



Encyclopedic Dictionary of Public Administration

The reference for understanding government action

CONTROL

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Control refers to a procedure implemented to ensure that records are kept accurately or that structures, services and systems function properly.

Looking back on the history of organization theory, Anthony (1965) initially described management control as “[...] the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization’s objectives.” Control systems are a set of mechanisms intended to raise the probability that an organization will achieve its goals (Flamholtz 1979). In a broader sense, the notion of control has been compared to a path or an order-creating force or regulatory influence (Chiapello 1996). This last definition recognizes that control may be administrative, social, or individual (self-supervision), although the latter two types are less visible.

Public administrations tasked with implementing strategies stemming from the policy directions they are given while at the same time staying within a predefined financial and legal framework are subject to administrative controls. These controls may be external or internal to a ministry or agency, and can be qualified in terms of whether they are applied *ex ante* or *ex post*.

When controls precede operations, they are referred to as *ex ante*. Such mechanisms may slow down operations if they are not sufficiently automated. Examples include the budgetary control process, business of supply activities by parliamentary committees, monitoring activities by the comptroller of finance, and various internal controls implemented by ministries and agencies according to their legislative responsibilities.

Ex post controls are normally applied after decisions are made and do not slow down operations, in accordance with the principles of New Public Management. The objectives of such controls often relate to damage repair, but also have to do with learning from and avoiding future mistakes. Among such controls are a variety of external mechanisms, notably legislative auditing, external auditing, the Québec Ombudsman, and reporting mechanisms relating to accountability. Citizen or media scrutiny can also constitute a form of *ex ante* control. Internally, when operations are classified according to risk, *ex post* controls tend to be applied to low- or lower-risk operations, while internal audits normally focus on operations with a higher degree of risk.

Control mechanisms are limited by the human factor, i.e., the possibility of mistakes in judgement. Decisions are, for example, made under deadlines using available data, which may be incomplete. Computer control of routine and high-volume operations limits this kind of risk, but when controls are manually applied, poor understanding of the task or inadequate training may

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also compromise their effectiveness. Control systems cannot be more effective than the people who operate them. The risk of controls being circumvented by managers or employees seeking personal gain can be reduced by simply dividing up tasks. The possibility remains however that a group of individuals may collude to hide their actions and thus limit the effectiveness of the controls in place.

Also, given limited resources, managers and administrators must first of all ensure that the cost of implementing and maintaining control systems does not exceed the savings and benefits generated. Risks must be evaluated, however subjectively, and control mechanisms costed if excessive controls are to be avoided. Reducing excessive controls is the main challenge for future developments in this area, and corporate executives will need to be involved from the ground floor if success is to be achieved. Studies of earlier internal and external controls reveal that various actors have a role to play in uncovering problems with internal control systems, while those in charge generally do little more than submit to them. A more risk assessment-centered approach transfers increased responsibility to these actors by bringing them in at the risk identification stage and seeking their input on which controls to put in place to manage risk appropriately. We must recognize, however, that in a political culture of blame avoidance (Hood, 2007), everything becomes a risk, and nobody wants to ease up on control mechanisms.

Echoing this criticism, Power (2004) recognizes that internal control systems have serious problems. Not only is it inherently difficult to demonstrate their effectiveness, but more importantly, a growing obsession with internal controls can in itself increase risks: “First, internal control systems are organizational projections of controllability which may be misplaced; such systems are only as good as the imaginations of those who designed them. Second, internal control systems are essentially inward-looking and may embody mistaken assumptions of what the public really wants reassurance about.”

Whereas in the past, government control systems aimed at ensuring 100% compliance with legislation and rules, current risk-management concepts focus more on selecting which control mechanisms to implement based on the probability of an event’s occurrence and its potential impact on a ministry or agency’s activities. This new control model marks a shift away from a fundamental mistrust of management toward a system that values managers and expects them to take calculated risks and make decisions grounded in defined expectations. However, public sector managers must periodically report to citizens regarding the honest and effective use of their taxes and must generally adhere to higher financial probity standards than their counterparts in the private sector. Public sector managers are generally less tolerant of risk and, rightly so, of financial mismanagement. According to the OECD (2005), “a handful of countries have attempted to incorporate appropriate risk management into their accountability and control systems, but experience is limited and lessons are few.”

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