



FINAC
FINancial management,
Accounting & Controlling
in public administration

Financial Management, Accounting & Controlling curricula development for capacity building of public administration

RESEARCH REPORT 1.1: SERBIA

Mapping of current level of knowledge of employees in public administration in
the field of financial management, accounting and control



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INTRODUCTION

This research report is written in the framework of the project Financial management, accounting and controlling in public administration (FINAC) under the EU programme ERASMUS +, subprogram *Capacity Building in Higher Education*, as a part of its Work package 1: Mapping & reporting about current capacities of public administration employees in Albania & Serbia. Project is implemented in Serbia and Albania and the project consortium involves 12 partners¹ (from Serbia, Albania and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences.

The central aim of “FINancial management, Accounting and Controlling for capacity building of public administration” (FINAC) project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control, in Albanian and Serbian public administration. This aim will be achieved throughout meeting specific objectives: 1) Designing and developing three new master degree programmes in Serbia and two new master degree programmes in Albania in the field of financial management, accounting and controlling for capacity building of public administration in Albania and Serbia, 2) Provision of trainings at university centres/institutes for public administration employees in Serbia, 3) Modernization of one master degree programme in the field of public financial management in Serbia.

The project sets as a fundamental quality of future master and training programmes that they address and develop competencies that are in line with the ongoing national developments in public administration and, more specifically, in the field of financial management and control. These national developments, both in Albania and Serbia, are in many instances characterized by progressive harmonization with international standards of good practice, especially those which get significant attention within the process of accession in European Union. The pace and the quality of adopting and effective implementation of new practices of financial management and control and public administration in general largely depends on the level of capacities and competencies of public administration employees. Therefore, high quality education and training programs must acknowledge and address this element as well, so they can be tailor-made in both directions: national strategies and developments and current level of competencies of its civil servants. In this respect mapping current capacities of public administration employees in Albania and Serbia was seen as a crucial starting point for the Project in order to get valid findings which will guide the development of new master

¹ University of Belgrade (Project Coordinator); University of Kragujevac; State University of Novi Pazar; Belgrade Metropolitan University; Ministry of Public Administration and Local Government, Republic of Serbia; Centre for Education Policy, Belgrade; University of Shkodra “Luigj Gurakuqi”; European University of Tirana; University of Split; Università degli studi “Guglielmo Marconi”; Masaryk University; Matej Bel University. More about the project - <http://finac.org.rs/>



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programmes and in-service trainings so they are tailored to the real needs of public administration and its employees.

The starting point for mapping current capacities of public administration employees in Albania and Serbia can be found in the Reports of European Commission on progress in accession to EU of Albania (European Commission, 2015a) where it ascertains that 'Effective implementation and supervision of the FMC systems, and appropriate training for staff and senior programme officers, have yet to be ensured.', pp. 73) and in report for Serbia (European Commission, 2015b) where it says that 'senior public-sector managers will need to be trained to understand their specific role and responsibilities on financial management and control', pp. 72). In the phase of the conceptualization of the forthcoming research activities the focus was placed on its purpose and main goals, i.e. what kind of information would be most beneficial to the overall project aims and from whom they could be gathered. For that reason, the first steps included a sort of 'unpacking' the concept of financial management and control and thinking of other closely related areas. At the kick-off meeting of the FINAC project held in Belgrade, Serbia (November 2016) representatives of the project consortium partners discussed and adopted the research design proposal which posited main elements of the forthcoming research that was further elaborated in the forthcoming months.

Within Working package 1 of the FINAC project eight reports are envisaged as project deliverables based on agreed research exercise (four reports for Serbia and four reports for Albania):

- Report 1.1: Mapping of current level of knowledge of employees in public administration in the field of financial management, accounting and control;
- Report 1.2: Mapping of current qualification structure of public administration employees in financial management, accounting and control activities;
- Report 1.3: Teaching outcomes and harmonization of national strategies and EU directives in public administration;
- Report 1.4: Mapping of knowledge and expertise of trainers at the regional partner universities.

Regarding the WP 1.1 (Mapping of current level of knowledge of employees in public administration in the field of financial management, accounting and control) – which is the subject of this report – main areas of competence mapping that were agreed upon were: *Financial management and control; Internal audit; Programme budgeting; Budget implementation and accounting; and Public policy management*. The way how these concepts were defined, operationalized and measured will be explained in detail in Methods section.

This report presents the process and outcomes (findings) of the research that was undertaken in Serbia. A separate report deals with the research done in Serbia. The report, besides this introductory section, contains Methods section which in detail describes the research design, the sample, instruments and all the steps in the research process. It is followed by the section on results, the Conclusions section and the annexes where, inter alia, all the research instruments are to be found. This research report does not present the overall national context in terms of financial management and control and public

administration in general and does not provide interpretations of the research findings in that respect. This is the goal of the separate report (work package 1.3.) - comparison of national developments and challenges and the research findings in the investigated fields ending with a set of recommendations for master programme and programme of in-service training of public servants.

The lead consortium partner responsible for the research design, its organization and administration, data analysis and the writing of the reports was the Centre for Educational Policy from Belgrade, Serbia. For the part of the research conducted in Albania, the main partner was the European University of Tirana - its representatives were responsible for the planning and execution of various segments of the research process. Overall coordination of the research process done in two countries was overseen and supported by the coordinating institution - Faculty of Organizational Sciences (University of Belgrade).

METHODS

Design

Research was designed as a mixed-method research. Quantitative segment had a form of an on-line survey – participants were provided with a link to an on-line questionnaire. Qualitative part, in its data gathering segment, was done in a form of semi-structured interviews. Within data analysis both sources of information were complementary used to provide findings that depict the prevalence of certain phenomena, but also the meaning that interviewees attach to them.

Measurements

On-line survey

The goal of the research was to map current capacities of public administration employees in five broad areas: Financial management and control; Internal audit; Programme budgeting; Budget implementation and accounting; and Policy management process². Measuring capacities or competencies can have several forms. First, there can be a direct measurement of competencies, via different kinds of tests (e.g. written test of knowledge and skills, performance tests, etc.) or via analysis of people's work products. Another approach is more indirect and presumes reporting about competencies – one way to do it is by self-reporting i.e. people themselves assess and rate their competencies. Given the sensitivity of measuring professional competencies at work, especially with civil servants³, it was decided to take the less 'indiscreet' approach – self-reporting. On the other hand, if we opt for self-reporting approach and people are not convinced that the findings will not be used in any other way than for research purposes, we are facing a serious risk of getting socially desirable answers. In order to mitigate this risk, aside of assuring participants of anonymity of their answers, it was decided to go in the direction of self-assessment of professional development needs in very specific work practices. In a sense, this approach would provide more direct information needed for the project – what is that for what civil servants think they need more of professional development, for what they would appreciate more education and training. Findings in this form would be than easier to incorporate into curricula as teaching goals and student outcomes. On the other hand, this approach would ease conveying the message to the civil servants that participating in the research has as a purpose of informing the design of a future master programme and not an evaluation of their work in any sense. Finally, items in the questionnaires were not defined in the form of competencies but in the form of

² Not all of the areas were initially planned by the project proposal - however, after FINAC project consortium partners jointly considered the conceptual framework of the research new topics were introduced (i.e. programme budgeting and policy management process).

³ In the time of cutting jobs in the public administration sector, more explicit measures of work competencies probably would be seen by participants as an evaluation of their work and thus as a possible threat to their job (if they not 'perform well'). Given the voluntary participation in the project, this perception would strongly harm the response rate.



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specific work practices for which participants assessed the need for further professional development. This also helped to assure participants that the activity is not their job performance evaluation.

For each item (specific practice, e.g. determining clear lines of reporting) participants were asked to assess to what extent do they need further professional development in order to perform each of the practices more effectively. They could mark one of the provided answers: High level of need; Moderate level of need; Low level of need; No need at all; and the last answer option was This is not relevant for my job position. At the same time participants were asked to state whether they take part in each of the practices listed (whether they actually perform it, organize it or manage/supervise it). Here, they could mark one of the following answers: Yes, to a greater extent; Yes, to a lesser extent; No; and This is not relevant for my job. The purpose of this question was to assess how often different practices in targeted areas (e.g. financial management and control, programme budgeting) are being exercised.

Table 1. Form of questions

	Part (A)				Part (B)				
	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Specific practice 1	1	2	3	4	1	2	3	4	5
Specific practice 2	1	2	3	4	1	2	3	4	5
Specific practice 3	1	2	3	4	1	2	3	4	5

Needs for professional development of civil servants were measured in five areas: Financial management and control; Internal audit; Programme budgeting; Budget implementation and accounting; and Policy management process. Table 2 presents the number of items, i.e. specific practices per thematic area for which respondents self-assessed their needs for professional development. These practices were of similar level of specificity.

Table 2. Number of items/specific practices per thematic area

Thematic area	Number of items/specific practices
Financial management and control	34
Internal audit	74
Programme budgeting	28
Budget implementation and accounting	42

Financial management and control (FMC) in this research is understood as a system of policies, procedures and activities established, maintained and regularly updated by the organization, which provides reasonable assurance that the goals of the organization will be achieved in a lawful, proper, economic, efficient and effective manner. Financial management and control includes all aspects of an organization – all employees, processes an infrastructure. They are the key element built into an organization and not an added quality (Cvejić, Živojinović, Stanojević & Jovičić, 2015).

This part consisted of 34 items, i.e. specific practices developed in accordance with the INTOSAI Guidelines for Internal Control Standards for the Public Sector (INTOSAI, n.d.) including integrated framework of internal control defined by Committee of Sponsoring Organizations of the Treadway Commission (COSO framework) (Committee of Sponsoring Organizations of the Treadway Commission 2013):

- 1) control environment** - sets the “tone” of an organization and has an impact on employee awareness about controls. It is the basis for all other components of internal control, providing discipline and structure. Control environment factors include employee integrity, ethical values and expertise, management philosophy and workstyle, the way in which the management assigns authority and responsibility, organizes and improves personnel.
- 2) risk management** - includes identifying, assessing and controlling the potential events and situations that can have a negative impact on achieving the goals of the public fund beneficiary, with the task of providing reasonable assurance that these goals will be achieved.
- 3) control activities** - are policies and procedures that help ensure that management directives are carried out. They help ensure that necessary actions are taken to tackle risks jeopardizing the achievement of the entity’s goals.
- 4) information and communication** - should flow down, across and upwards in the organization (and with external parties, as well) to facilitate the running and control of business.
- 5) system monitoring and assessment** - includes introducing a system for overseeing financial management and control by assessing its adequacy and functioning.

The COSO framework is widely accepted framework for designing, implementing and conducting internal control and assessing its effectiveness. It is important to note that it is adopted as a framework for financial management and control both in Albania and Serbia, and as such built in relevant regulations (Serbia: Zakon o budžetskom sistemu; Pravilnik o zajedničkim kriterijumima i standardima za uspostavljanje, funkcionisanje i izveštavanje o sistemu finansijskog upravljanja i kontrole u javnom sektoru; Albania: Ligj për menaxhimin financiar dhe kontrollin). In that way, it became an operational guidance for public administration in both countries and thus justifies its incorporation into the research questionnaire.

Within each of the five elements of COSO framework a set of specific practices was defined for which civil servants had opportunity to state whether they take part in it and how much of the professional

development they need in order to perform these practices more effectively. Hereby, we provide a few examples of such practices (the complete questionnaire can be found in Annex 1).

