

## BOOK REVIEW MODERN CONTROL IN PUBLIC ADMINISTRATION [MODERNÍ KONTROLA VEŘEJNÉ SPRÁVY]

Author: Václav Kupec

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Václav Kupec, the author of the scientific monograph under review, has been concerned with research in control and audit, both as a professional and as an academic, for considerable time now. In his articles and practical processes, he builds on the scientific work done by Prof. Jiří Dvořáček (Dvořáček, *Interní audit a kontrola* [Internal Audit and Control], C. H. Beck, 2023; Dvořáček, *Audit podniku a jeho operací* [Audit of a Company and its Operations], C. H. Beck, 2005; Dvořáček – Kafka, *Interní audit v praxi* [Internal Audit in Practice], Computer Press, 2005), whose methods Kupec develops, updates and uses in practical applications. The reviewed book reflects the author's professional experience with audit of operations in public administration, internal audits of multinational business, and controls by supreme audit institutions. He is currently working in the academic sector – at the Prague University of Economics and Business, the Anglo-American University in Prague, and the University of Ss. Cyril and Methodius in Trnava. At the same time, he works as a consultant for business.

The main theme of the present monograph is the transformation of control mechanisms in public administration processes and the construction of diagnostic models of control. The author claims that public administration is composed of numerous processes that include risks that can be reduced by control mechanisms. However, by spontaneous development, public processes become more complex, and the implied risks cannot be easily controlled. These premises outline the topic of the reviewed book, whose



aim is to contribute to the support and constitution of our society and the development of the control and audit professions. The development of the two interrelated professions (both focus on process help to the management) has been significantly affected by digitization, which has been transforming static verification to dynamic verification. Thus, it is absolutely necessary to monitor this transformation and subsequently innovate the control and audit mechanisms, as also stated by the author.

Kupec explores the topic in a rigorously systematic way, using the individual scientific steps from the determination of the significance of the topic, the formulation of the problem, setting the main objective and the partial objectives and the construction of the hypothesis. Based on a primary analysis he understands the significance of the topic that lies in the increasing complexity of the public administration processes and the emergence of new potential risks, which requires an adequate response. Therefore, he defines the problem with a question on how to build an innovative model of control mechanisms that reduces the risks in public administration processes. He proceeds to identify the main objective of the work, which is the building of an innovative model of control mechanisms for risks in public administration processes. At the same time, he constructs a working hypothesis focusing on the level of assessment of the level of risk of processes and the assessment of financial health of public administration.

The monograph begins, as is typical, with a literary search and a content analysis of the relevant terms. Using the PRISMA 2020 methodology in the Web of Science Core Collection, Scopus and ProQuest databases, the areas of "Public Administration", "Process", "Risk" and "Control" are explored, which constitute the main backbone of the search. Relevant texts are selected from scientific branches concerned with "Business", "Economics", "Law", "Management", "Political Science" and "Public Administration". Selected texts were published between 2012 and 2021, and they comply with the quotation criteria and criteria of the latest publication of documents. It must be stressed that the book uses over 300 sources. The author has thus verified the need for studying the topic and is presenting a complete set of theory put together using an individual perspective that reflects the state of public administration in the 21st century.

The literary search does not simply adopt "fancy" opinions; Kupec meticulously defines the terms in the field of public administration and control mechanisms; excerpts the role processes and risks in public administration as a subarea of public administration; synthesises links between the different terms in the context of modern public administration; expands the theoretical knowledge in the field of public administration and control mechanisms, including a discussion and critical assessment. He understands public administration as an inherent part of society constituted as a basal system for servicing the needs of the citizens on which high demands are placed. Based on the literary search he proves the existence of a link between public administration, the relevant processes, their risks and control mechanisms, or control. He highlights the continuous development of these links against the backdrop of social change.

