

Problems and Countermeasures of Third-party Institutions Participating in Financial Budget Performance Management

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Abstract

As an important participant in fiscal budget performance management, third-party organizations have important practical significance for comprehensively promoting fiscal budget performance management. How to correctly guide and regulate the participation of third parties in performance management is a big problem in the reform of the financial budget management system. Based on this background, this article takes financial budget expenditure performance evaluation as an entry point to study the problems of third-party institutions participating in budget performance management. This article first elaborates the concept of financial budget performance management and the way of participation of third-party organizations, then analyzes the common problems existing in the third-party organizations in the work of financial budget performance management at the present stage. The model put forward new ideas and solutions. This article aims to provide a reference for improving the performance of third-party institutions participating in financial budget performance management.

Keywords

Budget performance management; Third-party organization; Performance evaluation.

1. Introduction

The Chinese Budget Law was revised in 2014, and the concept of fiscal budget performance management is now in legal form for the first time in China's public fiscal budget revenue and expenditure management. In 2017, the report of the 19th National Congress of the Communist Party of China proposed to accelerate the establishment of a modern fiscal system and fully implement budget performance management. In 2019, Chinese provinces have successively formulated local comprehensive implementation budget performance management work plans, and the introduction of third-party institutions to participate in budget performance management is of great significance for promoting the construction of a "full-scale, full-process, full-coverage" comprehensive budget performance management system. Correctly guiding and regulating third-party participation in budget performance management and strict practice quality supervision and management are issues that require attention and consideration under the introduction of third-party institutions participating in budget performance management work mechanisms.

2. Overview of Financial Budget Performance Management

Budget performance is due to the benefits, efficiency and effectiveness of budget implementation, reflecting the output and results achieved by budgetary arrangements and implementation. Financial budget performance management is performance management that is carried out on the basis of "budget". It integrates performance concepts and management methods into the entire process of budget preparation, execution and supervision. Effective, invalid will be held accountable "budget management philosophy.

Financial budget performance management covers the complete project cycle, including performance target management, performance operation tracking monitoring management, performance evaluation implementation management, performance evaluation result feedback and application management. With the promotion of comprehensive budget performance management reform, pre-performance evaluation, performance monitoring, and performance evaluation with the whole process management as the main line have become the three key links of financial budget performance management. Among them, the pre-assessment targets are major financial policies and project budgets. The key assessment contents include the necessity of project establishment, the rationality of the objectives, the feasibility of the implementation plan and the economics of the investment. ; The monitoring objects in the incident are mainly departmental / unit budgets and project budgets, focusing on urging budget progress, prompting target deviations, correcting errors, and adjusting and handling, throughout the entire budget execution period, reflecting the dynamic budget adjustment process; ex-post evaluation objects Covers the full range of budgets of government, departments and affiliated units, policies and projects. It evaluates the economy, efficiency and effectiveness of budget execution according to the performance targets set in advance. The evaluation time is mostly in the final accounts and budget review stage. The results provide a basis for rectification of departmental issues, optimization of financial policies, and improvement of budget management, and play a positive role in effectively improving the effectiveness of the use of financial funds and the overall improvement of the efficiency of financial resource allocation.

3. Ways for Third-party Institutions to Participate in Financial Budget Performance Management

In 2018, the Ministry of Finance of China regulated the participation of third-party organizations in financial budget performance evaluation in terms of subject responsibility, evaluation scope, evaluation organization, indicator system, results application and fund management. At present, third-party institutions mainly participate in financial budget performance management through the following methods.

(1) Overall undertaking

The overall undertaking is generally applicable to prior performance evaluation and post performance evaluation. After the financial budget department determines the evaluation object, the third-party agency independently undertakes all work related to performance evaluation, including communicating with the competent department, collecting project information, formulating and improving the evaluation plan, conducting on-site evaluation, collating and writing evaluation reports, etc.

(2) Partly undertake

Some of them undertake part of the budget performance management work performed by third-party institutions, and are mostly used for relatively independent and complete content in evaluation work, such as social questionnaire surveys and project needs analysis.

(3) Providing services

The provision of labor services is mostly used for performance monitoring during the event and performance evaluation after the event. The third-party organization conducts evaluations on project sites with established evaluation systems and rules in accordance with the evaluation schemes formulated by the relevant departments for performance evaluation by providing services or labor dispatch, and does not participate in the evaluation schemes and index setting.

(4) Professional consulting

Professional consulting is more common in the financial sector inviting academic experts and consultants in different policy fields to participate in different project evaluations to provide policy consulting services for performance evaluation.

4. Problems with the Participation of Third-party Institutions in Financial Budget Performance Management

Since the start of the "exploration pilot" in 2003, third-party institutions have participated in the fiscal budget performance management. At present, they have entered the construction stage of "full implementation", but there are still many limitations and problems in practice.

(1) Third-party organizations face cross-professional fields and talent challenges

Although budget performance management has been launched for many years, there is still a "passing field" of performance evaluation. It pays attention to the situation that evaluation itself ignores the application of evaluation results and confuses performance evaluation with financial inspection. The reason is that the quality of performance evaluation reports is not high, and few Provide constructive suggestions for optimizing financial budget management. In order to improve the credibility of performance evaluation, various regions have introduced third-party organizations to participate in performance evaluation, gradually revealing the defects of third-party organizations in the cultivation and accumulation of professional talents. First, the scope of fiscal budget expenditure is wide and broad, there are many types of industrial support policies, and the background of policy formulation is complex. There must be a lot of content that exceeds the professional research field of third-party institutions. Industry development trends, performance evaluation only stays on the surface; the second is that most of the third-party institutions participating in financial performance evaluation are scientific research institutions and professional consulting institutions. The evaluation personnel have no financial management experience and cannot accurately capture the problems behind the evaluation process. The financial management loopholes, coupled with the existing budget performance management books and journals mostly based on theoretical research and few practical case studies, it is difficult for third-party institutions to build a performance management talent training system. Guarantee.