Table 3. Examples of specific practices in Financial management and control section

COSO framework elements	Examples of specific practices
Control environment	Ensuring that employees are made familiar with the code of conduct. Determining clear lines of reporting.
Risk management	Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs. Assessing the risks in terms of their impact and probability.
Control activities	Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring. Ensuring that the procedures for access to data and records in place and applied.
Information and communication	Informing employees about long and short-term goals of the organization. Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control.
System monitoring and assessment	Monitoring of control adequacy to provide reasonable assurances that the organization is likely to achieve its objectives. Reporting on risk management and internal control within the organization.

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. (Relevant Internal Audit Standard Setters, 2012).

This part of the survey consisted of 74 items, i.e. specific practices of internal audit that were developed in line with International Standards for the Professional Practice of Internal Auditing (The Institute of Internal Auditors, 2016)(the complete questionnaire can be found in Annex 1).

Table 4. Example of specific practices in Internal audit section

Elements of internal audit	Examples of specific practices
Planning internal audit	Preparing a strategic plan of internal audit for a three-year period. Establishing risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
Assessment of organisation's stance towards risks	Assessing whether significant risks are identified and assessed. Assessing whether appropriate risk responses are selected that align risks with the organisation's risk appetite.
Evaluation of risk exposures	Evaluating risk exposures relating to achievement of the organisation's strategic objectives.

	Evaluating risk exposures relating to reliability and integrity of financial and operational information.
Evaluating the adequacy and effectiveness of control in responding to risks	Evaluating the adequacy and effectiveness of controls in responding to risks regarding the achievement of the organisation's strategic objectives. Evaluating the adequacy and effectiveness of controls in responding to risks regarding reliability and integrity of financial and operational information.
Planning and executing individual internal audit engagement	Establishing objectives for each internal audit engagement. Identifying sufficient, reliable, relevant and useful information to achieve the engagement's objectives.
Audit reports, recommendations to the management and monitoring the follow up activities	Preparing audit reports with conclusions, recommendations and action plans. Monitoring the follow-up activities of management regarding the given recommendations.
Performing different types of internal audit	Performing compliance audit (analysing and assessing the compliance of organization's operations with the laws, regulations, internal acts and contractual provisions). Performing audit of programs and projects funded by the European Union.
Focus on financial audit	Reviewing whether all income and expenditure is adequately planned, controlled and monitored. Reviewing whether managers are provided with suitable expenditure reports.
Human resource management audit	Reviewing whether human resource recruitment is strategically planned, and conducted in a robust and open manner. Reviewing whether training needs are assessed and appropriate training is provided and evaluated.
Methods and techniques for conducting internal audit	Using different methods of sampling including random, stratified, statistical sampling. Performing analytical reviews (e.g. tests of financial information made by a study and comparison of relationships among data).

Programme budgeting as another area of interest of this survey is understood as a specific budgeting approach which allows for better management of public administration's performance; ensures greater accountability of budget beneficiaries and closer ties between the annual budget, priority expenditures and outflows, and implementation of public policies; and makes spending more transparent. Programme budgets classify expenditures and outflows according to the specifically defined competencies and activities of budget beneficiaries, and so show: 1) Purpose for which funds are spent; 2) How such spending is aligned with medium-term objectives, and 3) What results are being achieved (Republika Srbija, Ministarstvo finansija, 2016).

This part of survey consisted of 28 items, i.e. short descriptions of specific practices within program budgeting process. In the Table 5 a few examples of specific practices are shown – (a complete set is in Annex 1).

Table 5. Example of specific practices in Programme budgeting section

Examples of specific practices	
	Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.
	Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs).
	Defining efficiency indicators used to measure the achievement of results at an appropriate cost
	Allocating costs of using goods and services across programmes, programme activities, and projects.
	Reporting the achieved values through the use of selected indicators

Budget implementation and accounting were two additional areas deemed to be of importance to learn about the existence practice and needs for professional development of civil servants. This part of survey consisted of 42 items depicting practices of the execution of budget beneficiary's expenditures established in the budget, bookkeeping, producing financial statements, and management accounting. To this part of survey a set of question related to implementing procedures of financial management of European Union and co-financing funds was added (see Table 6 for examples of specific practices – full list is presented in Annex 1).

Table 6. Examples of specific practices in Budget implementation, accounting and reporting section

Area	Examples of items
Budget implementation	Planning budget implementation on a daily and monthly basis. Monitoring compatibility of accounting documentation with contracted values.
Bookkeeping	Assuring that bookkeeping is made on the basis on reliable accounting business information and valid documents. Controlling the accuracy of accounting records and compliance with procedures established by the regulations.
Reporting	Producing balance sheet. Preparing report on budget implementation prepared in such a way to present the discrepancy between the approved resources and execution.
Management accounting	Performing financial ratio analysis (e.g. liquidity ratio, risk ratio, activity ratio...) Analysing the ability of organization to timely meet its financial obligations
Implementing procedures of financial management	Transferring funds to contractors / grant beneficiaries (under the management of financial assistance of the European Union). Reallocating of funds (under the management of financial assistance of the

of European Union and co-financing funds

European Union).

Public policy management process – reforms in public administration place a lot of emphasis on improving the policy management process, i.e. planning, coordination, drafting, passing, implementation, implementation monitoring, analysis, impact assessment/evaluation of measures contained in policy documents and regulations. This survey addressed this important area of public administration through a set of 33 questions specifically dealing with: identifying and defining an issue that needs to be resolved by new policy, defining general and specific policy objectives and performance indicators, identifying policy options and analysing its impact, managing consultations about the new policy, monitoring policy implementation and policy impact evaluation.

Table 7. Examples of specific practices in policy management process

Area	Examples of specific practices
Identifying and defining an issue that needs to be resolved by new policy	Performing systematic analysis of problems in respective area, including examination of cause and effect relationships. When defining key policy issues employing various analytical techniques such as the problem tree, SWOT analysis, PESTLE analysis and the like.
Defining general and specific policy objectives and performance indicators	Establishing objectives to be achieved by implementing measures contained in the policy document or policy-implementing regulation. Establishing performance indicators at the level of impact, outcome, and output indicators.
Identifying policy options and analysing its impact	Identifying different policy options to achieve set objectives. Examining significant direct and indirect effects of considered policy options on various population categories.
Managing consultations about the new policy	Consulting relevant public administration and state bodies, including civil society organizations and scientific and research organizations.
Monitoring policy implementation and policy impact evaluation	Establishing framework for monitoring and evaluating policy implementation and its results. Monitoring the realization of set objectives for each of the defined performance indicator.

Additional information on respondents

Aside the main part of each questionnaire which dealt with main content areas (financial management and control, programme budgeting etc.), each comprised additional two sets of questions: background information and information on professional qualification (initial education and further professional development). In the Background information section respondents were asked to provide information about their:

- a) Age
- b) The type of institution where they work (answers offered: Ministry; Integrated authority within the ministry; Special organization; Government service (office))
- c) Sector of public administration where they work⁴
- d) Job position
- e) Number of civil servants under his/her direct supervision
- f) Civil servants rank
- g) Years of work in public administration altogether
- h) Years of work in supervising (managing) position altogether
- i) *The size of internal audit unit (in terms of number of employed internal auditors)*⁵
- j) *Years of work as a certified internal auditor in public sector*
- k) *Experience of working as internal auditor in other sectors*

In the section dealing with initial education respondents were asked to provide information about their⁶:

- a) The highest level of formal education completed
- b) Country of study⁷
- c) Type of institution (Public or private)
- d) Name of university
- e) Name of faculty or higher vocational education institution
- f) Earned qualification (title designation)
- g) Year of graduation
- h) Extent to which competencies acquired during formal education are relevant for performing daily work
- i) Extent to which daily work requires performing activities for which one has not been educated during formal education

Finally, the section covering further professional development posed questions about up to three, in respondent's opinion, most important trainings (professional development activities) in the field of public administration they have attended:

- a) Area of the professional development activity
- b) Country where the training was held

⁴ Respondents could mark one of the following options: Agriculture and Rural Development; Science, Technological Development, and Innovation; Foreign Affairs; Environment; Energy, Mineral Resources, and Mining; General Public Administration Services; Transport and Transport Infrastructure; Labour Market; Social Security; Human Rights and Civil Society; Construction, Urban and Spatial Planning; Culture, Communications, and the Media; Sports and Youth; Public Security; Economic and Development Policy; Judiciary and the Legal System; Defence; Healthcare; Religious Affairs and Diaspora; Education; Political System; Financial and Fiscal System.

⁵ Questions under the i, j, and k are posed only in the questionnaire filled in by internal auditors

⁶ Analysis of initial education and further professional development of public servants was subject of a separate report (Work package 1.2.)

⁷ Questions from b) to g) were asked for three levels of education (First level higher education degree / bachelor degree; Magisterium / specialization / master degree; Doctorate / PhD degree)

- c) Duration of the training
- d) Year when the training was held
- e) Organizer of the training
- f) Whose initiative was to attend this professional development activity
- g) The most important motive for further professional development

Questionnaire development and data collection. As previously mentioned, conceptual framework and the research design were adopted at the Project kick-off meeting held in November 2016 in Belgrade. In the next phase survey questionnaires were being drafted (in English language) and drafts were sent to consortium partners for a review in early February 2017. Questionnaires were amended in accordance with the comments received and translation of the final survey instruments into Serbian language was done by mid March 2017. On-line questionnaires were created using Qualtrics platform (www.qualtrics.com). In Serbia, the survey commenced on April 19th when the Ministry of Public Administration and Local Self-government sent invitation letters with links to on-line questionnaires to contact points in participating institutions. In order to enhance the response rates, the second call for participation was sent by Human Resource Management Service of the Government of the Republic of Serbia on May 20th. Data collection lasted until mid June 2017.

Interviews

Qualitative part of data gathering was done in the form of semi-structured interviews. Its purpose was to go more in depth of the investigated phenomena. The aim was to capture the perceived purpose and personal meanings that civil servants attach to emerging approaches in public administration – all areas that were subject to investigation in the survey were present as topics in interviews, as well: financial management and control, internal audit, programme budgeting, budget implementation, accounting, and public policy management. The focus of interviews was placed on perceptions of these processes in whole and their specific elements in terms of 1) its effectiveness, 2) biggest challenges, and 3) competencies of civil servants needed to be improved in order to be more effective in the tasks in the given area. Guides for semi-structured interviews were finalized in May 2017 and each of three guides were tailored to fit specific subsample of interviewees. Interviews were carried out in the first half of June 2017. The complete interview guides can be found in Annex 2.

Participants

The target population for this research were state administration employees, more specifically – civil servants, both on appointed position and on executorial position. An appointed position is a post where a civil servant has powers and responsibilities pertinent to directing and coordinating work in a state authority. The job position in appointed positions is always based on the act of appointment. In public administration authorities, these positions are considered as appointed: assistant minister, secretary of a ministry, director of the integrated authority, director of a special organization, deputy and assistant of the director of a special organization and the head of an administrative district. The remaining job positions are executive job positions, including job positions of officers of subordinate organizational units in state authorities such as heads of divisions in state administration, etc.

More specific division of target sample of civil servants was influenced by the chosen topics for investigation. Three main sub-samples were defined: general managers⁸, financial departments' staff (heads of units and subordinate staff), and internal auditors. Accordingly, there was three different versions of on-line questionnaires consisting of a different combination of topics covered, corresponding to the responsibilities of a given type of job. To which set of questions a given sub-sample was responding is presented in the Table 8.

