efficiency of operations and generate revenue – administrations are burdened with operating costs but all revenues generated in the process are transferred to the state budget;
- Marketing of the facilities and their customer targeting is very limited or nonexistent

THANK YOU

