

Fiscal Control Management Indicators, Opportunities, and Challenges for Their Implementation: What Challenges Do Fiscal Control Bodies Face with Colombia's Access to the OECD?¹

Indicadores de gestión del control fiscal, oportunidades y desafíos para su implementación: ¿Qué desafíos enfrentan los órganos de control fiscal con el acceso de Colombia a la OCDE?

Indicadores de Gestão do Controle Fiscal, Oportunidades e Desafios para sua Implementação: Quais Desafios Enfrentam os Órgãos de Controle Fiscal com o Acesso da Colômbia à OCDE?

<https://doi.org/10.15332/25005375.9656>

[Artículos]

Recibido: 20/05/2023

Aceptado: 06/06/2023

María José Hernández Burbano²
José Lizardo Ortiz Cubillos³

¹ This manuscript derives from the Public Policy Observatory for Fiscal Control research project and the Research-Action Pact for the fight against corruption. It is funded by Colombia's Office of the Auditor General and Universidad Santo Tomás (Bogotá, Colombia) within the academic cooperation agreement 48/2018.

² Investigadora Junior (Minciencias). Abogada, Magíster en Derecho y Doctoranda en Derecho, Gobierno y Políticas Públicas. Funcionaria de la AGR e integrante del Observatorio de Política Pública del Control Fiscal. Correo electrónico: mjhernandez@auditoria.gov.co ORCID: <http://orcid.org/0000-0001-7495-4761>, Google Scholar: <https://scholar.google.com/citations?hl=es&user=wrYB3bQAAAAJ> CVLAC: https://scienti.minciencias.gov.co/cvlac/visualizador/generarCurriculoCv.do?cod_rh=0001094262

³ Investigador Junior (Minciencias). Administrador Público Especialista en Control Fiscal. Funcionario de la AGR e integrante del Observatorio de Política Pública del Control Fiscal. Correo electrónico: jlortiz@auditoria.gov.co ORCID: 0000-0002-6395-1415, Google Scholar: <https://scholar.google.com/citations?hl=es&user=wrYB3bQAAAAJ> CVLAC: https://scienti.minciencias.gov.co/cvlac/visualizador/generarCurriculoCv.do?cod_rh=0000170532

Citar como:

Hernández Burbano, M. J., & Ortiz Cubillos, J. L. Indicadores de gestión del control fiscal, oportunidades y desafíos para su implementación: ¿Qué desafíos enfrentan los órganos de control fiscal con el acceso de Colombia a la OCDE?. *IUSTA*, (59), 166–186. <https://doi.org/10.15332/25005375.9656>



Abstract

With the promulgation of Legislative Act 04/2019, whereby the fiscal control system in Colombia is reformed, and the issuance of Decree 403/2020, whereby its implementation is regulated, a great expectation has soared about the construction of a new vision of fiscal control and how its surveillance bodies must fulfill the commitments acquired by Colombia under its accession to the OECD. For this purpose, the main assumptions of the reform and the current constitutional postulates will be identified. This will serve as a normative scenario to explore the options and challenges of the reformed fiscal control regime regarding creating public value based on the implementation management indicators technique. The analysis and conceptual developments of the study intend to make a methodological contribution to the fiscal control bodies and to the National Government itself so that in implementing the reform, it incorporates a holistic view of the measurement of the control of the public sphere.

It is, in short, an invitation to reflect on the effectiveness of the instruments applied in the public sector, both regarding the measurement of impacts and the achievement of results in the country's development policies.

Keywords: fiscal control bodies, management indicators, fiscal control, public value, OECD.

Resumen

Con la promulgación del Acto Legislativo 04/2019, mediante el cual se reforma el sistema de control fiscal en Colombia, y la expedición del Decreto 403/2020, mediante el cual se regula su implementación, ha surgido una gran expectativa sobre la construcción de una nueva visión del control fiscal y cómo deben cumplir los órganos de vigilancia los compromisos adquiridos por Colombia al acceder a la OCDE. Con este fin, se identificarán los principales supuestos de la reforma y los postulados constitucionales actuales. Esto servirá como escenario normativo para explorar las opciones y desafíos del régimen de control fiscal reformado, en cuanto a la creación de valor público basada en la técnica de indicadores de gestión. El análisis y los desarrollos conceptuales del estudio pretenden hacer una contribución metodológica a los órganos de control fiscal y al propio Gobierno

Nacional para que, al implementar la reforma, incorpore una visión holística de la medición del control de la esfera pública. En resumen, el artículo es una invitación a reflexionar sobre la efectividad de los instrumentos aplicados en el sector público, tanto en lo que respecta a la medición de impactos como al logro de resultados en las políticas de desarrollo del país.

Keywords: órganos de control fiscal, indicadores de gestión, control fiscal, valor público, OCDE.

Resumo

Com a promulgação do Ato Legislativo 04/2019, pelo qual o sistema de controle fiscal na Colômbia é reformado, e a emissão do Decreto 403/2020, que regula sua implementação, uma grande expectativa surgiu sobre a construção de uma nova visão do controle fiscal e como seus órgãos de supervisão devem cumprir os compromissos adquiridos pela Colômbia em sua adesão à OCDE. Para esse fim, os principais pressupostos da reforma e os postulados constitucionais atuais serão identificados. Isso servirá como cenário normativo para explorar as opções e desafios do regime de controle fiscal reformado no que diz respeito à criação de valor público com base na técnica de indicadores de gestão. A análise e os desenvolvimentos conceituais do estudo pretendem fazer uma contribuição metodológica aos órgãos de controle fiscal e ao próprio Governo Nacional para que, ao implementar a reforma, incorpore uma visão holística da medição do controle da esfera pública.