Table 8. Distribution of sets of questions in on-line questionnaires to three sub-samples

Thematic area \ Sub-sample	General managers	Finance departments		Internal auditors
		Heads of units	Staff	
Financial management and control	✓	✓		
Internal audit				✓
Programme budgeting	✓	✓	✓	
Budget implementation		✓	✓	
Accounting		✓	✓	
Policy management process	✓			

As stated above, the sample was limited to central, state administration authorities. It encompassed four types of authorities: ministries, integrated authorities within ministries, special organizations, and Government's services (offices). The target sample in fact reflected the whole population of these institutions – and within them the whole population of managers, managers and staff in finance departments (except clerks and junior clerks), and internal auditors. Recruitment of these institutions for participation in this survey firstly was done by the Ministry of Public Administration and Local Self-Government of the Republic of Serbia, and in the second round by the Human Resource Management Service of the Government of the Republic of Serbia. These two institutions have used their internal data base of contact points in all the institutions to send an invitation letter containing a link to on-line questionnaires. In the first round of participants' recruitment those contact points were secretaries of ministries, chiefs of cabinet of ministers, and in the second-round contact persons in human resource departments. Those contact points were asked to disseminate invitation e-mail with a link to on-line questionnaire to all civil servants who satisfy required conditions (that is being a manager / working in finance departments / being an internal auditor). Having this two-step recruitment process as a

⁸ By managers here we understand those individuals who are responsible for meeting organizational objectives in a specific functional area or line of business, disregarding their position in command hierarchy (ranging from, for instance in a ministry, assistant minister to a manager of the smallest organizational unit).

consequence had a fact that final number of civil servants who actually get an invitation e-mail is unknown and thus the response rate could not be calculated. More significant note is that the realized sample of civil servants can not be considered as representative for the given populations, so the findings should be understood as indications of certain patterns and with limited generalizability. However, qualitative part of the research strongly validated many of the findings of the quantitative survey, thus providing an argument that survey findings can be regarded as valid. Table 9 presents realized sample in the survey.

Having this two-step recruitment process as a consequence had a fact that final number of civil servants who actually get an invitation e-mail is unknown and thus the response rate could not be calculated. More significant note is that the realized sample of civil servants can not be considered as representative for the given populations, so the findings should be understood as indications of certain patterns and with limited generalizability. However, qualitative part of the research strongly validated many of the findings of the quantitative survey, thus providing an argument that survey findings can be regarded as valid. Table 9 presents realized research sample.

Table 9. Realized research sample

Sub-sample	Number of on-line respondents	Number of interviewees
General managers	152	4
Finance departments' staff	58	6
Internal auditors	21	5
TOTAL	231	15

In relation to data gathering via interviews, a sample of 15 civil servants took part in it: 4 top managers, 6 managers in finance departments, and 5 internal auditors. They came from 6 different ministries, which were chosen in a way to well represent various sectors of public administration: Ministry of Economy, Ministry of Justice, Ministry of Finance, Ministry of Health, Ministry of Education, Science and Technological Development, and Ministry of Public Administration and Local Self-Government. Recruitment of interviewees was done by Ministry of Public Administration and Local Self-Government which contacted secretaries of those ministries and asked for a nomination of civil servants who satisfies following criteria:

- a) For top managers – those who have been considerably involved in policy development in a given sector, in programme budgeting, and in introduction of financial management and control in their organization
- b) For managers in finance departments – those who have comprehensive overview of introduction of financial management and control in their organization, budget programming and its implementation and accounting)
- c) For internal auditors – if a ministry has an organizational unit for internal audit, then the head of that unit should be nominated for interview.

Characteristics of the realized sample

In this section data on main professional characteristics of the participants in the survey (i.e. those who filled in on-line questionnaires) will be depicted. In the Table 10 data about the age of the respondents is presented. On average, employees in finance departments are found to be somewhat younger than other two subsamples.

Table 10. Age of respondents

Age	General managers	Finance departments	Internal auditors
Mean	48,7	43,3	49,8
Standard deviation	8,1	8,7	7,8
Minimum	27	27	33
Maximum	65	62	59

Next information about the sample relates to the type of the institution of the central public administration where the respondents are employed. Internal auditors and employees in finance departments most frequently were coming from the ministries, followed by integrated authorities within the ministries. Smaller number of these respondents were from special organizations or Government offices. With general managers the distribution is a bit different - most often they came from special organizations, followed by integrated authorities from the ministries and the ministries.

Table 11. Type of institution where the respondents are working (%)

Institution	General managers	Finance departments	Internal auditors
Ministry	24,3	53,4	42,9
Integrated authority within the ministry	32,9	25,9	33,3
Special organization	38,2	12,1	9,5
Government service (office)	4,6	8,6	14,3

Both in the cases of general managers and managers and employees in finance departments majority of respondents were civil servants on executorial positions (this might presume head officer of subordinate organizational units as well). Less often they were civil servants on appointed positions. The difference between the two is much more pronounced in the case of general managers (Table 12).

Table 12. Civil servant position of general managers and employees in finance departments (%)

Position	General managers	Finance departments
Civil servant on appointed position	11,8	43,1
Civil servant on executorial position	88,2	56,9

In a case of general managers there is a big variation in terms of number of employees whose work they are managing. Average number is 11,4 employees, with a range from 1 to 250 employees. Median is six employees - a value separating the higher half of the sample, from the lower half.

Majority of internal auditors from the subsample were non-managing, regular certified internal auditors; somewhat less were on a managing position (chief audit executive), while none of them was in the training/certification process.

Table 13. Positions of internal auditors (%)

Position	Internal auditors
The chief audit executive	42,9
Internal auditor (certified)	57,1
Internal auditor (in the process of training/certification)	0,0

In terms of length of work experience in public administration, the most experienced are general managers, followed by internal auditors and by civil servants from finance departments who have the shortest work experience. Table 14 also shows how long have the internal auditors been working as internal auditors in public sector.

Table 14. Length of work experience in public administration of respondents

Work experience	General managers	Finance departments	Internal auditors
Mean	19,3	11,6	16,6 (6,3)
Standard deviation	8,5	6,9	8,4 (3,5)
Median	19	12	15 (6,5)

*Numbers in brackets represent years of work experience as internal auditors in public administration

RESULTS

Financial management and control

Set of questions in the area of financial management and control were answered by public administration employees in a managing positions – both in finance departments and in other organizational units.

General managers

First set of questions covered two elements of COSO framework: Control environment and Information and communication. In the Table 15, results for general managers are presented – how much do they take part in these practices and to what extent do they need further professional development to perform them more effectively.

Results show that there are several practices in which more than 50% of general managers are engaging to a greater extent - these are the following practices: Segregating duties among the employees; Ensuring that employees are made familiar with the code of conduct; Reviewing training needs, promotions, and performances of employees; Supervising the employees and providing them with the support they need to perform key tasks; Informing employees about long and short-term goals of the organization; and Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents.

These results are expected as these activities represent what might be called the core of managers job - managing people and their activities. In many respect these can be seen as human resource management as well. However, when we come to practices which are more closely connected to the control environment, general managers tend to be less involved or to express a view that certain practice is not relevant for their job position. Between 31% and 39% of respondents report that the following practices are not relevant for their job position: Establishing clear policies on authorizations and approvals of certain activities and transactions in writing; Documenting all business processes and transactions required for preparing appropriate audit trails; Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control; Analyzing the needs of employees for training in financial management and control; and Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing, and recording business changes.



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Table 15: Financial management and control, general managers, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Ensuring that employees are made familiar with the code of conduct	65,3	17,8	5,1	11,9	16,7	26,5	24,5	32,4	6,5
Reviewing training needs, promotions, and performances of employees	55,6	29,9	6,0	8,5	22,6	33,0	13,2	31,1	5,4
Analyzing the needs of employees for training in financial management and control	15,7	17,4	27,8	39,1	13,3	29,3	16,0	41,3	31,2
Supervising the employees and providing them with the support they need to perform key tasks	58,6	25,9	6,0	9,5	13,5	40,4	14,4	31,7	6,3
Informing employees about long and short-term goals of the organization	50,9	30,7	7,9	10,5	15,2	31,3	18,2	35,4	8,3
Segregating duties among the employees	75,2	15,4	4,3	5,1	17,9	35,8	13,2	33,0	4,5
Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion	60,7	25,6	6,8	6,8	20,2	35,6	20,2	24,0	5,5
Establishing clear policies on authorizations and approvals of certain activities and transactions in writing	27,4	17,9	17,1	37,6	18,7	34,7	17,3	29,3	30,6
Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing, and recording business changes	24,8	23,9	19,7	31,6	17,5	28,8	13,8	40,0	25,2
Determining clear lines of reporting	40,5	22,4	10,3	26,7	19,8	32,1	13,6	34,6	25,0
Documenting all business processes and transactions required for preparing appropriate audit trails	36,5	16,5	13,0	33,9	18,4	32,9	15,8	32,9	29,6
Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and	31,0	19,8	11,2	37,9	20,8	29,9	13,0	36,4	29,4



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control									
Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents	51,7	24,1	11,2	12,9	19,4	33,7	15,3	31,6	10,1

In relation to perceived needs for further professional development, for the majority of practices around 50% of general managers (who see these practices relevant for their job position) stated that they have high or moderate level of need for further professional development in order to perform those practices more effectively⁹. Practices for which general managers have highest need for professional development are in area of 1) human resource management (Reviewing training needs, promotions, and performances of employees and Supervising the employees and providing them with the support they need to perform key tasks) 2) regulating control environment (Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion and Establishing clear policies on authorizations and approvals of certain activities and transactions in writing), and 3) information and communication system (Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control and Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents).

Second set of questions on financial management and control covered three remaining elements of COSO framework: risk management, control activities, and system monitoring and assessment. Results are presented in the Table 16. Probably the most notable finding is high percentages for the answer *This is not relevant for my job position*. Elements and activities of financial management and control are considered to be present throughout the organization and that each and every member of organization has its role in it, but especially those occupying managing positions. These percentages are especially high in the segment of risk management (over 40% of 'not relevant' answer): Identifying financial risks; Using technique *risk exposure matrix*; Developing and supplementing risk register; Using risk management form; and Contingency planning - planning for solving the consequences if a certain risk materializes. In some

⁹ It should be noted that two segments of this and most of the following tables has different presentation logic. In the part that describes taking part in performing the practices (left side of the table) four columns give sum of 100% - all answers have been taken into account when calculating percentages for a given answer. However, for the part describing needs for professional development (right side of the table), column with a heading *This is not relevant for my job position* holds percentages which are calculated in the first step of analysis where all answers have been divided by 5 possible answers. In the second step of analysis this answer has been removed from the analysis – the remaining number of respondents were then divided by four answers. This means that only first four columns in the right side of the table give sum of 100%. In other words, we have removed those respondents who said that a given practice is not relevant for their job, and then calculated percentages for perceived needs for professional development just for those respondents who indirectly said that a given practice is relevant for their job position. This has provided more precise picture of development needs.

In this and following tables it can be observed that percentages in two columns under the heading *This is not relevant for my job position* differ – as a rule column with data about performing practices has a higher value than a column with data when the question was about professional development. This is due to the fact that respondents first had opportunity to provide answer on performance, and then on professional development. We are assuming that those respondents who gave answer that a given practice is not relevant for their job, just skipped the question about development needs in relation to that practice. As a consequence, their answers were missing from the analysis on professional development needs, hence smaller percentages in the second column in the right segment of the table.



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instances, this answer is more understandable – when practices are more of a financial nature, e.g. Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations (42%).

