The Republic of Turkey
The Ministry of Finance
Strategy development department

Strategic planning in the public sector
Atilla Cakir, Finance Expert
Content

- Financial reforms in the public sector
- SGB system functions
- Activities
- Strategic management process
Global vision

• Changing global frameworks: increasing pressure on governments

• Need for better performing government agencies

• Expectations from public management system – results-focused administration, more value for society
Key goals of budget reforms:

- Adapt to financial discipline
- Allocation and use of resources to meet strategic priorities
- Enhance efficiency and value-for-money of programs and services
How?

- By controlling government resources /funds/;
- By planning allocation of resources;
- By managing resources;
- By rethinking business processes of government agencies;
- By ensuring interactions and exchange of information between institutions;
- By creating information systems for the administration in order to support decision-making process with concrete data
Financial management reforms in the public sector

- Budget type described and defined anew
- Multi-year budgeting
- New budget classification practices
- Budget coverage extended
- Important flexibilities for government agencies in developing and executing their budgets
- Strategic, results-oriented planning and budgeting have become the foundation of the new system
- Government agencies have started to put into effect a structure to develop strategies
- Internal control system put into place by creating conditions for specialization
Financial management reforms in the public sector

- Mandatory use of one accounting system across the public sector
- Internal Coordination Council and Public Accounting Standards Council
- The budget law resumes the use of government income tables (tax expenditure), which were earlier dropped due to tax breaks and holidays etc.
- Work started to developed secondary and tertiary laws on the basis of which public sector financial management and control system will be developed and managed
Strategic planning in Turkey’s legislation

- Strategic planning reference for public institutions: 2003 г.
- Law on public sector financial management and control: December of 2003
- Decision by the Supreme Planning Council: 2003, 2004
- Pilot projects at institutions: 2004-2005
- Laws “On the local authorities”: 2004-2005
Strategic planning in Turkey’s legislation

- Research into the strategic direction of the public sector: 2005
- Instruction on the methods and principles of strategic planning at public institutions
- Strategic planning reference for public institutions (version 2): 2006
- Instructions on strategic planning methods and principles: 2006
SGB functions

- Strategic management and planning
  - Defining mission and vision
  - Defining corporate and individual goals
  - Setting indicators
  - Budgeting
  - Data analysis – scientific research
- Developing results and quality criteria
- Information management system
- Financial services
  - Budget and results program
  - Accounting, final accounting and reporting
  - Internal control
Strategic management and planning function

- Article 6 — Goals of strategic management and planning functions:
  - a) Create a training program in strategic planning for institutions and provide or ensure the provision of training and consultations in strategic planning of management and coordinate the work related to strategic planning
  - b) Provide additional services on strategic planning as required
  - c) Compile activity reports of the directorate
  - d) Carry out work to define the mission of the directorate
Strategic management and planning function

- e) study external factors which could influence the services provided by the directorate
- f) identify new opportunities to provide services and take measures to prevent threats to efficiency and productivity
- h) Conduct a survey of productivity and capacity inside the institution, analyze the efficiency of services and the level of satisfaction of users; conduct general surveys
- i) Identify strong and weak sides of the directorate
- j) conduct scientific research about the scope of functions of the directorate
- k) collect, classify analyze information and data about the activity of the directorate
Road map of strategic management

MONITORING AND EVALUATION

INTERNAL CONTROL

HIGHER POLICY DOCUMENTS

GOVERNMENT PROGRAM

FIVE-YEAR DEVELOPMENT PLANS

MIDTERM PROGRAMS FINANCIAL PLANS

ANNUAL PLANS AND PROGRAMS

FIVE-YEAR

RESULTS PROGRAM

PERFORMANCE REPORTS

OPERATIVE PLAN

ANNUAL

MONITORING AND EVALUATION

INTERNAL CONTROL
Strategy tree (Cascading)

Mission and vision → Goal → Task → Units → Results goals → Activity/projects → Business plan
Work
Developing training programs

Article 8 of Guidelines on methods and principles of strategic planning in government agencies says that the training program should incorporate all stages of strategic planning process, schedule of activities and terms of completion, types of activities, designated units and persons, training needs, if need be consultancy needs, costs of the planning process, human and technical resources needs.
Putting together planning teams

- Strategy development department
- Strategic planning coordinating Committee
- Consultants

- Tax Inspection WG
- Tax Policy WG
- SGB WG
- Main Directorate of budget and financial control WG
- Financial Crime WG
- Strategic planning Working Group
- Legal consulting and Accounting WG
- Accounting WG
- MİLLİ EMELÇİ Çalışma Grubu WG
- Main Directorate Of Personnel WG
- Financial Training Center WG
- Department for Administrative and Financial Matters WG
- EU WG
- PROVINCIAL WG
### Teams’ responsibilities

<table>
<thead>
<tr>
<th>Strategy Development Council under MoF</th>
<th>Strategic Planning Coordination Committee</th>
<th>Strategic Planning Working Group</th>
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<tbody>
<tr>
<td>Coordinate activities and provide support in elaborating strategies, goals and policies of services and organizing the work of the ministry</td>
<td>Coordinate the work of the units in strategic planning and provide information on the work done to the Strategy Development Council</td>
<td>Be involved in the strategic planning process, which is coordinated by the Strategy Development Directorate and the project team, as well as ensure coordination of the work of the spending unit and the working group</td>
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"A DECISION WHICH WILL NOT BE IMPLEMENTED IN PRACTICE WILL BE A GOODWILL INITIATIVE BUT NOT A REAL DECISION."