Em suma, é um convite para refletir sobre a eficácia dos instrumentos aplicados no setor público, tanto em relação à medição de impactos quanto ao alcance de resultados nas políticas de desenvolvimento do país.

Palavras-chave: órgãos de controle fiscal, indicadores de gestão, controle fiscal, valor público, OCDE.

Introduction

This research article produced by the Public Policy Observatory for Fiscal Control of Colombia's Office of the Auditor General aims to invite the reflection on the use of management indicators in the surveillance work of fiscal control bodies in Colombia under a new scenario: the accession of Colombia to the Organization for Economic Cooperation and Development (OECD).

As this represents an actual and direct possibility of incorporating good practices from member countries in matters of public governance and economic, social, and environmental development policies, the following question arises: Are fiscal control bodies prepared to act in this new scenario,

mainly to evaluate the impact and results of the public resources used by the subjects of fiscal control?

This approach appeals to the normative background in Sections 343 and 344 of the Constitution of Colombia of 1991 about monitoring public investment and administrative control of public resources, circumstances in which an evaluation has prevailed—quantitative budgetary execution on evaluations supported by measurements of impact and results achieved.

In a work of random consultation of audit reports produced by the departmental, district, and municipal comptrollers in 2019, which account for the fiscal management carried out by the subjects of control during the 2018 term, a differential application of the analysis or evaluations carried out, particularly in the use of management and results control systems. In most cases, these systems are incorporated into the planning or scope of the audits but show weak or scarce developments in the evaluations carried out.

However, in the few cases in which pertinent developments are identified, the weakness in the measurement variables is transferred to the supervised entity, which does not provide them in terms of impact indicators but resource application. This situation limits verification by the control entity.

Thus, from the administrative cycle of the public resource, that is, from the intervention of the nation in the definition of the policy and the performance of the executing level, the monitoring and control of public resources is being affected by the absence of a measurement system consistent with impact assessments.

Concerning the conceptual structure that involves the analysis of fiscal control in Colombia, which can be seen in the regulatory corpus promulgated from the Constitution of 1991 to the recent reform contained in Legislative Act 04/ 2019 and Decree 403/ 2020, control systems and their principles occupy a dominant place in the structural criteria that define the function of fiscal surveillance by control bodies.

In this regard, the provisions of Article 267 Superior, which reads: “The surveillance of the State’s fiscal management includes permanent monitoring of public resources, without enforceability of legal reserve for access to information by fiscal control bodies, and financial, management and results control, based on efficiency, economy, equity, sustainable development and compliance with the principle of valuation of environmental costs.” It constitutes not only a mandatory reference of a dogmatic nature but also a systemic distribution and ordering of the scope and contents of the controls that the country’s comptrollers must apply.

Under this first reference, audit reports of processes in 2019, which account for the surveillance by the territorial comptrollers of resources managed by the control subjects during the 2018, were randomly selected.

The reports and the selected comptrollers respond to a systemic criterion on structural contents referred or related to current regulations. Consistent with the claims of this research product, the management and results systems considered within the principles above served as a guide to compare the contents of the reports communicated and published by the country's comptrollers.

Additionally, this methodological development considered the performance of regular audits, which, due to their content and scope, involve the application of management and results controls.

Finally, resorting to some conceptual elements of project theory and strategic planning, the reports were reviewed out against measurement indicators given their axiological connotation since its effects will inevitably give an account of values such as social and economic well-being, equity or the distribution of benefits.

Under these considerations, the analyses contained in this article intend, within good governance practices and the fight against corruption, to promote the design of a strategy that innovates the tools of fiscal control from the reassessment of the risks of the chain of value of the public resource, the delineation of the public policies of the subjects of control, the reorientation in the regulations on the allocation, contracting and application of resources, as in the modernization of fiscal and social control.

State of micro control in the offices of territorial comptrollers

As provided in Sections 2 and 3 of Decree 403/ 2020 on definitions and principles of fiscal surveillance and control, the expression fiscal management is presented as a common element to all of them, which is consistent with the control systems outlined in Section 45 of the same Decree, and which had rightly been established by Law 42/1993.

Of these systems, management control and control of results defined in Sections 48 and 49 of Decree 403/2020 are conceptually and directly associated with the aforementioned fiscal management and invite or threaten the micro control developed through the audit process to carry out evaluations supported by measurements expressed in indicators, which in turn must account for the compliance and impact of projects, development programs or public policies.

Accordingly, it is necessary then to specify the expression “fiscal management”:

Fiscal management. For this law, fiscal management is understood as the set of economic, legal, and technological activities carried out by public servants and entities under private law who manage or administer public resources or funds for the adequate and correct acquisition, planning, conservation, administration, custody, exploitation, disposal, consumption, awarding, spending, investment, and application of public goods, as well as the collection, management, and investment of income to fulfill the essential purposes of the State, subject to the principles of legality, efficiency, economy, effectiveness, equity, impartiality, morality, transparency, publicity and valuation of environmental costs. (Law 610/2000, Section 3)

This preamble assumes that any fiscal control system could be applied to the activities carried out by a subject of control under of such principles, thus instrumentalizing measurements that give a clear and objective account of the results achieved by fiscal management.

The case study, represented in the review of audit reports, regular modality, will be addressed.. As stated above, it corresponds to a systemic or structural consultation of the contents published on the official web pages of fiscal control bodies. The main aim is to review the criteria that the pre-selected fiscal control bodies are using to identify and measure the impacts of surveillance on the subjects in terms of application of public resources, the measurement instruments used, and the added value that the implementation has represented.