Table 16. Financial management and control, general managers, Part 2 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs	15,3	27,9	13,5	43,2	10,9	37,5	21,9	29,7	39,0
Identifying operational risks – events or actions that can disrupt the delivery of services or result in departure from set goals	24,8	33,9	7,3	33,9	13,5	37,8	24,3	24,3	28,8
Identifying reputational risks – events or actions that could jeopardize the organization’s reputation.	38,2	28,2	10,0	23,6	17,9	36,9	14,3	31,0	19,2
Developing risk management strategy	21,8	26,4	18,2	33,6	20,0	34,7	20,0	25,3	29,2
Assessing the risks in terms of their impact and probability	21,8	27,3	16,4	34,5	14,9	39,2	20,3	25,7	29,5
Using technique <i>risk exposure matrix</i>	10,1	18,3	27,5	44,0	9,1	40,9	13,6	36,4	37,7
Developing and supplementing risk register – a simple summary of risks, consequences, responsible parties, and activities taken to avert the risks	11,9	19,3	24,8	44,0	12,3	36,9	16,9	33,8	37,5
Using risk management form - a document that contains more details concerning the inherent and residual risk, as well as the control activities and contingency plans	11,9	21,1	22,9	44,0	16,9	27,7	16,9	38,5	37,5
Contingency planning - planning for solving the consequences if a certain risk materializes	22,0	21,1	16,5	40,4	16,2	35,3	19,1	29,4	34,0
Checking whether the risk level is changing	16,7	25,0	22,2	36,1	12,9	28,6	21,4	37,1	31,4
Assuring that controls that should minimize the risk are in place and functioning efficiently	24,3	27,1	16,8	31,8	15,1	27,4	21,9	35,6	29,1
Performing preventive control activities - those designed to	34,3	28,7	13,0	24,1	16,9	28,9	21,7	32,5	20,2



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discourage any omissions, inefficiencies, errors and/or irregularities from occurring									
	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Performing detective control activities - designed to detect and correct errors, inefficiencies and/or irregularities	31,1	27,4	13,2	28,3	16,7	32,1	17,9	33,3	22,8
Performing directive control activities - designed to encourage activities and events necessary for fulfilment of objectives	31,5	26,9	16,7	25,0	17,5	31,3	20,0	31,3	22,3
Performing corrective control activities - designed to correct detected errors	39,4	34,9	7,3	18,3	14,4	38,9	18,9	27,8	14,3
Ensuring that the procedures for access to data and records in place and applied	39,4	30,3	11,0	19,3	18,4	36,8	17,2	27,6	16,3
Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use	46,8	27,5	7,3	18,3	20,7	32,2	20,7	26,4	16,3
Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations	23,4	18,9	15,3	42,3	11,1	31,9	15,3	41,7	30,8
Monitoring of control adequacy to provide reasonable assurances that the organization is likely to achieve its objectives	23,6	31,8	14,5	30,0	7,6	35,4	20,3	36,7	24,8
Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).	39,1	27,3	10,0	23,6	19,8	35,8	18,5	25,9	20,6
Reporting on risk management and internal control within the organization	20,4	19,4	21,3	38,9	13,0	34,8	14,5	37,7	31,7

Practices for which general managers are involved to a greater extent (more than 30% of respondents) are in area of performing preventive, detective, directive and corrective control activities and in Identifying reputational risks; Ensuring that the procedures for access to data and records in place and applied; Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use; and Establishing and applying of a reporting system.

Results show that for each of the listed practices within the three elements of COSO framework, those managers who find them to be relevant for their work, minimum 40% answered that they have high/moderate level of need for further professional development. For a number of practices this percentage was around 55%. In the area of risk management those are: Identifying reputational risks; Developing risk management strategy; and Assessing the risks in terms of their impact and probability.

In the area of control activities those are following practices: Performing corrective control activities; Ensuring that the procedures for access to data and records in place and applied; Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use. More than 55% of respondents expressed high/moderate need for professional development as well for the practice Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).

Managers of finance departments

Table 17 presents the distribution of answers of managers of finance departments for the first set of questions in relation to finance management and control (Control environment and Information and communication). For a number of practices these participants claimed that they take part in to a greater extent (the least percentage was 37,5%). This was most notably for the following practices (over 65% of respondents giving this answer): Segregating duties among the employees; Supervising the employees and providing them with the support they need to perform key tasks; Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion; Determining clear lines of reporting; and Documenting all business processes and transactions required for preparing appropriate audit trails.

When managers of finance departments were asked to mark the extent to which they need professional development in these practices, results indicate that, when looking at all practices, 45% to 76% states high/moderate level of need (out of those who see these practices as relevant for their job position). The practices for which they expressed the highest level of need for further training are: Analysing the needs of employees for training in financial management and control; Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents; Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial



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management and control; Documenting all business processes and transactions required for preparing appropriate audit trails; and Establishing clear policies on authorizations and approvals of certain activities and transactions in writing (all above 65% of respondents).

Table 17: Financial management and control, managers of finance departments, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Ensuring that employees are made familiar with the code of conduct	37,5	16,7	4,2	41,7	40,0	6,7	20,0	33,3	40,0
Reviewing training needs, promotions, and performances of employees	47,8	21,7	13,0	17,4	35,3	23,5	29,4	11,8	29,2
Analysing the needs of employees for training in financial management and control	41,7	37,5	4,2	16,7	23,8	52,4	14,3	9,5	16,0
Supervising the employees and providing them with the support they need to perform key tasks	75,0	20,8	4,2	0,0	29,2	25,0	25,0	20,8	0,0
Informing employees about long and short-term goals of the organization	39,1	39,1	8,7	13,0	25,0	20,0	20,0	35,0	13,0
Segregating duties among the employees	83,3	12,5	0,0	4,2	40,9	13,6	9,1	36,4	4,3
Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion	69,6	17,4	4,3	8,7	31,8	31,8	18,2	18,2	8,3
Establishing clear policies on authorizations and approvals of certain activities and transactions in writing	45,8	33,3	0,0	20,8	26,3	42,1	21,1	10,5	20,8
Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing, and recording business changes	54,2	33,3	0,0	12,5	19,0	42,9	19,0	19,0	12,5
Determining clear lines of reporting	65,2	21,7	4,3	8,7	33,3	28,6	9,5	28,6	8,7
Documenting all business processes and transactions required for preparing appropriate audit trails	66,7	8,3	4,2	20,8	36,8	31,6	5,3	26,3	17,4
Developing information and communication system that will provide employees with clear and precise directives and instructions on their	50,0	25,0	0,0	25,0	47,4	26,3	10,5	15,8	20,8

role and responsibilities concerning financial management and control									
Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents	58,3	33,3	0,0	8,3	38,1	28,6	9,5	23,	12,5

Next set of questions on financial management and control covered three remaining elements of COSO framework: risk management, control activities, and system monitoring and assessment. There is a significant difference between the areas of risk management and control activities in terms of the extent to which the finance managers are involved in - control activities are more often reported as those in which they take part to a greater extent (range from 39% to 67%). In risk management only the processes of identifying risks (financial, operational and reputational) are reported to be present to a greater extent in higher percentages (from 35% for reputational to 58% for financial risks).

Finance managers expressed strong need for professional development in all the practices of these COSO elements. The smallest number of respondents saying that they have high/moderate need for development was observed for Using technique *risk exposure matrix* (46%), and the highest was for Identifying financial risks (79%). For the most practices percentages range between 60% and 70% of respondents reporting high/moderate level of need for professional development.



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Table 18. Financial management and control, managers of finance departments, Part 2 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs	58,3	16,7	4,2	20,8	47,4	31,6	5,3	15,8	20,8
Identifying operational risks – events or actions that can disrupt the delivery of services or result in departure from set goals	43,5	21,7	13,0	21,7	38,9	33,3	5,6	22,2	21,7
Identifying reputational risks – events or actions that could jeopardize the organization’s reputation.	34,8	34,8	8,7	21,7	38,9	22,2	22,2	16,7	21,7
Developing risk management strategy	21,7	26,1	21,7	30,4	25,0	31,3	31,3	12,5	30,4
Assessing the risks in terms of their impact and probability	27,3	22,7	22,7	27,3	25,0	37,5	18,8	18,8	27,3
Using technique <i>risk exposure matrix</i>	18,2	9,1	27,3	45,5	23,1	23,1	23,1	30,8	40,9
Developing and supplementing risk register – a simple summary of risks, consequences, responsible parties, and activities taken to avert the risks	21,7	21,7	21,7	34,8	28,6	35,7	14,3	21,4	36,4
Using risk management form - a document that contains more details concerning the inherent and residual risk, as well as the control activities and contingency plans	13,6	18,2	31,8	36,4	30,8	30,8	7,7	30,8	40,9
Contingency planning - planning for solving the consequences if a certain risk materializes	13,0	34,8	21,7	30,4	31,3	31,3	12,5	25,0	30,4
Checking whether the risk level is changing	9,1	27,3	27,3	36,4	23,1	46,2	23,1	7,7	38,1
Assuring that controls that should minimize the risk are in place and functioning efficiently	26,1	34,8	8,7	30,4	25,0	43,8	12,5	18,8	30,4



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Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring	39,1	30,4	8,7	21,7	23,5	35,3	23,5	17,6	22,7
	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Performing detective control activities - designed to detect and correct errors, inefficiencies and/or irregularities	47,8	17,4	13,0	21,7	33,3	27,8	22,2	16,7	21,7
Performing directive control activities - designed to encourage activities and events necessary for fulfilment of objectives	39,1	26,1	13,0	21,7	33,3	33,3	16,7	16,7	21,7
Performing corrective control activities - designed to correct detected errors	52,2	13,0	8,7	26,1	27,8	33,3	11,1	27,8	21,7
Ensuring that the procedures for access to data and records in place and applied	54,2	25,0	4,2	16,7	30,0	40,0	15,0	15,0	16,7
Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use	47,8	34,8	0,0	17,4	36,8	26,3	21,1	15,8	17,4
Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations	66,7	16,7	0,0	16,7	28,6	38,1	14,3	19,0	12,5
Monitoring of control adequacy to provide reasonable assurances that the organisation is likely to achieve its objectives	43,5	26,1	4,3	26,1	29,4	41,2	5,9	23,5	26,1
Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).	43,5	26,1	13,0	17,4	27,8	38,9	5,6	27,8	21,7
Reporting on risk management and internal control within the organization	26,1	30,4	13,0	30,4	27,8	33,3	16,7	22,2	25,0

Results of interviews

Interviews conducted with general managers and managers of finance departments indicates that full awareness of the meaning and importance of financial management and control is not widespread in public administration, although it was within the interviewees. In their view, it rather takes a sort of formalized approach - it is rarely seen as a continual process, fundamental public administration approach, but more as something that is done to satisfy external requirements. In other words, public administration organization did complete the maps of business processes, devise new directives, have identified risks, design risk management strategy etc., but this did not have strong impact on daily work of its employees. However, even where this is the case, the very process of creating basic pillars of financial management and control in each organization had positive impact. Moreover, overall perception of more experienced civil servants is that the control environment in public administration is certainly significantly better than it was earlier (e.g. ten years ago) thanks to many different processes of public administration reforms. Managers of finance departments also note that financial management and control is often understood just as a 'matter of finance departments'. Some of them even think that it is unfortunate that the name of the approach starts with a word financial, thus making other civil servants believe that it has only to do with finances, and because of that it is a matter finance specialists. Interviewees also stressed the importance of quality communication in organization and that it is often an issue that requires significant improvements. In that sense, a crucial role of top managers is emphasized. Moreover it was prioritized that top managers should be very well educated in financial management and control, as they should set the tone and strive to broad acceptance of the approach. This seems not to be happening often and adding to this a fluctuation of management, it brings us to conclusion that training of top management in financial management and control is of paramount importance. Finally, aside of needed widespread awareness raising on financial management and control throughout public administration, interviewees stresses the need for additional trainings and assistance in developing knowledge and skills for establishment of basic elements of financial management and control - especially in the area of risk management and control activities.



