

PROJECT ON STRATEGIC MANAGEMENT SYSTEM

(Model & Software)

**MINISTRY OF FINANCE
STRATEGY DEVELOPMENT UNIT
&
TUSSIDE
&
STRATEK**

Project Summary

As per the new public financial management approach stipulated by the Law No. 5018; budgeting shall not be based on the expenditure of the previous years but on vision and future strategies. The new law also envisages a transition from input oriented budgeting to output and outcome oriented budgeting through performance based budgeting which is based on strategic planning.

Aims of the proposed project are as follows;

1. To design Strategic Management Model which will be a reference model for all the other public agencies by making research on the international implementations.
2. To develop Process Management Model and organizational structure in compliance with the Strategic Management Model,
3. To develop Performance Based Budgeting System on the basis of Strategic Management Model,
4. To develop software which will enable the usage of the newly developed subsystems in electronic environment,
5. To build capacity through training and consultancy on the designed subsystems and software for the users and the managers.

This approach will enable us to apply strategic planning and performance based budgeting at the Ministry of Finance, and this application will establish a baseline and model for all public agencies. For the model to be in line with our country's financial structure and have a structure which can ensure the outcome oriented budgeting together with the improvement and maintenance of good practices, as guided by the financial reform agenda, these changes shall be supported via a thorough R&D study.

This project is a direct consequence of reforms on Public Financial Management and stipulated by the Laws No. 5018 and 5436 which have been prepared based on efficiency in public service delivery.

The main steps of the project are as follows:

1. Needs analysis
2. Project and road map
3. Application

These steps can be summarized as follows:

1. As-is model of the MoF
 - a. Planning for the Project Management
 - b. Orientation and Training
 - c. As-is Analysis of the MoF
2. Strategic Plan of the MoF
 - a. Sharing the basic concepts related to strategic management with the Strategy Development Committee of MoF, reviewing of the mission and vision of the MoF, determining of the draft strategic goals
 - b. Setting out Strategic Goals and Objectives for the MoF

- c. Preparation of Strategic Plan and Operational Plan for the MoF
3. Development of Strategic Management Model and Supporting Software
 - a. Development of Strategic Management Model
 - b. Development of Strategic Management Model Software
4. Performance Based Budgeting Model and Supporting Software
 - a. Development of Performance Based Budgeting Model
 - b. Development of Performance Programme and Performance Based Budgeting Model Software
5. Performance Based Budget of the MoF - Preparation and Execution
 - a. Software Training for the MoF
 - b. Preparation of the performance programme for the MoF
 - c. Preparation of Performance Based Budget covering the years 2008-2010 for the MoF in 2007.
 - d. Execution of 2008 Budget, and Yearend Results
6. Revised Model and Software
 - a. Improvement of the Model on the basis of Budget Execution results

The model and the software to be delivered at the end of the project have the potential of being a reference model to be rolled out for whole of the public sector including local governments. The application of this reference model will ensure regulatory compliance (as per laws 5018, 5436, 5272, 5216, etc.) and support the establishment of transparent and accountable public financial management approach based on effective, efficient and economic utilization of public funds and governance principles.

The project complies with all of the following requirements within the framework of R1007:

1. R&D
2. Experimental Development
3. Development Project
4. Technology Project: concept development, technological and economic feasibility study, experimental work during the transition from concept to design, design works, model development, model application, improvements and problem management after application
5. Technologically new product
6. Process innovation

Key words: Strategic Management, Strategic Planning, Performance Based Budgeting, Process Management, Knowledge Management, Performance Management, Modeling, Software Development, Strategy, Performance, Process, Budget, Public Financial Management, SOA, Web Services, XML, Budget Space, Performance Budget