Results of the review of audit reports

Applying the described methodology, 24 regular audit reports were reviewed for the same number of territorial comptrollers to analyze the reports' structure, particularly the scope of the evaluations under the management control systems and control of results.

As stated, the adopted approach was systemic around the content of the reports and not the number of reports or comptrollers; despite this criterion, departmental, district, and municipal comptrollers of capital cities, cities, and towns were randomly selected.

Thus, the sample took into account the level of complexity of comptrollerships according to their territorial distribution, as follows: Atlántico, Antioquia, Valle del Cauca, Cundinamarca, Bolívar, Tolima, Santander, Boyacá, Meta, Norte de Santander, Casanare, Nariño, Huila, Magdalena, Medellín, Cali, Bucaramanga, Soledad, Bogotá, Cartagena, Barranquilla, Buenaventura, Santa Marta, and the Comptroller General of the Republic.

The audits performed by the comptrollers for the 2019 period, which reflect the results of the micro fiscal control derived from the audit process, observe the provisions of Decree 403/ 2020:

Definitions: For fiscal surveillance and control, the following definitions shall be considered:

Tax surveillance. The public function of monitoring the fiscal management of the administration and individuals or entities that manage public funds or assets, which is fulfilled by fiscal control bodies autonomously and independently of any other form of administrative inspection and surveillance. It consists of observing the development or performance of the processes or decision-making of the subjects of control, without taking part or interfering in them, and after fiscal management to obtain valuable information for fiscal control.

Fiscal control: The public function of auditing the fiscal management of the administration and individuals or entities that manage public funds or assets, which is fulfilled by fiscal control bodies autonomously and independently of any other form of administrative inspection and surveillance to determine whether the fiscal management and its results conform to the principles, policies, plans, programs, projects, budgets, and applicable regulations and achieve positive effects to fulfill the essential purposes of the State. It entails an evaluative opinion on the examined management and the advancement of the process of fiscal responsibility if the budgets for it are allocated. (Section 2)

From this legal mandate, whose principles and systems had already been incorporated by the 1991 Constitution and Law 42/ 1993, the passive and active subjects of fiscal control and its scope are also clearly determined. For this reason, in force of Law 42/ 1993 and Decree 403/ 2020, evaluating the impact of public resources in applying management control and results control systems was and continues to be an unavoidable premise. Once this dogmatic precision has been made, the dates of the reports evaluated or the periods audited by the comptrollers do not represent any obstacle or impediment for the purposes defined in this study.

Returning to the hypotheses lines, the feeling remains that the weakness in measuring the impact of resources in executing projects, programs, and policies would be on the side of the fiscal executor or the nation. And then what happens with the budgetary control body? If we observe the content of Section 268 Superior:

(...) The Comptroller General of the Republic will have the following attributions: Prescribe the methods and the form of accounting for those responsible for the management of funds

or assets of the nation and indicate the financial evaluation criteria, operational and results that must be followed (...).

The last part of the section related above implies that the controllers are empowered to establish the methods and define the methodology that will be used for the implementation of accountability, or the criteria that will be used in the evaluation of results (micro control), by requesting or evaluating the impacts of public resources through their instruments.

IT COMES of generating a more significant appropriation of technological aids and artificial intelligence tools in applying controls, with particular emphasis on matters close to the citizenry and those that seek to comply with state purposes, such as goods and services acquired through public procurement.

While this vacuum is overcome, which reveals the weaknesses of the coordination and concurrence functions between the comptrollers and of the fiscal control powers that they have with the Governments of each level, the micro control registers in the majority of the cases planning descriptions with few or no evaluation results supported by indicators, which could be classified as:

1. Inclusion of management control and results control systems in the planning of the audit process without evidence of their application
2. Inclusion of management control systems and results control in the planning of the audit process with evaluation results in general descriptions
3. Inclusion of the management control and results control systems in the planning of the audit process with partial and pertinent evaluation results

Are colombian comptroller offices ready for change?

At this point, we question whether the comptrollers are prepared for change since world standards on state control require directing efforts towards impact and management beyond maintaining the status quo of control as traditional surveillance and prosecution of responsibility.

With Colombia's official entry to the OECD in April 2020, new governmental challenges impose the need for structural adjustments of the state capable of integrating into international standards for measurement, monitoring, control, and consolidation of public finances.

Said reengineering work would not be alien to the fiscal control bodies of Colombia, which must guarantee the adequate protection of public resources within the framework of a management cycle harmonized with the postulates of growth and development present in the social approach of the Rule of Law, enshrined in our Political Charter of 1991.

According to the OECD, the supreme audit institutions -EFSs- have a privileged position in the state since they not only guarantee the protection of public resources through the control they carry out on their execution but also connect the government with the citizenry, allowing the recovery of institutional confidence in the sector.

Even though they are qualified bodies to warn about patrimonial damage to the state and define the best practices to mitigate fiscal risk, the truth is that the audit process carried out in developing countries suffers from weak structures in public financial management (OECD, 2010).

Due to the preceding, the governmental challenges cited in this international scenario of good practices should also represent governance challenges for fiscal control bodies, with parallel or articulated developments as has been occurring in other member countries of this organization.

In this order of ideas, the most outstanding contribution of the country's fiscal control system following the principles enshrined in article 267 above: "efficiency, economy, equity, sustainable development and compliance with the principle of cost valuation environmental," would be aimed at closing socioeconomic gaps such as the reduction of poverty rates, inequality and control of corruption.

Regarding this budget and the challenges above for the governmental and governance system of fiscal control, the conceptual, jurisprudential, and regulatory developments represent a scenario of mandatory observance.