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Programme budgeting

Programme budgeting was also a topic for which questions were posed both to general managers and finance managers, but also were included other employees of finance departments. As in previous section, results for general managers will be presented first, then followed by results for managers and employees of finance departments.

General managers

First set of questions dealt with establishing programme structure, programmes, programme activities and projects and establishing its objectives. Important finding is that a high percent of managers do not see these activities to be relevant for their job position – it ranges from 44% to 51% (Table 19). Possible explanation could be that these high-stake activities within programme budgeting are usually done by the highest top managers in organization (or at Government level), which did not make a significant part of the realized sample. On average only about 15% of respondents reported that they are involved in these practices to a greater extent.

When thinking about their professional development needs for these programme budgeting practices, 33% to 43% of general managers who understand them as a regular part of their work, expressed that they have high or moderate need for additional training. In other words, managers more often think that they have low level of need or no need at all for further training.

Second set of questions in the area of programme budgeting was devoted to establishing different indicators (quantity and quality of services provided, efficiency indicators), monitoring, analysis and reporting the results against the selected indicators. As was the case for the previous practices of programme budgeting, high percentages of general managers again stated that these practices are not relevant for their job position (39%-57%). This was especially prominent with a couple of practices: Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future; Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values; Reporting the achieved values through the use of selected indicators; and Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.

For the listed practices from 35% to 52% of general managers (out of those who understand these practices to be relevant for their job), stated that they have high or moderate level of need for professional development. Above 50% were the following practices: Analysing how the achievement of the objectives can most appropriately and practically be measured; Defining indicators measuring the quality of services provided; and Reporting the achieved values through the use of selected indicators.



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Table 19: Programme budgeting, general managers, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows	14,7	13,7	20,6	51,0	11,1	22,2	38,9	27,8	41,9
Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.	17,0	22,0	17,0	44,0	10,7	25,0	35,7	28,6	40,4
Developing various time-limited business ventures - projects, the implementation of which also contributes to the achievement of the purposes and objectives established by the programme	13,7	20,6	16,7	49,0	8,6	27,6	32,8	31,0	38,9
Defining the purpose of a programme, programme activity, or project	13,9	20,8	18,8	46,5	10,7	26,8	32,1	30,4	39,8
Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects.	13,1	22,2	18,2	46,5	8,9	33,9	30,4	26,8	40,4
Describing the programme, programme activity, or project (includes an explanation of the key activities to be accomplished and services to be provided).	18,2	23,2	14,1	44,4	5,0	35,0	31,7	28,3	36,2
Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme).	11,0	26,0	17,0	46,0	15,3	27,1	28,8	28,8	37,2



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Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs)	14,0	23,0	18,0	45,0	13,8	27,6	31,0	27,6	38,3
Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound)	11,9	20,8	20,8	46,5	14,0	28,1	29,8	28,1	40,0

Table 20: Programme budgeting, general managers, Part 2 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Analysing how the achievement of the objectives can most appropriately and practically be measured	17,0	22,0	22,0	39,0	20,6	30,2	22,2	27,0	33,0
Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects	15,8	18,8	21,8	43,6	16,7	26,7	28,3	28,3	36,2
Defining indicators measuring the quantity or volume of service provided	16,0	19,0	19,0	46,0	19,6	25,0	26,8	28,6	39,1
Defining indicators measuring the quality of services provided	14,0	23,0	17,0	46,0	18,3	33,3	21,7	26,7	36,2
Defining efficiency indicators used to measure the achievement of results at an appropriate cost	17,2	20,2	19,2	43,4	21,0	27,4	25,8	25,8	34,0
Using logical framework matrix (Logframe) as a tool for programme/project management	16,2	10,1	28,3	45,5	15,5	27,6	20,7	36,2	37,0
Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.	18,6	12,4	17,5	51,5	12,0	34,0	22,0	32,0	44,4
Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future	8,2	13,4	21,6	56,7	10,2	24,5	22,4	42,9	46,2
Reporting the achieved values through the use of selected indicators	13,4	16,5	16,5	53,6	14,6	35,4	10,4	39,6	46,1
Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values.	10,3	16,5	17,5	55,7	12,2	32,7	16,3	38,8	46,2

Final set of questions in the field of programme budgeting dealt more with its financial aspects: examining spending, planning costs, establishing direct and indirect costs (Table 21). Expectedly, in the context of previous findings, a lot of general managers found these practices not to be relevant for their job position (54%-61%).

Results about the perceived need for professional development show that on average about one third of general managers (who perceive them as relevant for their job position) state that they have high or moderate need for further training for almost all practices.



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Table 21: Programme budgeting, general managers, Part 3 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources	8,2	13,3	22,4	56,1	10,4	27,1	22,9	39,6	47,8
Prioritising expenditures and outflows for the forthcoming programme activities or project	15,3	9,2	20,4	55,1	16,3	22,4	20,4	40,8	46,2
Planning costs of the current programme activities or project in the coming year	16,5	9,3	19,6	54,6	18,4	18,4	28,6	34,7	46,2
Incorporating EU pre-accession assistance (IPA) funds into programme budget	13,1	11,1	20,2	55,6	17,6	19,6	17,6	45,1	44,6
Defining of unit cost for provided services	8,2	11,3	19,6	60,8	9,1	22,7	22,7	45,5	51,1
Establishing the direct costs – the costs to be used exclusively for carrying out tasks within one program activity or project	12,4	14,4	19,6	53,6	11,8	25,5	19,6	43,1	42,7
Establishing the indirect costs - the costs to be used for implementing various programme activities and / or projects simultaneously	10,3	15,5	20,6	53,6	10,0	24,0	22,0	44,0	43,8
Allocating incomes and other employee receiving across the programmes, programme activities or projects	8,2	9,3	22,7	59,8	9,1	13,6	29,5	47,7	50,6
Allocating costs of using goods and services across programmes, programme activities, and projects.	9,3	10,3	20,6	59,8	10,9	19,6	26,1	43,5	48,9



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Employees in finance departments

As stated above, first set of questions dealt with establishing programme structure, programmes, programme activities and projects and establishing its objectives. Results for employees in finance departments in the area of programme budgeting are largely different then those observed for general managers. The biggest difference can be seen in the percentages of respondents who stated that they are performing the practices to a greater extent (significantly more present with employees in finance departments - here it ranges from 20% to 37%). Nevertheless, even here findings indicate that there is a substantial number of perceptions that programme budgeting practices are not relevant for their job position (28% to 42%). This can be explained by the fact that not all employees are involved in budget planning and that these practices are maybe reserved for top managers in organization (or for Government level).

On the other hand, 45% to 60% of respondents (who see these practices as part of their job) stated that they have high or moderate level of need for professional development for all the practices listed in the Table 22. Four practices went over 50% in this sense: Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows; Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme); Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs); and Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound).

Second set of questions in the area of programme budgeting was devoted to establishing different indicators (quantity and quality of services provided, efficiency indicators), monitoring, analysis and reporting the results against the selected indicators. Results show similar pattern to previous set of practices. From 28% to 49% of respondents claimed that the practices are not relevant for their job position. This answer is most frequently observed with the practices of defining different kind of indicators. Where they are most often involved to a greater extent (32%-42%) are: Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values; Reporting the achieved values through the use of selected indicators; Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future; and Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.

In terms of needs for professional development in these practices, 43% to 58% respondents expressed high or moderate level of need. Interestingly, the highest needs were expressed for practices of defining indicators: Analysing how the achievement of the objectives can most appropriately and practically be



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measured; Defining indicators measuring the quantity or volume of service provided; Defining indicators measuring the quality of services provided; and Defining efficiency indicators used to measure the achievement of results at an appropriate cost.

Table 22: Programme budgeting, finance departments, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows	37,0	26,1	8,7	28,3	18,9	40,5	32,4	8,1	17,8
Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.	31,1	20,0	8,9	40,0	17,1	31,4	42,9	8,6	22,2
Developing various time-limited business ventures - projects, the implementation of which also contributes to the achievement of the purposes and objectives established by the programme	24,4	17,8	15,6	42,2	17,6	29,4	38,2	14,7	24,4
Defining the purpose of a programme, programme activity, or project	29,5	25,0	11,4	34,1	13,9	30,6	41,7	13,9	18,2
Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects.	29,5	22,7	13,6	34,1	16,7	30,6	38,9	13,9	18,2
Describing the programme, programme activity, or project (includes an explanation of the key activities to be accomplished and services to be provided).	33,3	17,8	15,6	33,3	16,7	30,6	36,1	16,7	18,2
Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme).	20,5	29,5	15,9	34,1	16,2	35,1	35,1	13,5	31,1



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Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs)	23,3	27,9	14,0	34,9	19,4	33,3	33,3	13,9	17,8
Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound)	22,2	17,8	17,8	42,2	25,0	25,0	43,8	6,3	18,2

Table 23: Programme budgeting, finance departments, Part 2 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Analysing how the achievement of the objectives can most appropriately and practically be measured	20,0	20,0	11,1	48,9	29,0	29,0	32,3	9,7	28,9
Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects	25,0	18,2	9,1	47,7	29,0	25,8	35,5	9,7	29,5
Defining indicators measuring the quantity or volume of service provided	25,0	20,5	9,1	45,5	29,0	29,0	32,3	9,7	29,5
Defining indicators measuring the quality of services provided	24,4	13,3	17,8	44,4	23,3	33,3	33,3	10,0	30,2
Defining efficiency indicators used to measure the achievement of results at an appropriate cost	25,0	11,4	18,2	45,5	25,0	31,3	34,4	9,4	28,9
Using logical framework matrix (Logframe) as a tool for programme/project management	22,7	9,1	22,7	45,5	23,3	23,3	36,7	16,7	30,2
Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.	37,2	23,3	9,3	30,2	34,3	14,3	22,9	28,6	18,6
Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future	39,5	16,3	9,3	34,9	31,4	11,4	28,6	28,6	18,6
Reporting the achieved values through the use of selected indicators	31,8	22,7	11,4	34,1	37,1	11,4	28,6	22,9	18,6
Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values.	41,9	20,9	9,3	27,9	34,3	20,0	22,9	22,9	18,6

Final set of questions in the field of programme budgeting dealt more with its financial aspects: examining spending, planning costs, establishing direct and indirect costs (Table 24). Practices in which the biggest percentages of respondents (from 34% to 52%) are involved to a greater extent are: Planning costs of the current programme activities or project in the coming year; Allocating incomes and other employee receiving across the programmes, programme activities or projects; Allocating costs of using goods and services across programmes, programme activities, and projects; and Prioritising expenditures and outflows for the forthcoming programme activities or project.

In terms of professional development needs, for most of the practices around 40% of respondents felt that they have high or moderate level of need. Practice for which these answers were provided the most is Allocating costs of using goods and services across programmes, programme activities, and projects. On the other hand, the least frequent high/moderate need for professional development is recorded for the practice Defining of unit cost for provided services.

