

The National School of Political and Administrative Studies
The Multidisciplinary Doctoral School
Doctoral Field of Administrative Sciences

DOCTORAL THESIS

Summary

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Bucharest, 2024

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**Institutional performance in public administration,
fundamental objective of external public audit
Summary**

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Summary

The doctoral thesis addresses the actions of public administration in accordance with the principles and values of the rule of law, highlighting the essential role of supreme audit institutions in evaluating the performance of the public sector. The work focuses on the issue of performance in the public sector, exploring both internal and external mechanisms for measuring, monitoring, and evaluating performance.

The relevance of the topic in the current context is evident, given the significant impact that public administration, and implicitly its performance level, has on social welfare. Institutional performance directly influences public services and the quality of citizens' lives, and evaluating and improving it is essential for enhancing social welfare and meeting community needs.

The relevance of the topic for administrative sciences is clearly manifested through the addressed issues, with the primary goal of identifying effective solutions for optimizing the efficiency, effectiveness, and accountability of public entities in Romania.

In the current context of rapid technological development and increasing data volumes, public administration in Romania faces the need to adopt innovative methods to enhance its efficiency and performance. This research explores the hypothesis that integrating advanced data analysis models into administrative processes can yield substantial benefits in terms of operational and decision-making efficiency. By adopting these emerging technologies, Romanian public administration can not only optimize its internal processes but also align with global trends towards modernization and digitalization, thereby promoting more transparent, accountable, and effective governance.

The novelty of this work lies in both the systematic and focused approach to the issue of public institutional performance in Romania within a single, dedicated study (with financial aspects also covered in other published works), and the methodological approach used, which focuses on exploring and applying advanced models and tools for institutional performance evaluation, such as data analysis, benchmarking, and quantitative analysis methods. This approach, which can be considered innovative for the research on public sector issues in Romania as well as for administrative practice (where top management can apply the solutions proposed/generated), can contribute to the development of knowledge, tools, and practices in public administration, offering new and relevant perspectives for improving public governance and management.

Our research proposes an innovative model for evaluating the performance of public entities in Romania through the use of advanced data analysis models. These models offer a systematic and rigorous approach to performance evaluation, based on a detailed analysis of relevant information and indicators. By applying these models, we can gain a deeper understanding of the factors that influence the performance of public administration entities and identify potential areas for improvement. Thus, our proposed model represents a modern and efficient approach to performance evaluation in the public sector in Romania.

The thesis integrates an evaluation of the performance of public administration institutions in Romania, using advanced data analysis models and internal benchmarking. Additionally, we aimed to identify perspectives on the use of advanced models for measuring and evaluating institutional performance, in light of the transition to the digital environment and Artificial Intelligence, which are priority objectives of the European Union.

The central question of the research is: How can institutional performance in public administration be evaluated, and how can sources of inefficiency be identified in order to overall enhance governmental efficiency? To address this issue, the doctoral thesis is structured around specific research questions aimed at achieving the established objectives.

In conducting the research, we aimed to achieve the following three general objectives:

- 1) Investigating and establishing the role of institutional performance in a society based on the fundamental values of the rule of law.
- 2) Identifying and explaining the mechanisms used to assess performance at the level of public administration entities in Romania.
- 3) Evaluating the institutional performance of public administration entities through the application and use of advanced analysis models.

To achieve the established general objectives, we have defined specific objectives within each general objective.

From a methodological perspective, in exploring the mechanisms for evaluating institutional performance, it was essential to begin with an analysis of the current state of knowledge in the field. This approach involved investigating and reviewing previous research, specialized literature, and existing practices. By identifying and synthesizing this information, we achieved a solid understanding of the context and the foundations on which institutional performance evaluation is based. In this process, we examined various theoretical perspectives and

methodologies used in evaluating institutional performance and identified existing controversies in current approaches. As we progressed in the academic journey, we developed a broader and deeper vision of the concepts and mechanisms of institutional performance evaluation and how they can contribute to enhancing the effectiveness of public organizations. In this regard, we adopted a mixed methodology, combining qualitative and quantitative methods, applied distinctly to achieve the research objectives.