In one of these developments, the audits on the optimal use of public resources or "value for money" aim to measure the impact of managing the state's assets, which translates into measuring the degree of development and governance achieved for each country. Public governance implies finding standard solutions and working jointly among all levels of society without sacrificing superior interests that belong directly to the citizenry.

Thus, the strengthening of democracy must seek the synchronization of government practices around the challenges that the integration of global, national, and territorial public agendas entails to face the disruptive challenges that current societies face and are called upon to respond in the process of revitalization of integral development.

Among the main variables that must be considered to strengthen government legitimacy is the recovery of institutional trust based on the production and rationalization of regulations that reinforce legal certainty in the relationship of control bodies with their subjects under surveillance.

In this sense, what is required is to build an “Intelligent State” capable of producing quality public policies that facilitate the productive mobilization of the entire society, designing aggressive policies to fight poverty, and pro-equity, guarantor of the rights to education, health, housing and work for all, protector of the environment, decentralized, flexible, transparent, open, co-participatory with the citizenry, promoter of strategic alliances with corporate social responsibility and civil society (Kliksberg, 1997, pp. 161-165).

In this same sense, the OECD has permanently emphasized the need to restore institutional confidence on the part of the Governments based on the strengthening of the legal system and the practical actions of the government administration in all instances of public management to ensure the quality of life of the associates from the promotion of sustainable development in terms of economic and social growth that result in good governance. These aspects were considered, among other matters, in the judgment of Colombia’s accession to the OECD (Court Constitutional Decision C-492 of 2019).

In terms of public policies, the Constitutional Court has also ruled on the importance of designing a proper public policy as a mechanism for materializing an integrating political project, which must address and organize investment priorities, establishing the modalities of formulation, execution, and implementation of the public agenda and the impact on the population.

Another conceptual element in this scenario is represented by the sustainability of public finances, which is aimed at materializing the nation’s collective project, which requires the articulation of control policies focused on common objectives, whose strategies should tend towards the unification of indicators, information systems, and measurement reports, that work jointly to defeat corruption and not through isolated institutions, that do not communicate because they belong to different sectors or worse still, having missionary identity are disjointed by the inability to communicate, whose lack of harmonization has only facilitated the sophistication of corrupt agents.

Although the issue of corruption does not represent the central purpose of this study, its relevance could be associated with subsequent analyses regarding the controls applied from the fiscal point of view. In this dogmatic sense, there have been several legislative efforts to combat this scourge in its various manifestations, reinforcing the related regulations, expanding prevention and correction policies in terms of punitive aggravation, the graduation of responsibility, incorporating measurement methodologies of risks with catastrophic impacts, even designing new management

models; with the sole purpose of persuading potential offenders not to commit crimes against the public administration and to reduce the levels of damage to state assets.

The issuance of Law 1474/2011, or the Anti-Corruption Statute, was intended to implement a policy of zero tolerance for corruption through a series of measures that would allow the state to enforce its frontal fight from prevention against those actors in the system who think of incurring in corrupt acts so that they desist from such purpose and if the legal warning is not enough, exercise the repression of said conducts, without mitigation; mainly if it is based on the fact that this phenomenon undermines the legitimacy of public institutions, threatens the social corpus, the moral order, justice, and against the integral development of peoples by vitiating general management, thus generating more sources of inequality that propitiate and deepen generalized violence.

Although normative prescriptions are necessary to delimit the scope of the rules of the game in our society, history has shown us that they are not enough since they have not been able to correct widespread corrupt behaviors effectively and that are increasingly found encrypted in all levels of society; in the public function, in the private sector, and the general public, negatively permeating the original values of society with subtle sophistication.

A society that does not respect its state patrimony with devotion and conviction due to the lack of a sense of belonging with the representation of public value, from active or passive behaviors, violating controls, is condemned to put at risk the preponderance of the general interest through compliance with the essential purposes of the state.

However, in the face of the failure or weakness of the initiatives and legislative measures developed, it could be argued, among the hypothetical related ones, that it has been the investment of values that has undoubtedly led to governance problems, institutional and social distrust, disrespect for the law and regulatory ineffectiveness, which has led to behaviors of immorality, impunity and embezzlement of public resources against the rights of the population and the territory itself.

As a conceptual approach to corruption, Professor Kliksberg has indicated that it should be understood as the maximized egoism that can only grow in environments of reductionism and state weakness, permeated by deregulation and the inversion of ethical values that give rise to mistrust in institutions and their agents. It also warns that the state has been dismantled through its public service, whose discredit is due to the market's interest in deregulating itself to privilege the interests of a few (Kliksberg, 2010, pp. 414-417).

From the previous conceptual and dogmatic references, the management control and results control systems maintain their technical and strategic consistency against the fiscal control model adopted in Colombia, including the constitutional reform and thematic regulations produced through ordinary laws.

Thus, with the results of the audit process, which for the implemented model represents the primary strategy of prevention and injunction towards results-based management by tax managers, there is no effective development of the instrumentalization of audit systems management control and control of results, which is evidenced in the weakness or absence of measurement indicators, and the low weight of these systems in the final audit reports produced by the Comptrollers.

In this way, for the question posed, the Comptrollers are not prepared to contribute to the fulfillment of the commitments of Colombia's entry into the OECD, making it clear that the entities that are part of the fiscal control system are not part of the government, but if of the external controls of the state. Therefore, the strategic reasoning guiding its final results will be carried out in the study's conclusions.