Results of interviews

Interviews with general managers and managers of finance departments showed that they are very knowledgeable and supportive to the programme budgeting approach. They see it as a very instrumental for increase of the transparency and efficiency of public administration. However, it is still rather new approach and there are plenty of challenges to its implementation. Firstly, it is a question of defining the programme structure and general and specific goals. Sometimes there are no updated sectorial or inter-sectorial strategies where the overall goals are explicated. If there are, than the issue is defining specific goals. However, it seems that even bigger challenge is devising appropriate indicators that would be used to monitor and evaluate the progress, especially real performance indicators. They need to be relevant, measurable, available, etc. and that is not always easy to select. Closely connected to this is a new monitoring and evaluation culture programme budgeting brings - performance reporting with financial elements is a novelty in the system and a source of concerns. Another challenge with programme budgeting stressed by interviewees is that it requires very precise planning than earlier line budgeting. Less 'improvisations' is allowed and it dictates the need that managers know exactly not only what they want to achieve, but exactly how to that and to have refined plan for it. Furthermore, programme budgeting necessities better coordination and communication between finance departments and other sectors within an organization than it was traditionally present. All these challenges require additional and extensive further professional development of civil servants if programme budgets are to become effective tool for public administration reform.



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Table 24: Programme budgeting, finance departments, Part 3 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources	15,9	29,5	18,2	36,4	21,2	21,2	24,2	33,3	23,3
Prioritising expenditures and outflows for the forthcoming programme activities or project	34,1	25,0	6,8	34,1	22,9	20,0	28,6	28,6	20,5
Planning costs of the current programme activities or project in the coming year	52,3	11,4	11,4	25,0	25,6	17,9	25,6	30,8	11,4
Incorporating EU pre-accession assistance (IPA) funds into programme budget	16,3	18,6	18,6	46,5	18,8	21,9	12,5	46,9	23,8
Defining of unit cost for provided services	16,3	9,3	34,9	39,5	16,7	13,3	16,7	53,3	28,6
Establishing the direct costs – the costs to be used exclusively for carrying out tasks within one program activity or project	30,2	18,6	16,3	34,9	23,5	14,7	23,5	38,2	20,9
Establishing the indirect costs - the costs to be used for implementing various programme activities and / or projects simultaneously	23,3	14,0	23,3	39,5	21,2	18,2	15,2	45,5	23,3
Allocating incomes and other employee receiving across the programmes, programme activities or projects	40,9	15,9	13,6	29,5	28,2	12,8	15,4	43,6	11,4
Allocating costs of using goods and services across programmes, programme activities, and projects.	38,6	18,2	9,1	34,1	25,0	22,2	16,7	36,1	18,2

Budget implementation and accounting

This part of the questionnaire gave emphasis to processes of budget implementation, accounting and implementing procedures of financial management of European Union and co-financing funds. It was administered only to civil servants in finance departments (managers and other employees). First set of questions dealt mainly with budget implementation (with a pair of items also dealing with budget planning) (Table 25).

Respondents, expectedly, frequently stated that they are involved in all of the practices of budget implementation, often to a greater extent. Nevertheless, for each practice there was a number of respondents who stated that they are not taking part in it or it is not relevant for their job position - an expected consequence of job division within finance departments (e.g. on budget planning, execution and accounting and reporting). In terms of perceived needs for professional development in listed practices, a range of 24% to 55% of respondents stated that they have high/moderate level of such needs. Among the practices which were most often mentioned as those needed to be developed more are: Preparing budget implementation plans; Preparing drafts of medium-term and financial plan; Preparing proposals for determining priority areas of financing for the budget year and the two following fiscal years; Preparation of reports on budget implementation; and Working with Financial Management Information System application run by the Treasury.

Second set of questions was related to accounting practices and production of financial statements (Table 26). Results show that all of the practices are, expectedly, part of regular work of survey participants, though, due to job division not all of them are performing all of the practices. For all of the practices, from 36% to 53% of finance departments personnel stated that they have high or moderate level of need for professional development in order to perform those practices more effectively. Accordingly, somewhat higher percentages (45-65%) were of opinion that they have low level of need or no need at all to further professionally develop in those practices. Highest level of development needs were expressed for two specific practices: Producing periodical and annual financial statements and Producing cash flow statements. Lowest level of development needs were voiced for the following practices: Preparing reports on guarantees issued during the fiscal year and Assuring that bookkeeping of subsidiary books is conducted by programs and sources of financing, indirect users and accounts.



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Table 25: Budget implementation (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Preparing proposals for determining priority areas of financing for the budget year and the two following fiscal years	48,9	13,3	15,6	22,2	19,4	30,6	27,8	22,2	16,3
Preparing drafts of medium-term and financial plan	46,7	17,8	11,1	24,4	16,7	38,9	22,2	22,2	16,3
Preparing budget implementation plans	44,4	15,6	15,6	24,4	16,2	29,7	24,3	29,7	14,0
Planning budget implementation on a daily and monthly basis	40,0	17,8	20,0	22,2	13,2	21,1	31,6	34,2	11,6
Managing budget appropriations and quotas	40,0	17,8	20,0	22,2	10,5	21,1	34,2	34,2	11,6
Assuring the accuracy of budget classification (economic, organizational, functional, etc.)	57,8	15,6	8,9	17,8	15,4	20,5	25,6	38,5	9,3
Preparation of reports on budget implementation	51,1	17,8	13,3	17,8	23,7	18,4	26,3	31,6	11,6
Assuring adequacy of submitted documentation for incurrence of liabilities (decision, resolution, contract, estimate, account, etc.)	45,5	25,0	11,4	18,2	7,5	17,5	32,5	42,5	7,0
Assuring that a liability incurred is in compliance with the regulated appropriations	48,9	13,3	20,0	17,8	13,2	10,5	28,9	47,4	9,5
Monitoring compatibility of accounting documentation with contracted values	51,1	11,1	17,8	20,0	12,8	17,9	30,8	38,5	9,3
Assuring adequacy of financial and material documentation in terms of compliance with fiscal, accounting, financial and other relevant regulations	55,6	17,8	15,6	11,1	15,0	20,0	37,5	27,5	7,0
Performing substantive, formal and computational control of financial documentation	54,8	16,7	16,7	11,9	10,8	27,0	24,3	37,8	9,8
Controlling financial documentation in connection with the execution of internal payment orders and other payments	55,6	15,6	15,6	13,3	13,2	23,7	26,3	36,8	9,5



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Monitoring payments and transfer of funds to indirect budget users	27,9	16,3	25,6	30,2	9,4	25,0	21,9	43,8	25,6
Working with Financial Management Information System application run by the Treasury	65,9	11,4	9,1	13,6	26,3	15,8	15,8	42,1	11,6

Table 26: Accounting and producing financial statements (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Assuring that bookkeeping is made on the basis on reliable accounting business information and valid documents	50,0	21,7	10,9	17,4	16,2	29,7	24,3	29,7	15,9
Assuring that bookkeeping of subsidiary books is conducted by programs and sources of financing, indirect users and accounts	40,9	18,2	18,2	22,7	14,7	23,5	17,6	44,1	20,9
Controlling the accuracy of accounting records and compliance with procedures established by the regulations	40,0	26,7	13,3	20,0	14,3	28,6	20,0	37,1	18,6
Producing periodical and annual financial statements	50,0	19,6	8,7	21,7	35,3	17,6	17,6	29,4	22,7
Producing cash flow statements	34,9	14,0	20,9	30,2	36,7	13,3	16,7	33,3	28,6
Producing balance sheet	47,8	10,9	21,7	19,6	34,3	11,4	17,1	37,1	20,5
Producing statement of revenues and expenditures	47,8	13,0	19,6	19,6	30,6	13,9	16,7	38,9	18,2
Preparing report on budget implementation prepared in such a way to present the discrepancy between the approved resources and execution	44,4	22,2	15,6	17,8	28,9	13,2	15,8	42,1	15,6
Preparing reports on utilization of funds from current and permanent budget reserve	28,3	23,9	23,9	23,9	27,8	13,9	19,4	38,9	20,0
Preparing reports on guarantees issued during the fiscal year	11,1	15,6	37,8	35,6	30,3	6,1	6,1	57,6	26,7

Next set of questions was dealing with management accounting - those accounting practices that are dominantly of analytical character and are aimed for informing organizational management. In most of the cases, finance department personnel stated that these practices are not important part of their work, i.e. most often they are not involved in their implementation or it is not even relevant for their job position. In two cases only, there is 20% of respondents who are involved to a greater extent in implementation of a given practice (Predicting financial problems of organization before they become serious and Analysing the ability of organization to timely meet its financial obligations.)

Needs for professional development in this field were less prominent than for previous sets of practices. - for all practices claims of high/moderate level of needs ranged from 20% to 53%. The highest level of development need was found for the following practice: Performing cost-benefit analysis and cost-efficiency analysis.

Final topic in this section placed emphasis on implementing procedures of financial management of European Union and co-financing funds (Table 28). Significant percentages of respondents stated that practices within this framework are not relevant for their job position (percentages ranging from 40% to 45%) or that they are not involved in them (28% to 40%). This signals that finance departments are not participating in any substantial manner in implementing financial management of EU and co/financing funds. When it comes to professional development, between 40-45% of respondents (out of those who think the practice is relevant for their job) report high/moderate need for development for each of the listed practices.

Results of interviews

Interviews with managers of finance departments indicate several conclusions. Firstly, budget execution is rather routine activity and was not stressed as an area in need for further improvements. Secondly, the system at the moment is requiring double accounting base to be performed - officially and by law public administration organization are required to follow cash basis accounting principle. On the other hand, a request from the State audit institution is that organizations apply literally accrual accounting approach. Interviewees are of opinion that this needs to be reconciled and are aware of the general reform orientation towards accrual base. In that sense, they are certain that this shift will need to be accompanied with additional training of their personnel. Third conclusion from the interviews is that management accounting is rarely present in public administration organizations. This is partly due to lack of awareness of its importance and partly due to lack of analytical skills in finance departments. Better communication between finance departments and other sectors and top management is required in this context as well. All these challenges could be seen as call for further professional development. Final conclusion from the interviews is that finance departments role in financial management of EU funded projects is very limited. They usually have very technical role, but all the planning and decision making is placed in specific sectors in an organization and centrally in the Ministry of finance.