(2) It is difficult for third parties to obtain complete information, resulting in low evaluation quality

According to the provisions of the Budget Law, the financial departments of governments at all levels are the organization and coordination departments of budget performance management at this level. Due to limitations in understanding the concept of performance management, some administrative departments have not actively participated in budget performance management. When these departments are the main body of performance evaluation, it is easy to produce a relationship between opposing evaluation and evaluation, adopt a negative attitude towards performance evaluation, and do not actively provide or even conceal project information or provide false information. The third-party organization has no administrative management function, and there is no other effective method other than communication and coordination. The deliberately modified and concealed data may have deviations in the identification process, causing incorrect data to be quoted. Even if the third-party organization recognizes that the data logic is wrong, it will take a lot of money. Time and effort to correct and verify that the asymmetry of information prevents evaluators from gaining a deep understanding of project development and affects the quality of performance evaluation. The conclusions and recommendations are of little significance for optimizing financial budget management reference, thereby further reducing the performance evaluation of management. The degree of recognition affects the degree of coordination and forms a vicious circle.

(3) Third-party evaluation standards identify differences that affect evaluation quality

Since 2011, the Ministry of Finance has successively formulated evaluation plans and common indicator system frameworks such as local financial management, county-level fiscal expenditures, departmental overall expenditures, and project expenditures to guide and standardize the performance evaluation of financial budgets at all levels, but has not yet formed a complete set of performance In the evaluation standard system, there are no guidelines for major policy evaluations, and there is no explanation for the scoring rules in the index system. The differences in the evaluation standards recognized by various third-party organizations may lead to deviations in the horizontal comparison of the evaluation objects and affect the overall evaluation quality. At the same time, there is no unified legal system for performance evaluation to standardize evaluation behavior, and there are no clear regulations on evaluation agency responsibilities, evaluation procedures, supervision and management, and legal responsibilities.

5. Suggestions for Improving Third-party Institutions' Participation in Financial Budget Performance Management

In view of the above-mentioned third-party organizations' problems in budget performance management, the following suggestions are proposed from the aspects of building an evaluation system, strengthening organizational leadership, optimizing evaluation methods and advancing performance management legislation.

(1) Build evaluation index database and change traditional evaluation methods

Since the implementation of financial budget performance management for many years, the evaluation project involves various budget revenues and expenditures. The financial department can sort and organize the project evaluation characteristic indicators over the years to form a performance evaluation characteristic indicator database for reference by third parties participating in the evaluation Classify design indicators, increase the setting of openness indicators, and the evaluation criteria should also consider regional differences. As a professional knowledge service organization, third-party organizations have professional service and management advantages. The lack of financial management practices can be supplemented by communication through the evaluation process. The various evaluation indicators and data collection forms of the performance evaluation plan design should be continuously improved in practice. In addition to completing the evaluation work according to the established plan, the evaluation site should communicate with the beneficiaries to collect enough project information, and at the same time The department maintains communication, feedbacks the current status of the project in a timely manner, adjusts the evaluation plan according to the on-site situation, and transforms the performance evaluation from static evaluation to dynamic evaluation.

(2) Explore multi-agent participation performance evaluation

In view of the fact that the application of performance evaluation results may involve the adjustment of multiple interests, the performance evaluation work should be led by governments at all levels, with multiple departments participating at the same time, from passive participation to active association, changing the previous concept of inspection and inspection, and improving performance management concepts. As the evaluation project supervisor, the budget unit has deep research on the evaluation project background, policies and development trends. When the third-party organization undertakes the project, it should actively communicate with the budget unit to discuss the performance evaluation plan and improve the applicability of the evaluation indicators. Communication should also fully identify the purpose of the budget unit to avoid the appearance of flashy evaluation indicators and low standards. At the same time, the budget departments of the finance service for special funds for

a long time, the project beneficiaries are closely related to the project implementation effect, performance evaluation can explore the mode of multiple participants participating in the evaluation, multi-dimensional collection of project data to break the information barriers, and improve performance evaluation by multiple means Accuracy, precision and credibility.

(3) Improve performance evaluation standard system and promote performance management legislation

Study and formulate policy performance evaluation plans in a timely manner based on existing policy evaluations, accelerate the construction of performance evaluation standard systems, and provide work guidance for third parties to participate in major policy evaluations. The financial department can analyze and analyze the China 's comprehensive data and past evaluations, and regularly publish / update industry standards and historical standard data as a reference for performance evaluation standards. Third-party organizations should refine the evaluation criteria and increase the score description when formulating evaluation indicators. Indicators replace qualitative indicators, enhance the horizontal comparability of performance evaluation results, and improve the relevance of performance evaluation conclusions. At the same time, budget performance management legislation should be carried out simultaneously, research and formulation of relevant laws and regulations to regulate the participation of third-party institutions in budget performance management, clarify the responsibilities of financial departments, budget departments, and third-party intermediaries in the evaluation process, and use laws to ensure and promote performance Evaluation work.

6. Conclusion

The participation of third-party institutions in budget performance management is faced with many challenges as well as many development opportunities. To fully play its role in performance management requires both policy support and work guidance from government departments and continuous accumulation of experience by third-party institutions to improve the quality of work. The discussion is helpful to establish and improve the working mechanism of third-party institutions participating in financial budget performance management.

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