Resuming the opportunities for improvement with the entry of Colombia to the OECD, among other things, public policies and their subsequent legal developments enjoy seriousness, rigor, transparency, and continuous improvement, especially those related to correct and self-managed investment of public resources that must comply with current analysis standards, unification, normative rationalization and efficient use of information systems.

In addition to the above, success in decision-making depends on the production of reliable and transparent information, which constitutes the primary source to statistically analyze the data, identify trends, carry out comparative studies of international experiences, and evaluate the management results in terms of the formulation and impact of the implemented public policies.

As Etkin warned, assuming that ethics is not only normative but behavioral, that is, it requires rescuing the personal judgment from the internal jurisdiction of the public official that makes him a morally responsible agent who must appeal to his capacity and willingness to discern regarding the ethics of their decision, beyond the procedures, to turn the exercise of their function into a challenge of social significance (Etkin, 2015, p. 4).

About concepts like this, how not to mention the guarantee characteristic of the Political Constitution of Colombia, as it happens with the principles of the administrative function foreseen in article 209 of the Constitution, which supposes that strategies are articulated that aim to strengthen the internal regulation to in light of transparency standards, which restore legitimacy to the public administration, focusing all efforts towards the prevention, detection, sanction and eradication of corruption in the framework of public functions (Constitutional Court, Judgment C-887 of 2002).

The main challenge for Colombia upon entering the OECD is none other than the country getting in tune with the organization's standards, based on the regulatory policy on adequate assurance of

public resources, rigorous regulations supported by prospective analysis, structurally necessary to combat unresolved or outdated problems, design of new management and control models based on successful international experiences and good practices focused on obtaining politically, economically and socially measurable results that ensure state positioning, and that resume the developed agendas before the accession of the country to this International Organization.

Regarding the OECD study concerning the regulatory policy in Colombia for 2013, it had been indicated that the country must “adhere to the principles of open government, considering transparency and participation in the regulatory process to ensure that the regulation is at the service of the public interest and is informed of the legitimate needs of those it concerns and affects” (OECD, 2013, p. 54).

The instrumentalization of good practices implies the effective implementation of the OECD recommendations to promote the formulation of public policies that prioritize democratic governance, transparency in State-citizen relations, the fight against corruption, and adequate fiscal controls in compensation for patrimonial damage to the public administration.

In terms of justice, the power of the institutions is revealed by their levels of mission effectiveness, the capacity to incorporate referents of integrity and the openness towards accountability, capable of articulating the administrative performance of the state with social control at the level of the Central State and subnational governments from systemic perspectives, including territorial differences and resource allocation criteria.

In this sense, it is necessary to rethink and refund the administration model, not from non-structural legal reforms that maintain or revive normative figures from the past, but from new management models capable of introducing, among other aspects of organizational culture: the leadership, management technologies in the public sphere that promote management strategies with a holistic approach, in which the consideration of user demands is privileged around systemic, understandable and integrated decision making that manage to align the management of a country, in terms of institutional change strategies and strengthening of social responsibility based on leadership, innovation and the commitment of the authorities to materialize more public policies with a human and social approach.

Design, adoption, ownership, and use of management indicators within public competencies

The relevance of legality and numerical controls is a very marked characteristic of Colombian fiscal control, which is manifested as a legacy of the prior and perceptive fiscal control model in force until before the 1991 Constitution.

Given the autonomy of public entities derived from the processes of administrative decentralization, it could be inferred that it corresponds to them carrying out certain developments and applying them within their internal organization schemes or designing their processes and procedures, such as medium and long-term planning, the leadership of regional projects, the management of economic and environmental projects, the innovation of citizen participation, and the promotion of good practices in territorial governments in terms of transparency and evaluation of public and private investments. Notwithstanding this appreciation, it is also possible for the nation to define these guidelines, as they were established in Law 152/ 1994 and its subsequent regulations.

In this way, the existence of a national policy guideline derived from this last legal precept, and the obligation of each entity to develop and adopt the necessary tools to operationalize the management of the territory, the attribution of evaluating its results and impacts achieved, as well as making information reports related to the budgets transferred and executed, would be the responsibility of the fiscal executor or the managing entity.

From the previous budget, the results generation chain would be given by an objective scheme that would allow synthesizing how results are produced in public management through identifying the information and indicators necessary for monitoring or evaluation.

It is then the monitoring and evaluation systems that make it possible to effectively measure the quantity, quality, and recipients of the goods and services or products that the government or fiscal manager must provide, which, in the end, makes it possible to quantify the direct effects and impacts of these products, more quickly identifying the causes of good or bad performance.

Of the audit reports reviewed in their structural contents, those that tried to evaluate the fulfillment of goals, impacts, and results of the programs or projects cited weaknesses in their control pronouncement due to the lack of adequate indicators for these purposes.

The reports analyzed revealed that the pronouncements regarding management and results are insufficient or non-existent since the evaluation has traditionally been based on assessing general descriptive components regarding the execution of the public resource. However, little is said about the real impacts that the deficient execution of the committed or contracted public resource represents in society.

In addition to the above, the existing gaps between the control bodies themselves have deepened the problem of the fiscal control system, which, in addition to suffering from regional socio-political

scourges, lacks sufficient resources to carry out impact analysis, especially in terms of management evaluation and development.

The articulation of different control entities around the concept of a Fiscal Control System implies that said operation is designed and materialized in a holistic, equitable, and disruptive manner around the new challenges posed by Colombian society. The systemic characteristic of institutionality implies that fiscal control can respond to the challenge of protecting public resources and the value chain that its execution means from a visible, measurable, and articulated control.

On the other hand, respecting the frontal fight against corruption, it is then intended that public investment have an efficient impact on the community, seeking to eradicate corruption niches to prevent an imbalance between governability and the response to the community's current needs.