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Table 27: Management accounting (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Analyzing of financial statements of indirect budget users	6,8	18,2	38,6	36,4	14,3	25,0	0,0	60,7	34,9
Assessing financial means required for the realization of each policy measure or regulation	13,6	20,5	27,3	38,6	13,3	23,3	20,0	43,3	28,6
Performing cost-benefit analysis and cost-efficiency analysis.	11,6	23,3	30,2	34,9	17,9	25,0	10,7	46,4	33,3
Performing financial ratio analysis (e.g. liquidity ratio, risk ratio, activity ratio...)	6,8	13,6	38,6	40,9	13,8	6,9	27,6	51,7	32,6
Performing trend analysis (examining and determining the trends of items in financial statements over time)	11,4	11,4	31,8	45,5	13,8	10,3	24,1	51,7	32,6
Analyzing non-financial information (with financial information)	9,1	31,8	25,0	34,1	16,7	20,0	30,0	33,3	30,2
Analyzing the ability of organization to timely meet its financial obligations	20,5	13,6	29,5	36,4	17,2	13,8	27,6	41,4	32,6
Predicting financial problems of organization before they become serious	20,5	15,9	31,8	31,8	23,3	10,0	30,0	36,7	30,2
Predicting the financial situation of organization for the years ahead	15,9	18,2	29,5	36,4	17,2	17,2	27,6	37,9	32,6



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Table 28: Implementing procedures of financial management of European Union and co-financing funds (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Implementing procedures of financial management of European Union and co-financing funds	11,9	16,7	28,6	42,9	17,9	28,6	28,6	25,0	31,7
Planning European Union and co-financing funds	4,8	26,2	28,6	40,5	13,8	27,6	34,5	24,1	29,3
Managing flow and transfer of European Union and co-financing funds	4,9	17,1	31,7	46,3	14,8	29,6	29,6	25,9	32,5
Managing funds of national co-financing (under the management of financial assistance of the European Union)	4,8	21,4	31,0	42,9	15,4	30,8	23,1	30,8	33,3
Requesting funds from the European Commission National Authorizing Officer	2,4	11,9	40,5	45,2	7,7	34,6	30,8	26,9	35,0
Transferring funds to contractors / grant beneficiaries (under the management of financial assistance of the European Union)	7,1	7,1	40,5	45,2	16,7	25,0	33,3	25,0	40,0
Suspending payments (under the management of financial assistance of the European Union)	4,9	9,8	41,5	43,9	12,5	29,2	29,2	29,2	38,5
Reallocating of funds (under the management of financial assistance of the European Union)	4,8	11,9	40,5	42,9	12,0	32,0	32,0	24,0	37,5

Managing public policy

Questions about managing public policy were administered only to general managers. First block of questions dealt with different ways how a problem or an issue which should be resolved with new policy could be analysed and properly defined and framed. Results show that not so many managers are performing these practices to a great extent. Most often they said that they are to a greater extent involved in Performing systematic analysis of problems in respective area, including examination of cause and effect relationships - this was reported by almost half of respondents. A third of respondents stated that they are Assessing the legal framework in the respective area to greater extent. On the other hand there are a few practices in this domain for which percentages for answers No (I am not taking part in the practice) and This is not relevant for my job position are relatively high. When numbers for these two answers are combined we get more than 50% for the following practices: When defining key policy issues employing various analytical techniques such as the problem tree, SWOT analysis, PESTLE analysis and the like; Analyzing key issues and associated risks based on facts and information collected from existing studies, analyses, and reports; Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority; Identifying key stakeholders and performing stakeholder analysis (analyzing their needs, interests, and capacities); and Examining the effectiveness of existing policies or policy-implementing measures in the respective area.

When thinking about their needs for professional development, for six practices more than 50% of respondents stated that they have high or moderate level of need for professional development, and for four practices this percentage is lower than 50%. These six practices are: Analyzing the impact of obligations assumed in the accession to the EU and in other ratified international treaties in the relevant policy area; Assessing the legal framework in the respective area; Performing comparative analyses of problems/solutions for similar issues in other countries; Performing systematic analysis of problems in respective area, including examination of cause and effect relationships; Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority; and Using statistical data and analysis for assessing key issues and associated risks.

Second block of questions placed emphasis on establishing policy objectives and performance indicators, monitoring and evaluation framework and conducting elements of ex-ante policy impact analysis. Here, we have significantly more present the answer *This is not relevant for my job* (ranging from 31% to 54%). Practices where this answer was most frequent are: Examining significant direct and indirect effects of considered policy options on vulnerable categories or groups (primarily the poor, the disabled, minorities, etc.); Examining significant direct and indirect effects of considered policy options on various population categories; Examining the effects of considered options on the environment; and Examining



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the effects of considered policy options on the economy in general, and on the certain economic sectors and businesses.

Table 29: Managing public policy, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Performing systematic analysis of problems in respective area, including examination of cause and effect relationships	48,1	27,9	8,5	15,5	12,0	47,2	20,4	20,4	10,7
Examining the effectiveness of existing policies or policy - implementing measures in the respective area	16,5	33,9	15,0	34,6	8,0	31,0	28,7	32,2	26,3
Assessing the legal framework in the respective area	34,6	30,7	9,4	25,2	19,8	39,5	23,3	17,4	25,9
Analyzing the impact of obligations assumed in the accession to the EU and in other ratified international treaties in the relevant policy area	26,6	32,8	10,2	30,5	25,8	30,1	22,6	21,5	21,2
Analyzing key issues and associated risks based on facts and information collected from existing studies, analyses, and reports	16,7	27,8	20,6	34,9	11,0	37,8	12,2	39,0	29,9
Using statistical data and analysis for assessing key issues and associated risks	28,6	37,3	11,9	22,2	9,1	41,4	25,3	24,2	15,4
Performing comparative analyses of problems/solutions for similar issues in other countries	23,6	29,9	17,3	29,1	17,0	35,2	26,1	21,6	24,8
When defining key policy issues employing various analytical techniques such as the problem tree, SWOT analysis, PESTLE analysis and the like	10,2	18,9	28,3	42,5	9,2	23,7	25,0	42,1	35,6
Identifying key stakeholders and performing stakeholder analysis (analyzing their needs, interests, and capacities)	20,2	26,6	19,4	33,9	12,3	34,6	18,5	34,6	28,3
Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority	20,5	23,6	18,9	37,0	10,0	41,3	17,5	31,3	30,4



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Table 30: Managing public policy, Part 2 (%)

	Do you take part in each of the practices listed?				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Establishing objectives to be achieved by implementing measures contained in the policy document or policy-implementing regulation	28,0	28,0	15,2	28,8	19,1	32,6	19,1	29,2	24,6
Establishing performance indicators for measuring the efficiency and effectiveness of policy implementation and for monitoring the realization of set objectives	24,2	29,0	15,3	31,5	18,2	34,1	20,5	27,3	24,1
Establishing performance indicators at the level of impact, outcome, and output indicators	29,8	28,2	11,3	30,6	20,2	36,0	18,0	25,8	24,6
Within performance indicators defining the base value (the existing value), target value, and the source of verification for achieved values	24,2	25,0	16,9	33,9	19,8	34,9	17,4	27,9	27,1
Establishing framework for monitoring and evaluating policy implementation and its results	13,0	22,0	22,8	42,3	13,5	36,5	12,2	37,8	36,8
Defining the method for assessing achieved results, or the method for evaluating the efficiency of policy document implementation	16,9	24,2	20,2	38,7	19,7	32,9	14,5	32,9	35,0
Analyzing the impact of other policies and regulations relevant for the respective area	14,8	22,1	20,5	42,6	13,5	37,8	14,9	33,8	36,2
Assessing new policy idea in relation to development policy and priorities and on-going development activities in the country	7,3	29,0	16,1	47,6	9,9	31,0	26,8	32,4	39,3
Assessing financial means required for the realization of each policy measure or regulation	12,9	21,0	21,0	45,2	13,7	30,1	20,5	35,6	38,1
Examining the effects of considered policy options on the economy in general, and on the certain economic sectors and businesses	7,3	21,8	20,2	50,8	13,6	24,2	22,7	39,4	43,1
Examining significant direct and indirect effects of considered policy options on various population categories	5,6	15,3	25,8	53,2	11,1	22,2	23,8	42,9	45,7
Examining significant direct and indirect effects of considered policy options on vulnerable categories or groups (primarily the poor, the disabled, minorities, etc.)	4,8	17,7	23,4	54,0	9,5	23,8	15,9	50,8	45,7

Examining the effects of considered options on the environment

5,6

11,3

29,8

53,2

8,1

16,1

24,2

51,6

46,6

On the other hand, practices for which general managers more often stated that they are involved to a greater extent are the following practices: Establishing performance indicators at the level of impact, outcome, and output indicators; Establishing objectives to be achieved by implementing measures contained in the policy document or policy-implementing regulation; Within performance indicators defining the base value (the existing value), target value, and the source of verification for achieved values; and Establishing performance indicators for measuring the efficiency and effectiveness of policy implementation and for monitoring the realization of set objectives. However, even here it is just about one quarter of respondents stating that they are taking part in these practices to a greater extent.

In terms of perceived needs for professional development, exactly for these practices in which general managers are involved more frequently to a greater extent they also most frequently stated that they have high or moderate need for further improvement. For slightly above half of practices 50% or more of respondents stated that they have high or moderate need for professional development. These practices are framing the processes of establishing objectives of new policies, performance indicators and means and methods for monitoring and evaluation. On the other hand, conducting elements of ex-ante policy impact analysis was somewhat lesser reported as high/moderate need for professional development.

The final set of questions in the field of public policy management dealt mainly with assessing different policy options and analysing policy implementation aspects. For a number of practices general managers most frequently claimed that they are not relevant for their job position (around half of respondents). This is most prominent with these practices: Examining legal, organizational, managerial, and institutional aspects of the considered policy options' effects; Assessing the policy implementation risks and uncertainties; Identifying different policy options to achieve set objectives; and Preparing of Terms of Reference for different purposes within the policy process. Just for one practice more than a quarter of respondents reported taking part in to a greater extent (Monitoring the realization of set objectives for each of the defined performance indicator - 27%).

Only for one practice in this set there was more than 50% of respondents reporting high/moderate level of need for professional development (Monitoring the realization of set objectives for each of the defined performance indicator - 54,5%); for the most part percentages were around 45%. The least pronounced need for professional development was observed for practice Assessing the policy implementation risks and uncertainties.



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Table 31: Managing public policy, Part 3 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Assessing the policy implementation risks and uncertainties	5,8	19,2	22,5	52,5	12,7	15,9	17,5	54,0	44,2
Performing basic institutional capacity assessment in relation to policy implementation (capacity to deliver services and manage change)	10,1	24,4	20,2	45,4	11,1	25,0	20,8	43,1	35,7
Examining legal, organizational, managerial, and institutional aspects of the considered policy options' effects	11,0	21,2	14,4	53,4	21,3	27,9	11,5	39,3	45,0
Identifying different policy options to achieve set objectives	7,6	22,0	18,6	51,7	15,9	25,4	17,5	41,3	43,2
Comparing the advantages and disadvantages of each analyzed option in order to determine the most efficient one for achieving set objectives, or the one with least disadvantages.	11,9	20,3	19,5	48,3	15,4	29,2	18,5	36,9	41,4
Considering the "optimistic" and "pessimistic" scenario of a given policy option's outcome	10,2	20,3	20,3	49,2	15,2	27,3	16,7	40,9	40,0
Employing quantitative techniques such as the cost-benefit analysis and cost-efficiency analysis.	8,5	23,7	18,6	49,2	13,8	32,3	16,9	36,9	40,9
Consulting relevant public administration and state bodies, including civil society organizations and scientific and research organizations.	17,8	28,8	14,4	39,0	17,3	24,0	21,3	37,3	31,8
Monitoring the realization of set objectives for each of the defined performance indicator	27,1	33,1	11,9	28,0	22,7	31,8	14,8	30,7	20,7
Preparing of Terms of Reference for different purposes within the policy process	10,2	22,0	16,1	51,7	15,6	28,1	20,3	35,9	42,3

Results of interviews

Interviews with top managers indicate a few challenges for effective policy management. Firstly, investment in public administration capacities to effectively manage public policy is not systemically supported - meaning organizations usually do not have strategic (policy) units, there are no job positions of policy analysts, nor the policy analysis is part of job descriptions of other positions. In other words there are no formal requirements and expectations from civil servants to engage in such important tasks. In that sense, there is no professional ownership over policy analysis and policy development in organizations. Ownership over these processes is additionally hampered by often outsourcing - analytical tasks of this kind are often done by external consultants and through different projects or via numerous ad hoc working groups. This means that there is no continual investments in such capacities of employees in public administration organizations, nor any additional incentives. If we add to that burden of daily duties, it is not difficult to understand why civil servants are not engaged in some substantial extent in policy analysis. When thinking about possible areas of professional development what was stressed were different analytical skills that fall in the realm of policy analysis and project management. The analysis of interviews also showed that among most important challenges in managing public policy are those connected to policy implementation and its monitoring.



