



PRESS RELEASE

VŠE Experts help the Government manage State Administrative Expenses more effectively

The Czech Government National Economic Board (Národní Ekonomická Rada vlády – NERV) working group for key performance indicators (KPI) in public administration proposed, to the Government of the Czech Republic, a state operational costs management system. A lot of VŠE experts are involved in this proposal. Petr Nečas, Czech Prime Minister, will authorize the Ministry of Finance to process the system of key performance indicators in public administration.

Prague, 16 April 2013

Prof. Jiří Voříšek and Assoc. Prof. Ota Novotný, Ph.D. from the Faculty of Informatics and Statistics are involved with the NERV proposal together with Prof. Zuzana Dvořáková from the Faculty of Business Administration as well as doctoral students Miroslav Řezáč and Pavel Hrabě. In fact, since November 2012, they have participated in the NERV working group for key performance indicators (KPI) in public administration that was founded by its head by Jan Procházka, NERV member.

The working group has analyzed the possibility of a KPI application for the governance of the state and its institutions. Based on the analyzed experience abroad, expert discussion and primary results of a pilot project in the field of KPI state real estate management, it has become apparent that this field has a high potential for cost savings. Therefore, the working group has proposed a system of state operational costs management based on so-called roofing of KPI unit values in the process of state budget's creation. The system will enable the government to better set and manage the basic constraints, which individual state institutions should take in their respective operational activities.

The working group elaborated the area of real estate administration in particular; the existing available systems can be applied. Based on calculations, the estimated savings may amount to CZK 870 million a year.

The Prime Minister will present the resolution to the Government, by which the Ministry of Finance of the Czech Republic will be authorized to process the KPI system in public administration and its interconnection to the composition of the state budget.

“By the end of summer 2013, the central institutions will publish the KPI's selection on their web pages,” the Prime Minister stated at the press conference focused on introducing the outcomes of the working group.



PRESS RELEASE

The elaborated study is available at:

http://www.vlada.cz/assets/media-centrum/aktualne/NERV_JanProchazka_KPI.pdf

Shortened press conference record available at:

<http://www.vlada.cz/cz/media-centrum/aktualne/nerv-navrhuje-efektivneji-ridit-vydaje-statni-105187/>

Complete press conference record and Czech Television report available at:

<http://www.ceskatelevize.cz/ct24/ekonomika/222419-nerv-prisel-na-to-jak-ve-statni-sprave-razantne-usetrit/>

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The University of Economics, Prague (Vysoká škola ekonomická v Praze) is the leading university in the field of management and economics in the Czech Republic. The University of Economics, Prague is composed of more than 20,000 students and has six faculties – five in Prague and one in Jindřichův Hradec in South Bohemia. These include: the Faculty of Finance and Accounting, the Faculty of International Relations, the Faculty of Business Administration, the Faculty of Statistics and Informatics and the Faculty of Economics and Public Administration. The faculty based in Jindřichův Hradec is specialized in management. Graduates of the University of Economics, Prague occupy responsible positions in the private as well as in the public sector. Most of them are employed in the sectors of industry and services, trade, marketing, banking, public administration, accounting, audit, tourism and the field of information technology. Many significant Czech and foreign economists have obtained the University's honoris causa title; for example, the Nobel Prize winner Prof. Robert A. Mundell, Prof. Milton Friedman and Prof. Gary S. Becker. More information at <http://www.vse.cz/index-en.php>.

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