For these reasons, the creation of public value becomes the final objective of the actions of public administrations through guaranteeing the governance and governability of the economic and social system and providing public services to the community, the productive system, and the citizenry, where the active participation of users in terms of production and provision of goods and services is fundamental, especially if one takes into account that public investment constitutes the main element of creating shared value and therefore of growth and economic development.

The accession of colombia to the oecd: an opportunity for good practices to evaluate public policies and exceed measurement standards

The strategy for Colombia's accession to the OECD was already set out in the 2010-2014 National Development Plan to position the country worldwide, opening up to internationalization, adopting first-rate economic, political, and legal standards in terms of formulation of public policies, measurement through indicators and best practices expressed in safety and coexistence standards, economic growth, social development, poverty reduction and closing inequality gaps.

With the entry of Colombia to the OECD, several recommendations have been raised by this body, which has transcended the level of commitments, initially before the approval of the country's entry into the organization and with more binding and impact after accession.

It is necessary to note that the international agreements entered into within the framework of the OECD are binding, so the strategic challenge for Colombia entailed admission as not only a member country but also the maintenance of said status from the materialization and exceeding the objectives of the organization, increasing the standards of efficiency, quality, transparency, accountability, and sustainable development, required internationally.

Thus, it is necessary to grant an organizational redimension to the state to enhance its management capacity around the conception of an egalitarian, participatory State, an articulating leader, managerial and at the service of the citizen, who can manage diffuse power, articulate divergent interests, and that is capable of increasing productivity from the improvement of the state public network in terms of process effectiveness, efficiency, transparency, management by mission results and administrative flexibility.

On the other hand, the urgent need to adopt an authentic culture of public management is evident through the incorporation of modern management concepts and practices for the management of public entities, the establishment of a state policy in terms of austerity of spending and self-control and institutional redesign to increase efficiency and management through a recomposition of the purposes of the administration in terms of development and social capital.

Among the governance issues related to monitoring the execution of public investment, one of the issues of interest in this article, as already mentioned, attracts attention to the predominance or prevalence of evaluation over planning and quantitative execution of public budgets, affecting the assessment of budgets by results, or in other words, a review by programs, projects or public policies, which would give a highly strategic value to the application of management control systems and results.

Thus, the follow-up actions carried out by government agencies, in addition to accounting for the resources executed in the evaluation periods by development sectors with their projects and programs, would expose the results of the programs and policies regarding the problems diagnosed versus the goals defined for each case, which would make this assessment a means to identify the impacts achieved.

Based on this strategy, systems such as SINERGIA, in their new design and other tools managed by the National Planning Department (DNP), would ratify this change in the monitoring and evaluation of the public resources planned, approved, and executed. Here, we could inquire if, in the face of the shared resource cycle: regulation, taxation, collection, allocation, execution, monitoring, and evaluation, with transversal planning and budget actions, among many other schemes that could be established, is it feasible for the entities of fiscal control guide the application of its principles and systems to this new monitoring approach, strengthening its control methodological plans and tools?

A highly strategic aspect of particular interest in the framework of this investigation was to specify how the impacts of public resources executed by their subjects of control are being measured from the perspective of fiscal control bodies, what components are being measured through these instruments, and what has been the added value in the development of said management.

This consideration and expectation regarding the problem analysis inevitably link us to the issue of management or performance indicators, as they have recently been addressed.

The value chain made up of the problems of the territory, public policies, public resources, fiscal managers, fiscal control entities, and the community, as an actor receiving the benefit or affected by the management carried out, has a transversal element of development, such as the assessment; a stage that must be supported by objective measurements that, by recording the impacts or results achieved, allow the identification of the levels of compliance with the related goals.

Among the definitions of institutional evaluation applied to the public sector, there is one developed within the framework of a study carried out in the OECD countries, cited by the Latin American and Caribbean Institute for Social Economic Planning (ILPES) “in which points out that management evaluation is the systematic and continuous measurement over time of the results obtained by public institutions and the comparison of said results with those desired or planned, to improve the performance standards of the institution,” and another, related to the field of public programs, which defines evaluation as “the systematic measurement of the operation or impact of a program or public policy, compared with implicit or explicit standards to contribute to its improvement” (Weiss, 1998, cited by Bonnefoy and Armijo, p 13).

In the two definitions provided by the Economic Commission for Latin America and the Caribbean (ECLAC) and the OECD, the expressions of systematic measurement of results or impacts and their comparison against a predefined standard for an expected improvement mark or accurately delimit a valuation budget. On the one hand, it could be associated that public management necessarily implies some results or impacts on the resources available and executed, and on the other, it is related to overcoming the problems identified under a standard.

Among other definitions linked to the concept of management is one that is understood as “obtaining products through the transformation of resources,” which is based on the following premise: “Good management exists when the products are capable of transforming a situation A in a situation B improved (Domínguez, 2014, p 15).

In this same consideration and regarding strategic management, Porter warns,

The strategy lies in creating a unique position and value, which involves the management of a set of significant activities; the strategy needs good judgment to compete; the strategy is immersed in the company’s processes. This harmony is obtained through the interaction of the processes and their consolidation (Porter, 1996, pp. 1-2).

These contributions denote two elements that could contribute to the analysis of the problem posed on the one hand, obtaining products through the use of resources, calling them social, economic, or environmental services as a consequence of an investment made in the territory. On the other hand, each management is based on standards and particular strategies, and its success will depend on the integrity of the institutional processes.

