One of the key principles in the shared services model is monitoring the quality and efficiency of the services and benchmarking with other organizations that are offering the same kind of services. The aim of the conducted survey was to obtain an overview weather there are similar Key Performance Indicators used to monitor the quality and efficiency of shares services.

The survey was carried out by the Estonian EUPAN team in the period of June-September 2017. There were 23 forms submitted by the member states. However, five of the respondents explained that they don’t have any shared services or the system of shared services is to be implemented and the monitoring of KPIs will be applied in the future. The model of shared services is implemented in the fields of financial accounting, payroll, HR accounting and procurement services in 9 countries - Germany, Slovenia, Sweden, Netherlands, Estonia, Belgium, Finland, Italy and Hungary. Norway, Malta, Switzerland, Croatia, France, Portugal, Slovak Republic, Poland and Denmark have shared services models in some of the mentioned areas.

Sharing services types differ from member state to member state. Thus, it have to be considered that substance of the Key Performance Indicator can also be out of line in different countries, even if the description of the KPI is the same.

### I FINANCIAL ACCOUNTING

1. Which Key Performance Indicators (KPI-s) are used for monitoring the quality of financial accounting services

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Client satisfaction with services from client survey</td>
<td>40%</td>
</tr>
<tr>
<td>B. Evaluation of National Audit Office (number of audit findings)</td>
<td>87%</td>
</tr>
<tr>
<td>C. Evaluation of external audit authority</td>
<td>20%</td>
</tr>
<tr>
<td>D. Evaluation of compliance to Service Level Agreement (SLA)</td>
<td>40%</td>
</tr>
<tr>
<td>E. Other (please specify)</td>
<td>20%</td>
</tr>
</tbody>
</table>
To monitor the quality of financial accounting services most of the member states use more than one indicator. The most commonly used Key Performance Indicator is evaluation of National Audit Office (number of audit findings), that is used by 87% of the respondents who have shared financial accounting services. Client satisfaction level with services (from client survey) is used by 40% and evaluation of compliance to Service Level Agreement by 40% of the respondents.

50% of the respondents use the number of transactions performed by FTE to monitor the efficiency of financial accounting services and 57% use process efficiency measures (days for processing backlog etc) for the same purpose. For example in Switzerland the processing time of an invoice in the Shared Services Centre may not exceed 48 hours. Cost of the service per expenditure (cost of service as % of state budget) and headcount reduction in provision of service (%) is being used by 21% of the respondents. But there are also several other indicators used, for example Croatia monitors the percentage of execution of planed budget and amount of money paid for delayed payments. DFØ in Norway has a benchmark survey that calculates how much DFØs services cost compared to equivalent agencies in other Scandinavian countries. Switzerland on the other hand, takes into account the amount of E-invoices in comparison to the total amount of processed invoices and quota of reminders.
Most of the countries (82%) who have centralized their payroll calculation as shared services use evaluation of national audit office to monitor the quality of the service. For example in Switzerland, the audits amount to five remarks is considered a good appraisal. 45% of the respondents conduct a client satisfaction survey, 27% of the respondents evaluate the compliance to Service Level Agreement (SLA) and 9% monitor evaluation of external audit authority.

### 3. Which Key Performance Indicators (KPI-s) are used for monitoring the quality of payroll calculation services?

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Client satisfaction with services from client survey</td>
<td>45%</td>
</tr>
<tr>
<td>B. Evaluation of National Audit Office (number of audit findings)</td>
<td>82%</td>
</tr>
<tr>
<td>C. Evaluation of external audit authority</td>
<td>9%</td>
</tr>
<tr>
<td>D. Evaluation of compliance to Service Level Agreement (SLA)</td>
<td>27%</td>
</tr>
<tr>
<td>E. Other (please specify)</td>
<td>0%</td>
</tr>
</tbody>
</table>

### 4. Which Key Performance Indicators (KPI-s) are used for monitoring the efficiency of payroll calculation services?

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Cost of the service per stipendiary (euros per state employee)</td>
<td>17%</td>
</tr>
<tr>
<td>B. Headcount reduction in provision of service (%)</td>
<td>25%</td>
</tr>
<tr>
<td>C. Number of stipendiaries/payrolls per service provider FTE (state employees per FTE)</td>
<td>75%</td>
</tr>
<tr>
<td>D. Process efficiency measures</td>
<td>33%</td>
</tr>
<tr>
<td>E. Other (please specify)</td>
<td>17%</td>
</tr>
</tbody>
</table>
75% of the respondents measure the efficiency of payroll calculation services with the number of payrolls per service provider FTE. Although the substance of the indicator varies from country to country. For example in Switzerland the basis therefore are the costs per collaborator (head count) and in Denmark the average time per payroll incident (minutes per incident). Process efficiency measures are used by 33% of the respondents, headcount reduction in provision of services by 25% and 17% use the cost of the service per stipendiary as the KPI to monitor the efficiency of payroll calculation services.