The qualitative methods applied in this research included a literature review to identify and critically assess relevant sources, documentary analysis of reports from public institutions and international bodies, as well as case studies to explore the internal mechanisms for evaluating the institutional performance of public entities in Romania. Additionally, we employed comparative analysis to examine and compare performance evaluation approaches and practices implemented by supreme audit institutions across Europe. The comparative analysis involved ten audit institutions and was based on five clearly defined and well-argued criteria, with the aim of examining the role of external public audit in ensuring adherence to the core values and principles of the rule of law.

The quantitative methods applied in this research included the use of Data Envelopment Analysis (DEA), a robust technique for evaluating the relative performance of entities. The DEA method allowed us to assess efficiency and identify specific inefficiencies by comparing 42 similar units in the field of social assistance. The application of DEA, innovative for evaluating the performance of public entities in Romania, alongside OSINT (Open-Source Intelligence) techniques, provided essential data about activities conducted over a specific period, enabling the identification of best practices in resource management and highlighting potential risk areas in the activities of the analyzed entities.

The research provided us with insights into the external mechanisms used for performance evaluation in Romania's public administration. In this regard, we analyzed the contribution of international organizations to the development of public sector performance, including assessments and analyses conducted by the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), and the World Bank.

Our analysis also covered performance evaluations in the public sector conducted by civil society. Through the studied examples, we observed the active involvement of civil society in Romania and its contribution to identifying issues and promoting more effective governance. The

role of watchdog and guardian of public interests assigned to civil society organizations underscores their significant importance in maintaining a healthy balance between government institutions and citizens.

The research also included a detailed analysis of the history of external public audit in Romania and the Court of Accounts' experience in auditing public sector performance. International experts recommended strengthening the performance audit process by setting clear objectives and focusing on the implementation of audit recommendations.

The scientific approach revealed insights into the influence of supreme audit institutions on ensuring performance within public administration and their key roles in this process. Comparative analysis highlighted the importance of external public audit in ensuring adherence to financial and administrative principles and norms. Supreme audit institutions play a fundamental role in promoting good governance and transparency in public administration, contributing to the principles of legality and efficiency in public sector activities.

Last but not least, the research yielded significant results through the implementation of a valuable tool for evaluating the performance of public administration entities in Romania. The use of the DEA tool provided relevant information about the outcomes of activities conducted within public entities over a given period, leading to conclusions about best practices in resource utilization and the identification of potential risk areas in these entities' activities. It can be considered both an internal and external tool for assessing institutional performance.

Furthermore, the research highlights that the prospects for using advanced models to measure and evaluate institutional performance are promising and full of opportunities. These models offer enhanced analytical capabilities and a deeper understanding of organizational performance, facilitating more effective decision-making. By using these models, institutions can gain a clearer perspective on their strengths and weaknesses, identifying areas that need improvement and optimization. Additionally, advanced data analysis models enable performance comparison with other similar entities, contributing to the adoption of best practices and increased effectiveness.

The limitations of this study are determined by the constraints associated with the tool used, the DEA model, as well as by the fact that the analysis also included data obtained from practitioners and representatives of entities in the social assistance field regarding the quantification of efforts involved in managing and disbursing social benefits.

The scientific approach offers proposals for improving the external public audit activity in Romania by identifying best practices used by supreme audit institutions across Europe. This facilitates the transfer of valuable knowledge and experience in the field of auditing, contributing to the optimization of the process and the promotion of performance in external public auditing in the country. The proposals focus on adopting and adapting the most effective and relevant approaches, methodologies, and audit standards, in line with the specific context of Romania.