Now, based on this outline of very general concepts, let us observe how the normative, strategic criterion of fiscal control is represented in Colombia. The Political Constitution, including the reform of Legislative Act 04/ 2019 and Decree 403/ 2020, undoubtedly represents this aspect.

Before the reform, this foundation established that “the surveillance of the State’s fiscal management includes the exercise of a financial control, management, and results, based on efficiency, economy, equity and the assessment of environmental costs.” which was added in Legislative Act 04/ 2019, through the text “The surveillance of the State’s fiscal management includes permanent monitoring of public resources,” a fact that gives the concept above a higher status as a mandatory element.

In this way, the expressions of financial control, management control, and control of results, based on efficiency, economy, equity, and the assessment of environmental costs, plus permanent monitoring of public resources, as a postulate of the Political Charter, gives a technical connotation to the concept of management broadly and sufficiently.

As confirmation of this postulate, Decree 403/ 2020, in Sections 45, 46, 47, 48, 49, 50, and 51, defines financial control, legality control, management control, results control, account review, and evaluation of internal control, such as the control systems that may be applied for the exercise of surveillance and fiscal control.

Thus, the axis of the problem raised should trigger the need to review the level of innovation present in the evaluation methodologies of the public resource value chain and the challenges that are imposed in terms of monitoring public investment, taking into consideration the design of management and performance indicators that allow strengthening the application of systems for fiscal control of management and results, as a premise for the recovery of institutional trust on the part of citizens.

A first conclusion allows us to affirm that, in consideration of the current constitutional and legal framework, before and after the reform above, the administrative developments regarding public management and its evaluation systems have maintained their conceptual coherence, in which case, their application according to the recommendations of the OECD and in the face of the instruments proposed by the DNP, they are fully applicable by the fiscal control bodies.

Thus, the challenges of the fiscal control bodies in the face of the commitments signed by Colombia upon its entry into the OECD are not only necessary but pertinent in matters such as the evaluation of public policies and the control of the results and impacts achieved of public resources but also could influence highly strategic issues such as efficiency, economy, equity and sustainable development enshrined in Section 267 of the Political Constitution of 1991.

A challenge could be evaluating the impact of the CONPES related to Law 60/ 1993 and Law 715/2001 in policies such as basic sanitation and drinking water. In this sector of development associated with public health programs, and in the validity of the regulations above, what have been the levels of efficiency of the resources assigned and executed by municipalities and departments? What have been the advances in the coverage and quality variables of the services provided? How reliable are the information systems and their impact on the indicators of unsatisfied basic needs (UBN)? Moreover, what is the correct horizon for implementing the policy? among other questions.

A second consideration is oriented towards the formulation of a strategy in three central aspects:

- 1) An exercise of good practices among peers to appropriate tools or policies that allow the country's institutions, government, and fiscal control entities to adjust their monitoring and evaluation systems supported by impact and result indicators;
- 2) A review of the public resource value chain to establish information systems with the application of management indicators by programs and policies, fed from fiscal managers or executing entities and shared among government entities in charge of monitoring public policies and the control bodies and,
- 3) Development of applications or software structures standardized by levels of government and executing entities, designed and supplied by the National Government, which allows unifying databases and integrating them into the total management of public administration.

The knowledge and study of tools designed and implemented by the countries that make up the OECD on the monitoring and evaluation of public policies, and the own accompaniment of this Organization to Entities such as the General Comptroller of the Republic, the General Audit of the Republic, and the National Planning Department, constitutes a necessary strategy of instrumental innovation.

With this work of learning and modernizing how to carry out fiscal control in a national scenario of corrupt practices, the acquisition of contracted goods and services with high-cost overruns and low

or no quality conditions account for ineffective tools and out-of-context, which should invite their improvement from the very improvement of the monitoring and evaluation systems of governments or public administration. What is the efficiency level of the resources invested in audit processes that do not measure the impact of public policies or do not have the identification of fiscal findings within their scope? Alternatively, how citizens' low levels of trustworthiness in their fiscal control entities and complaint mechanisms can be improved.

This critical context in Colombia, measured yearly by International Transparency, in which it has maintained a dishonorable 92nd place among 180 countries and with a score of 39 points, requires reviewing and adjusting the controls and monitoring of public resources throughout its chain of value, in which case, the adoption and innovation of indicators for measuring impacts and results should be standardized for all fiscal managers and incorporated into the methodological tools of fiscal control.

A third conclusion would be oriented to the coordination of the strategy, taking into account the differences in resources present in all its orders in the territorial comptrollers, which allow closing the existing gaps within the Colombian Fiscal Control System, which would ensure continuous progress and in unison with all fiscal control bodies, including the General Audit Office of the Republic, which should become an entity that closes the system, which provides a guarantee of legal certainty and shields the fiscal control system.

It is possible to design and finance a fiscal control modernization plan towards a management and results model, which implies the implementation of gradual strengthening strategies through the role of contributing to the comptrollers, in whose leadership they must be present inter-institutional entities such as the General Audit Office of the Republic, the General Comptroller of the Republic and the technical support of the National Planning Department.

This recommendation is based on the intervention of the main actors involved in the public resource value chain. Which would initially require coordination between the National Government (Ministry of the Interior and DNP), the Congress of the Republic, the Comptroller's Office General of the Republic, the General Audit Office of the Republic, the Territorial Comptroller's Office that presides over the territorial comptrollers, the Office of the Attorney General of the Nation, and a representation of the citizenry, among others, to agree on an agenda that has the accompaniment of the OECD, oriented towards the identification of strategies that impact the planning, execution, monitoring, evaluation, and control of public resources.