Strategic management process

- Strategic plan
- Budget and performance
- Internal control
- Information management systems

Strategic management process:
- Strategic plan
- Budget and performance
- Internal control
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## Strategic planning process

<table>
<thead>
<tr>
<th>Plans and programs</th>
<th>SITUATION ANALYSIS</th>
<th>Where are we?</th>
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<tbody>
<tr>
<td>Partner analysis</td>
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<td>SWOT analysis</td>
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| Reasons for the organization to exist | MISSION AND PRINCIPLES | What do we want to achieve? |
| Key principles                        |                       |                            |

| Expected future                        | VISION                |                            |

| Mid-term goals                         | GOALS                 |                            |
| Specific, concrete and measurable goals|                       |                            |

| Methods for achieving the goals        | STRATEGIES            | How can we get to our destination? |

| Detailed work plans                    | ACTIVITIES AND PROJECTS|                            |
| Appraisal of prime cost                |                       |                            |
| Results program                        |                       |                            |
| Budgeting                              |                       |                            |

| Compiling reports                      | MONITORING            | How can we trace out successes and evaluate them? |
| Comparison                             |                       |                            |

| Feedback                               | MEASURING AND ASSESSING RESULTS |                            |
| Identifying measurements methods       |                                   |                            |
| Results indicators                     |                                   |                            |
| Evaluation of practical work and results|                                 |                            |
STRATEGIC PLAN

- Based on the strategic plan for 2008-2012, infrastructure for practical application of strategic management system has been created at our directorate.

- Based on the experience of the first plan for 2013 to 2017, a new strategic plan has been elaborated.
**Mission of the Ministry of Finance**

We want to have a Ministry of Finance which develops and applies financial policy and ensures its monitoring with the participation of all stakeholders.

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**Vision of the Ministry of Finance**

The Ministry of Finance, which for the purposes of supporting the creation of proper environment for strong and sustainable development, without abandoning fiscal discipline, in the spirit of fairness maintains optimal levels of financial loads and allocations, enhances the public value of the use of public resources, ensures transparency and accountability and serves as a pro-active and model ministry.

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## Strategic planning framework - II

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<td>Sensitivity to the environment</td>
<td>Pro-active</td>
</tr>
<tr>
<td>Focus on solutions</td>
<td>Transparent</td>
</tr>
<tr>
<td>Veracity and reliability</td>
<td>Social justice and equality</td>
</tr>
<tr>
<td>Cost effectiveness, efficiency and focus on results</td>
<td>Social responsibility</td>
</tr>
<tr>
<td>Accountability</td>
<td>Compatibility and predictability</td>
</tr>
<tr>
<td>Rule of law</td>
<td>Specialization and capacity</td>
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<tr>
<td>Participation</td>
<td>Focused on citizens</td>
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### Strategic planning framework - III

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<tr>
<th>STRATEGIC GOAL</th>
<th>STRATEGIC DIRECTIONS</th>
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<tbody>
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<td><strong>SA1.</strong> Show leadership in setting stable financial policy through a comprehensive approach and manage resources/funds on the basis of the principles of cost effectiveness, efficiency and focus on results</td>
<td><strong>SH1.</strong> Expend the taxable base in a just and predictable manner</td>
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<td><strong>SH2.</strong> Create a simple tax system, sensitive to global developments, which enhances competitiveness</td>
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<td><strong>SH3.</strong> Enhance the efficiency of processes for the allocation and use of funds, taking into account financial discipline and sustainable development</td>
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<td><strong>SH4.</strong> Ensure effective use, monitoring and accountability of public funds</td>
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<td><strong>SH5.</strong> Proactively manage public real estate based on the real needs of the economy</td>
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**Strategic planning framework - IV**

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<td><strong>SA2.</strong> Extend the reach of the real economy and cut financial crime</td>
<td><strong>SH6.</strong> Develop and expand real economy</td>
</tr>
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<td><strong>SA3.</strong> Provide effective, results- and solution-focused services of legal consulting and accounting</td>
<td><strong>SH7.</strong> Fight money laundering received as a result of criminal activity, fight terrorism financing</td>
</tr>
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<td><strong>SA4.</strong> Expand corporative capacities</td>
<td><strong>SH8.</strong> Enhance efficiency in the provision of legal consulting and accounting services</td>
</tr>
<tr>
<td></td>
<td><strong>SH9.</strong> Develop strategic management, human resources, organizational structure, technological infrastructure and corporate culture</td>
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</table>
Thank you ...

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