Following the analysis of audit reports, one of the proposed advancements is the implementation of horizontal auditing, which involves multiple public institutions for evaluating performance in a specific field. This approach allows for a more comprehensive and integrated examination of activities conducted by various entities within the same domain, identifying potential synergies and opportunities for improving resource management and achieving common objectives.

Additionally, conducting environmental audits and other types of audits could provide periodic evaluations of compliance with commitments made under international agreements concerning areas such as environmental protection, waste management, or air quality.

Expanding the range of audit types beyond the standard ones conducted by the Court of Accounts of Romania could enhance the impact of recommendations and lead to a more effective external public audit activity. The impact refers to the effects and influence that the supreme audit institution has on public entities, decision-makers, and society at large. Additionally, the Court of Accounts of Romania can play a significant role in influencing legislative changes and public policies through its audit reports and recommendations. Furthermore, increasing the impact of these audit reports can be reflected in the institution's reputation and public trust.

Another relevant recommendation for ensuring the independence of Romania's supreme audit institution pertains to the method of appointing its leadership. We propose that the appointment process be conducted through a competitive and transparent selection framework, with well-defined qualification criteria and avoiding any form of direct political influence. This approach could contribute to ensuring a more politically independent and objective leadership for the Court of Accounts of Romania.

The DEA model could be used to establish a continuous performance monitoring system at the level of public administration entities in Romania. This system could include the

development and implementation of effective tools and methods for collecting, recording, and analyzing relevant data regarding the activities and results of each public sector entity.

Through this system, real-time or periodically scheduled performance monitoring could be achieved, along with the rapid identification and prompt addressing of issues and deficiencies, as well as providing feedback and guidance for continuous improvement of activities within public administration. This process would contribute to optimizing efficiency and effectiveness in policy implementation and public services, facilitating rapid adaptation to environmental changes and social needs.

Another proposal is to implement this tool within central public administration structures to evaluate and compare the performance of subordinate units. By utilizing this tool at the central administration level, authorities could monitor and assess the performance of subordinate units, identifying best practices, trends, and areas for improvement within these entities.

This evaluation and comparison among subordinate units could facilitate efficient resource management and strategic planning at the central level, allowing for proper allocation of funds and the identification of best practices to be replicated and implemented on a larger scale. Therefore, the use of this analytical tool could contribute to increased efficiency and effectiveness in public administration, ensuring optimal resource management and high-quality services for citizens. Additionally, it is important to note that the DEA model can be applied in various fields such as economics, management, healthcare, education, and others, and utilizing public data for evaluation could become a practice that provides insights into the efficiency of public administration entities.

Finally, an important proposal is to apply the DEA model in performance auditing. By utilizing this model, auditors can assess the efficiency and performance of various entities and processes within public administration, identifying areas of inefficiency and improvement. This approach could provide an objective and comparative perspective on organizational performance and offer valuable recommendations for optimizing resource use and enhancing public services. By integrating the DEA model into the auditing process, public administration could benefit from a more rigorous and systematic approach to performance evaluation and continuous improvement of its activities.

Utilizing DEA in public auditing offers a solid and rigorous method for identifying risk areas and potential deficiencies in the activities conducted by public administration entities in Romania. DEA enables auditors to identify inefficient entities or those with significant risks,

thereby providing an objective basis for prioritizing audit resources and developing effective intervention strategies. This analytical approach contributes to enhancing the effectiveness of the public auditing process and improving transparency and accountability in the management of public resources.

In conclusion, the research has validated the hypothesis that adapting to technological changes, through the use of advanced data analysis models at the level of public administration in Romania, can bring significant improvements in administrative efficiency. This approach supports the alignment of public entities in Romania with modern trends in public sector development. Utilizing advanced models for measuring and evaluating institutional performance represents a valuable tool for effective and results-oriented management of public entities in a constantly changing environment, with its applicability in public institutions for evaluating specific performance elements being supported by the results obtained from the case studies conducted.