### III HR ACCOUNTING

#### 5. Which Key Performance Indicators (KPI-s) are used for monitoring the quality of HR accounting services?

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Client satisfaction with services from client survey</td>
<td>31%</td>
</tr>
<tr>
<td>B. Evaluation of National Audit Office (number of audit findings)</td>
<td>62%</td>
</tr>
<tr>
<td>C. Evaluation of external audit authority</td>
<td>15%</td>
</tr>
<tr>
<td>D. Evaluation of compliance to Service Level Agreement (SLA)</td>
<td>31%</td>
</tr>
<tr>
<td>E. Other (please specify)</td>
<td>15%</td>
</tr>
</tbody>
</table>

To monitoring the quality of HR accounting services the most widely used KPI is evaluation of National Audit Office, which is monitored by 62% of the respondents who have HR accounting as shared services. 31% of the respondents monitor client survey results. However, the methods to conduct this survey vary from member state to member state. Also evaluation of compliance to Service Level Agreement is used by 31% to monitor the quality of the HR accounting services. For example in Norway, the accounting department uses a monthly KPI that indicates that all companies have been properly reconciliated according to the SLA. There shall never be any deviation for any company here.
The efficiency of HR accounting services is most commonly (50%) monitored by the number of transactions per service provider FTE (state employees per FTE). Other KPIs - cost of the service per stipendiary, headcount reduction in provision of service and process efficiency measures are being used equally by 25% of the respondents who have HR accounting services as shared services. 33% of the respondents refer to other monitoring measures. For instance, Portugal highlights internal auditing at service level.
The quality of procurement in the shared services centers is monitored by the evaluation of National Audit Office in 60% of the member states responded to the questionnaire. It is added, that if procurement is considered a risk area in Sweden in the operations of the agency, it is included in the yearly audit by the Swedish NAO. Likewise, the evaluation of National Audit Office is not used as KPI in Denmark, but the National Audit Office will occasionally evaluate an institution's procurement and the Agency for Modernisation will follow up on those results.

Also, an important KPI for procurement quality is client satisfaction with services from client survey that is used in 53% of the cases. The customers are asked about their satisfaction with the procurement services every year in Austria - in 2016, customers rated the FPA with a note of 1.56 (1 = best mark, 5 = worst mark). To add, in Denmark, client satisfaction is measured among clients at state level, who are obliged to use the frame agreements.

27% of the respondents noted that they use other KPIs to observe the quality of procurement. Austria explains that they evaluate the validity of tendering procedures regarding the public procurement law. In 2016 the FPA executed 184 tendering procedures, of which four were set as invalid by the Federal Public Procurement Office.
To monitoring the efficiency of procurement 43% of the respondents use process efficiency measures. For instance, Austria evaluates the amount of savings through coordinated procurement and standardisation. In 2016 the savings by procurements through the FPA amounted to 290 Million EUR (21.7% of the volume of procurements).

Number of procurements per service provider FTE is monitored by 29% of the respondents and cost of the service per expenditure by 21% of the respondents. Headcount reduction in provision of service is considered by 14% of the respondents.

36% of the respondents specify that they have other efficiency monitoring measures. For example, Sweden takes into account the number of bids per procurement.
V RECOMMENDATIONS FOR SHARED SERVICES KEY PERFORMANCE INDIKATORS

BENCHMARK SURVEY

The quality of the shared services could be compared with other member states by using the findings from the client satisfaction survey in all of the examined areas (financial accounting, payroll, HR accounting and procurement). Even if the client surveys are not the most popular monitoring instrument, it is used by considerable amount of countries. Five of the respondents - Sweden, Finland, Croatia, Denmark and Estonia conduct a client satisfaction survey to measure the quality of payroll calculation services and four of the respondents: Sweden, Norway, Finland and Estonia in the field of HR accounting. In the field of financial accounting client satisfaction is being measured in 6 member states – Sweden, Norway, Switzerland, Finland, Denmark and Estonia and in the field of procurement in 8 countries – Austria, Germany, Belgium, Finland, Portugal, Estonia and Poland. It is recommended that the countries who have common KPIs in the field could consider either a common benchmark survey or negotiate the content of the questions asked in order to be able to compare the results of the surveys carried out by the countries themselves.

To measure the efficiency of the services, it will be even more difficult to find a common Key Performance Indicators to conduct a benchmark survey. To monitor the financial accounting service the number of transactions performed by FTE could be handful indicator for comparison as it is monitored in 9 member states (Germany, Slovenia, Sweden, Norway, Switzerland, Finland, Denmark, Italy, Estonia) and is easily negotiable considering the content.

It would be possible to measure the efficiency of payroll calculation by comparing the number of payrolls per service provider FTE, as 75 % of the respondents measure this criteria. However, a common understanding of the nature of the KPI have to be clarified beforehand to ensure the comparability of the results.

The efficiency of HR accounting services could be benchmarked by the most commonly (50%) monitored KPI, that is the number of transactions per service provider FTE (state employees per FTE). This KPI is used in 6 countries – Germany, Slovenia, Finland, Hungary, Italy and Estonia.

Benchmark survey to monitor the efficiency of the procurement in different states could be based on the number of contracts per service provider. Although this KPI is not the most popular among countries questioned, it could give comparable data and valuable information for the shared services centers. Number of contracts per service provider FTE could be compared between Germany, Slovenia, Italy and Estonia.