

Assessing performance of complex organizations:

–the case of the Norwegian Labour and Welfare Services (NAV)

Seminar on Performance Audit ISSAI
Bonn, 4th/5th December 2013

Outline

- The Norwegian Labour and Welfare Administration – A brief introduction
- Audits of the entity – An overview
- Case presentation:
 - Planning the audit
 - Executing the plan
 - Presenting the findings – reporting
 - Follow-up – planning how to

The Norwegian Labour and Welfare Administration («NAV»)

- Administers 1/3 of the state budget (44,5 bn. €)
- 18 000 employees
- Represented in every municipality (428) and county (19)
- Administers more than 50 different benefits and a wide range of welfare services

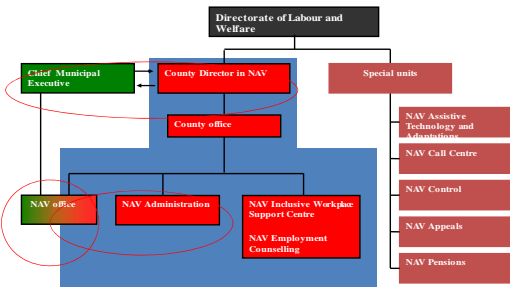


Audits of the entity

8 Performance Audits since 2007

- 3 related to specific benefits
- 3 related to specific goals
- 2 concerning the organisation and the efficiency of the organisation.
- In addition to annual financial audits.

NAV's organisation



Audits of organisational structures

The OAG's investigation into efficient utilisation of resources by the Norwegian Labour and Welfare Administration (NAV)
Document 3:10 (2011 - 2012)



The OAG's investigation into the partnership between the state and the municipalities in the Labour and Welfare Administration (NAV)
Document 3:16 (2011 - 2012)



Planning the audit – considerations

Developing the project idea in a pre-study

- Scope and design
 - Defining the issue to be audited
 - Perspectives - The three E's
 - Approaches – result, system and/or problem
 - Measurability
- Mandatory activities in the planning phase of our audits
 - Various tools for planning
 - Audit proposal and work plan as out-put

Planning the audit – considerations

- Triangulation of methods
 - Quantitative analysis
 - Productivity analysis – case load
 - Interviews
 - Document analysis
 - Case file study (not a success)
- Expected findings
 - Hypotheses formulation: Lack of goal achievement is caused by low and variable productivity. *Root cause to be found in various organisational factors in the counties.*

Executing the plan – Quantitative analysis

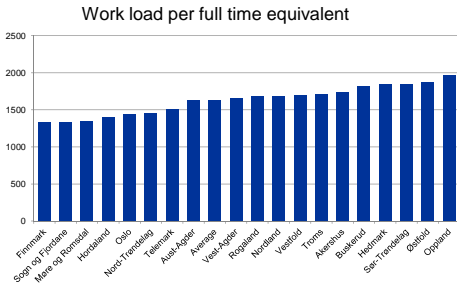
The quantitative analysis

- Productivity: Production/cost
- Production: cases handled

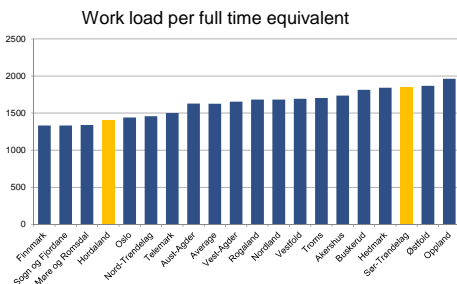
$$\text{weight } a = \frac{\% \text{ of time spent on benefit } a}{\% \text{ of benefits included in } a}$$

- Cost: number of man-years

Executing the plan – Quantitative analysis



Executing the plan – Quantitative analysis



Executing the plan – In-depth analysis

Trondheim, Sør-Trøndelag

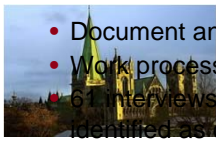


Bergen, Hordaland



Executing the plan – In-depth analysis

Trondheim, Sør-Trøndelag



- Document analysis
- Work process analysis of five benefits
- 61 interviews: Which factors could be identified as causes to differences in efficiency?

- All levels of employees – Staff and managers
- County director's office (2)
- County administration offices (4)
- Local offices (6)



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Executing the plan – In-depth analysis

- Differences in
 - Resultats before the NAV reform
 - Choices made for organisational model
 - Form of cooperation between offices
- Also
 - Expertise/competence -
 - Leadership/Management – continuity
 - Stability – in organisation and staff
 - Working environment and culture – collective vs. Us and them

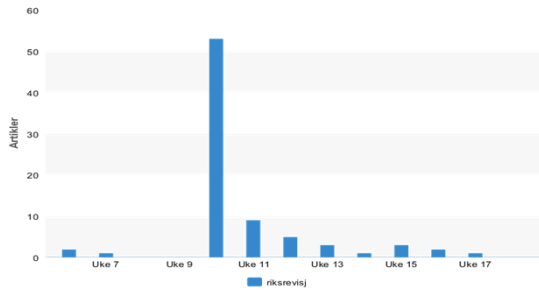
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Presenting the findings - reporting

- Building a persuasive argument
- Presenting the findings and conclusions to the ministry/ auditee
- Executive summary
- Submitting the executive summary to the minister
- Presenting the report to the PAC
- Press conference

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Presenting the findings - reporting



Follow – up – procedures

- The guidelines stipulate follow –ups to be conducted after three years
- The plan for the follow up is completed by the audit team
- Letter to the Ministry/ auditee
- The answer provides the foundation for deciding futher action

Thank you for your attention!

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