Referencias

- Bonnefoy, J. C., & Armijo, M. (2005). Indicadores de desempeño en el sector público. Naciones Unidas CEPAL. https://repositorio.cepal.org/bitstream/handle/11362/5611/S05900_es.pdf
- DECREE LAW 403 OF 2020 (2020, March 16). Republic Congress. Official Gazette No. 51.258. http://www.secretariasenado.gov.co/senado/basedoc/decreto_0403_2020.html
- Dominguez, G. (2014). Management Indicators and Results. A systemic approach, 15. <https://www.editorialdike.com/images/pdf/INDIPAG.pdf>
- Etkin, J. (2015). The Ethical Vacuum and Corruption in Institutions. Analysis and Overcoming, 1-5. https://issuu.com/fors4/docs/jorge_etkin-vac_o_etico_y_corrupci
- Judgment C-887/02. (2002, October 22). Constitutional Court (Clara Inés Vargas Hernández, M.P). <https://www.corteconstitucional.gov.co/relatoria/2002/C-887-02.htm>
- Judgment C-492/19. (2019, October 22). Constitutional Court (José Fernando Reyes Cuartas, M.P). <https://www.corteconstitucional.gov.co/relatoria/2019/C-492-19.htm>
- Klikberg, B. (1997). Repensando el Estado para el desarrollo social: más allá dogmas y convencionalismos. *Revista Mexicana de Ciencias Políticas y Sociales*, 43(173). <https://doi.org/10.22201/fcpys.2448492xe.1998.173.49163>
- Klikberg, B. (2010) More inequality, more corruption. In: "More ethics, more development", 413-421. <https://www.redalyc.org/pdf/105/10503818.pdf>
- LAW 42 OF 1993 (1993, January 27). Republic Congress. Official Gazette No. 40.732. http://www.secretariasenado.gov.co/senado/basedoc/ley_0042_1993.html
- LAW 610 OF 2000 (2000, August 18). Republic Congress. Official Gazette No. 44.133. http://www.secretariasenado.gov.co/senado/basedoc/ley_0610_2000.html
- LAW 1437 OF 2011 (2011, January 18). Republic Congress. Official Gazette No. 47.956. http://www.secretariasenado.gov.co/senado/basedoc/ley_1437_2011.html
- LAW 1474 OF 2011 (2011, July 12). Republic Congress. Official Gazette No. 48.128. http://www.secretariasenado.gov.co/senado/basedoc/ley_1474_2011.html
- LAW 1950 OF 2019 (2019, January 8). Republic Congress. Official Gazette No. 50.830. http://www.secretariasenado.gov.co/senado/basedoc/ley_1950_2019.html
- LEGISLATIVE ACT 04 OF 2019 (2019, September 18). Republic Congress. Official Gazette No. 51.080. http://www.secretariasenado.gov.co/senado/basedoc/acto_legislativo_04_2019.html
- Organization for Economic Cooperation and Development [OECD]. (2010). *Buenas Prácticas para el Apoyo a Entidades Fiscalizadoras Superiores (EFS)*. https://www.oecd.org/dac/effectiveness/Buenas_Pr%C3%A1cticas_para_el_Apoyo_a_Entidades_Fiscalizadoras_Superiores-%20for%20web.pdf
- Organization for Economic Cooperation and Development [OECD]. (2012). *Recomendación del consejo sobre política y gobernanza regulatoria*. <https://www.oecd.org/gov/regulatory-policy/Recommendation%20with%20cover%20SP.pdf>
- Organization for Economic Cooperation and Development [OECD]. (2014). *Recomendación del Consejo sobre la Gobernanza de Riesgos Críticos*. <https://www.oecd.org/gov/risk/Critical-Risks-Recommendation-Spanish.pdf>
- Organization for Economic Cooperation and Development [OECD]. (2017). *Recomendación del consejo de la OECD sobre integridad pública*. <https://www.oecd.org/gov/ethics/recomendacion-sobre-integridad-es.pdf>
- Porter, M. E. (2011). ¿Qué es la estrategia? *Harvard Business Review*, 100–117. <https://www.uciipfg.com/Repositorio/MAES/MAES-03/Unidad1/ESTRATEGIA%20PORTER%202011.pdf>

Sanín Angel, H. (1999). *Control de gestión y evaluación de resultados en la gerencia pública*. Naciones Unidas CEPAL.

https://repositorio.cepal.org/bitstream/handle/11362/5555/S9980550_es.pdf?sequence=1&isAllowed=y

REGULAR AUDIT REPORTS. Valid 2019.



Available in:

<https://www.redalyc.org/articulo.oa?id=560381733010>

How to cite

Complete issue

More information about this article

Journal's webpage in redalyc.org

Scientific Information System Redalyc
Diamond Open Access scientific journal network
Non-commercial open infrastructure owned by academia

María José Hernández Burbano, José Lizardo Ortiz Cubillos
Fiscal Control Management Indicators, Opportunities, and Challenges for Their Implementation: What Challenges Do Fiscal Control Bodies Face with Colombia's Access to the OECD?¹

Indicadores de gestión del control fiscal, oportunidades y desafíos para su implementación: ¿Qué desafíos enfrentan los órganos de control fiscal con el acceso de Colombia a la OCDE?

Indicadores de Gestão do Controle Fiscal, Oportunidades e Desafios para sua Implementação: Quais Desafios Enfrentam os Órgãos de Controle Fiscal com o Acesso da Colômbia à OCDE?

Revista IUSTA
no. 59, p. 173 - 194, 2023
Universidad Santo Tomás,
ISSN: 1900-0448
ISSN-E: 2500-5286

DOI: <https://doi.org/10.15332/25005375.9656>