The research part of the monograph is once again executed in a systematic way. It identifies the risk processes in public administration; determines the approaches

to the granularity of public administration processes; defines diagnostic points of risk public administration processes; constructs an innovative model of control mechanisms for public administration processes risks. In order to accomplish these practical steps, the author defines a methodology that will ensure the replicability of the used approaches. Consequently, two samples are made for the actual research. The first sample focused on the external environment of public administration has been selected based on regional legislation on municipalities and includes selected municipal offices. The other sample focused on the internal environment of public administration has been selected as a set of processes in a controlled organization, the so-called audit universe organization, and includes the basic processes of the organization.

The main research method is the interview method, or more specifically a method of structured interviews using the digital tool CAWI (Computer Assisted Web Interviews). Kupec extensively proves the appropriateness of its application and uses references to a number of authorities in the field of research interviews. He has used analytical software IBM SPSS Statistics 28.0 for the subsequent transformation of data, data sets and further processing of results. The results are first summarized and then assessed. At the same time, he works with hypotheses and validates the results. The results are also used for the creation of recommendations, a multidisciplinary discussion and the conclusions of the research, thus fulfilling the aims of the publication.

The reflection of the transformation of control mechanisms in public administration is presented in the results of the reviewed monograph. They depict data from the performed quantitative and qualitative research that are first summarized and very aptly described in a descriptive statistic. The author delves into the transformation of regional public administration and proves that the speed of digitization is slow and the whole environment is highly inefficient. The author also outlines categories of significance of risks and categories of the use of control tools. The attached heat map of detected risks in public administration clearly shows that the areas at risk include financial processes in public administration (risks concerning expenses, risks concerning revenues and economy). In addition, the non-acceptance of the hypothesis of the correlation of risks and financial health of public administration is a result that is worth noting. Proposals follow.

The first proposal section of the monograph primarily helps public administration understand the potential risks in the analysis of complex processes and the setting of diagnostic models of control. Readers, controllers and auditors can then use the proposed risk matrix and individual public administration risks that they can subsequently verify: the first category includes (critical) risks concerning expenses, revenues, economy and financial operations; the second category includes (serious) risks concerning effectiveness, compliance with regulations and legality; the third category includes (medium) risks concerning efficiency, task completion in accordance with the relevant regulations and compliance with internal regulations; the fourth category includes (minor) risks concerning fulfilment and resolutions, dealing with complaints and petitions. Kupec lists the examined risks according to the results of the interviews, categorizes them and offers them for verification uses in practice.

The second proposal section of the monograph deals with granularity of the individual processes that the public administration is composed of. The presented proposals sum up the possible levels of breakdown of the processes and determine their granularity to be able to efficiently analyze the potential risks. The author answers the question on how to set the level of granularity and how to determine when the breakdown of a process is sufficiently detailed to be able to detect risks effectively. The optimum level of granularity is found at the intersection of the decreasing curve of risk impact on cost and the increasing curve of risk identification on cost. The author then presumes that with every lower level of the process, the risk, or the risk impact on cost, is lower. Based on these recommendations, it is possible, at a practical level, to consider the cost ratio of control or audit commissions and projects.

The third proposal section of the monograph defines diagnostic points of risk processes and presents proposals for the construction of a diagnostic control model. This approach draws on medical disciplines as medical science can diagnose highly sophisticated problems and health risks based on universal controls. The results of the research help prepare a similar methodology using universal diagnostic points also for public administration processes. The users of the publication can use diagnostic sets of risk processes in the verification of processes that are repeated. These include "time", "assessment", "implementation" and "employees". These sets can be further divided with more precision to individual points, also called diagnostic points. Diagnostic points are discussed at the end of the monograph where they are presented in a Venn diagram. All sections together help construct an innovative model of control mechanisms of risk processes in public administration. Václav Kupec also adds that the aim is not to turn this model into a dogma, but to efficiently manage limited personnel capacity. Professionals then do not have to keep looking for new processes, but can take inspiration from the methodology of the proposed model. The main strength of the publication is the interdisciplinary synthesis of knowledge of public administration and the proposal for strengthening the role of public administration control. The monograph also includes a discussion where the main limitations of the work are mentioned and the possible future development of the topic is outlined. The formal processing and the graphic design, visual elements and storytelling of the publication are at a high level. It can be concluded that the monograph under review brings added value to public administration and the society as a whole.

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