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Internal audit

Questionnaire covering internal audit was administered only to internal auditors in public administration organizations. In contrast to other questionnaires, this one asked only for perception of professional development needs for varying internal audit practices. It was assumed that all the practices are relevant for all internal auditors as they represent standard job description of for internal auditors. Nevertheless, respondents had opportunity to signal if a certain practice is, in their opinion, relevant for their job.

The first part of the questionnaire includes questions on professional development needed for planning for internal audit, namely for preparing strategic plans for internal audit, annual work plans, and risk based plans. This part also assesses professional development needs in terms of establishing policies and procedures for internal audit and preparatory activities such as communicating internal audit plan with senior management. It also addresses basic assessments of organizational objectives – their ethical aspects, alignment with organisation’s mission, and the role of information technology in meeting the objectives.

Results show that high and moderate level of need for further professional development for all practices in this section comprise more than 50% of respondents’ answers. This is clear indicator that additional training and education for internal auditors is necessary in all areas covered in the Table 32.

According the internal auditors’ answers, the highest need for their further professional development exists for assessing whether information technology (IT) governance is in line and able to support the main objectives and strategies of organization and for assessing whether organisational objectives support and align with the organisation’s mission - more than 58% of all respondents expressed high level of need for professional development in this segment. If combined with the moderate level of need answer for these two particular activities, then more than 94% percent of respondents claim that they need further training. Significant professional development, as stated by internal auditors, is needed also in relation to evaluating the design, implementation and effectiveness of the organisation’s ethics-related objectives, programmes and activities.

On the other end of the spectrum, for some activities respondents feel that they do not need significant training (or not need training at all). Two of these activities are preparing annual work plan of internal audit and establishing risk-based plan, and for those some 40% of respondents claimed they have low or no need for further training.

For three practices, namely preparing a strategic plan of internal audit for a three-year period, communicating the internal audit activity’s plans and resource requirements to senior management for



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review and approval and assessing whether organisational objectives support and align with the organisation’s mission, a number of internal auditors claimed that these are not relevant for their job positions – this can be explained in such a way that internal auditors who chose this answer perceive this to be exclusive task of a chief internal auditor.

Data gathered using interviews also showed that internal auditors need further professional development when it comes to planning for internal audit and assessment of organizational objectives. So far, these activities were conducted without any major problems in organizations. However, interviewees claimed that they need better methodology and additional predication for developing strategic plans since they had only limited training so far, and currently available guides and rulebooks are not informative enough.

Table 32: Planning Internal Audit and assessment of organizational objectives (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Preparing a strategic plan of internal audit for a three-year period (including the strategic goals of internal audit based on long-term goals of the organization and internal audit risk assessment).	29,4	35,3	29,4	5,9	10,5
Preparing annual work plan of internal audit (containing general and specific objectives and purpose of the audit, which should be implemented during the year).	22,2	33,3	27,8	16,7	5,3
Establishing risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation’s goals	41,2	17,6	35,3	5,9	5,6
Communicating the internal audit activity’s plans and resource requirements to senior management for review and approval	41,2	23,5	17,6	17,6	10,5
Establishing policies and procedures to guide the internal audit activity	31,6	31,6	10,5	26,3	0,0
Evaluating the design, implementation and effectiveness of the organisation’s ethics-related objectives, programmes and activities	50,0	33,3	11,1	5,6	5,3
Assess whether the information technology governance of the organisation supports the organisation’s strategies and objectives	58,8	35,3	5,9	0,0	5,6
Assessing whether organisational objectives support and align with the organisation’s mission	58,8	35,3	5,9	0,0	10,5

Second set of questions is mainly devoted to self-assessment of professional development needs in relation to evaluating risk exposures in different domains. It also contains questions about assessing organisational practices when dealing with risks – whether organisation has identified significant risks, whether appropriate risks responses were selected and whether relevant risk information is communicated throughout the organisation.

High and moderate level of need for further professional development for all questions in this section comprise between 70% and 99% of respondents' answers. This indicates that education for internal auditors and their additional training needs to stress all practices shown in the Table 33.

The highest level of need for further professional development exists for evaluating risk exposures relating to achievement of the organisation's strategic objectives - if high and moderate level of need are combined then all the respondents have chosen one of these two options as an answer.

Table 33: Assessment of organisation's stance towards risks and evaluation of risk exposures (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Assessing whether significant risks are identified and assessed	50,0	38,9	11,1	0,0	5,3
Assessing whether appropriate risk responses are selected that align risks with the organisation's risk appetite	44,4	44,4	5,6	5,6	5,3
Assessing whether relevant risk information is captured and communicated in a timely manner across the organisation, enabling staff and management to carry out their responsibilities	52,9	41,2	5,9	0,0	10,5
Evaluating risk exposures relating to achievement of the organisation's strategic objectives	52,9	47,1	0,0	0,0	10,5
Evaluating risk exposures relating to reliability and integrity of financial and operational information	52,9	41,2	5,9	0,0	10,5
Evaluating risk exposures relating to effectiveness and efficiency of operations and programmes	58,8	35,3	5,9	0,0	10,5
Evaluating risk exposures relating to safeguarding of assets	35,3	41,2	23,5	0,0	10,5
Evaluating risk exposures relating to compliance with laws, regulations, policies, procedures and contracts	23,5	47,1	29,4	0,0	10,5

Evaluating the potential for the occurrence of fraud and how the organisation manages fraud risk.	47,1	35,3	17,6	0,0	10,5
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Also, results suggest that additional professional development is necessary for risk identification, selecting adequate risk responses, evaluating risk exposures relating to reliability and integrity of financial and operational information and evaluating risk exposures relating to effectiveness and efficiency of operations and programs - above 90% of respondents claimed this.

The only two practices for which the need for further training is somewhat lower are evaluating risk exposures relating to safeguarding of assets and evaluating risk exposures relating to compliance with laws, regulations, policies, procedures and contracts.

Finally, for eight out of ten practices listed in the Table 33 10% of respondents claimed that these activities are not part of their job description.

Data gathered through interviews confirmed findings from the online questionnaire. Internal auditors believe they need significant further training when it comes to all aspects of assessment of organisation's stance towards risks and evaluation of risk exposures. Interviewees claimed that the first time they had training for this element of internal audit was in 2016, even though they were conducting these activities for couple of years already without proper education. Also, training they had was not adequate, because it lasted only couple of hours and internal auditors believe that for assessing and evaluating risk exposures more comprehensive training is needed. Finally, some of the interviewees are in favour of creating risk databases for each subunit in organizations. It would be created by subunits because they know which activities are the riskiest in their unit, and it could help the internal auditors to better and more efficiently evaluate the system.

Third set of questions relates to professional development needs in evaluating adequacy and effectiveness of control in responding to risks regarding different issues (such as reliability and integrity of financial and operational information, efficiency and effectiveness of operations and programs, safeguarding the assets and compliance with laws, policies, etc.)

Like for the previous group of questions, high level and moderate level of need comprise between 70% and 80% percent of all respondents' answers for each question, meaning that majority of internal auditors believe they need additional training for evaluating adequacy and effectiveness of controls in responding to various risks (see Table 34).

The highest level of need for further professional development exists for evaluating the adequacy and effectiveness of controls in responding to risks regarding reliability and integrity of financial and operational information and regarding the effectiveness and efficiency of operations and programs. For both practices, the high and moderate level of need comprise more than 80% of all respondents' answers.

Table 34: Evaluating the adequacy of effectiveness and control in responding to risks (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Evaluating the adequacy and effectiveness of controls in responding to risks regarding the achievement of the organisation's strategic objectives	33,3	38,9	27,8	0,0	5,3
Evaluating the adequacy and effectiveness of controls in responding to risks regarding reliability and integrity of financial and operational information	35,3	47,1	17,6	0,0	5,6
Evaluating the adequacy and effectiveness of controls in responding to risks regarding the effectiveness and efficiency of operations and programmes	35,3	47,1	17,6	0,0	5,6
Evaluating the adequacy and effectiveness of controls in responding to risks regarding safeguarding of assets	35,3	35,3	29,4	0,0	5,6
Evaluating the adequacy and effectiveness of controls in responding to risks regarding the compliance with laws, regulations, policies, procedures and contracts	23,5	47,1	29,4	0,0	5,6

On the other hand, for two practices, namely evaluating the adequacy and effectiveness of controls in responding to risks regarding safeguarding of assets and regarding the compliance with laws, regulations, policies, procedures and contracts - internal auditors claimed in significant number (around one third of them) that they have only a low-level need or no need at all for further training.

Data gathered through interviews are in line with the answers gathered through questionnaires. Most of the internal auditors believe they need further professional development for evaluating the adequacy of effectiveness and control in responding to risks. This practice is part of the so-called system audit – the most complex and most often conducted internal audit in Serbian organizations, for which internal auditors already have significant experience. Since most of the internal auditors have already done system audit in the past they believe they have adequate knowledge, but they are willing to further advance their skills and competences, primarily because of the complexity of the system audit.

Questionnaire asked internal auditors also about planning and executing individual internal audit engagement – all the way from defining objectives, scope, timing and resource allocations to identifying and documenting relevant information to support the conclusions.

Table 35: Planning and executing individual internal audit engagement (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Developing and documenting a plan for each engagement, including the engagement's objectives, scope, timing and resource allocations	22,2	38,9	22,2	16,7	5,3
Establishing objectives for each internal audit engagement	27,8	22,2	44,4	5,6	5,6
Conducting a preliminary assessment of the risks relevant to the activity under review	22,2	33,3	38,9	5,6	5,6
Determining the extent to which management has established adequate criteria to determine whether objectives and goals have been accomplished	11,1	44,4	44,4	0,0	0,0
Working with management to develop appropriate evaluation criteria for evaluating governance, risk management and controls	27,8	44,4	22,2	5,6	0,0
Determining appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints and available resources	22,2	33,3	38,9	5,6	0,0
Developing and documenting work programmes for achieving the engagement objectives	27,8	27,8	44,4	0,0	0,0
Identifying sufficient, reliable, relevant and useful information to achieve the engagement's objectives	27,8	22,2	44,4	5,6	0,0
Documenting and filing relevant information to support the conclusions and engagement results (working papers)	27,8	16,7	44,4	11,1	0,0

For this group of practices, respondents are divided on how much further professional development they need. Internal auditors claimed they need less additional professional development compared to previous activities. For all practices except for developing and documenting a plan for each engagement

and working with management to develop appropriate evaluation criteria for evaluating governance, risk management and controls, between 40% and 50% of internal auditors claimed they have low level of need or no need at all for further training. On the other hand, for these two practices, as well as for most of the other, around half of the respondents believe it is necessary to have some additional training if high level of need and moderate level of need answers are combined.

Next set of questions relates to professional development needs of internal auditors in terms of preparing audit reports with conclusions, recommendations, and action plans, recommending control activities to management and monitoring follow up activities.

Table 36: Audit reports, recommendations to management and monitoring the follow up activities (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Preparing audit reports with conclusions, recommendations and action plans	27,8	22,2	27,8	22,2	0,0
Recommending new control activities to management	27,8	38,9	27,8	5,6	0,0
Recommending correcting or changing existing controls for the purpose of improving their effectiveness	16,7	55,6	22,2	5,6	0,0
Recommending ensuring that existing controls are implemented constantly and consistently	16,7	50,0	33,3	0,0	0,0
Recommending decreasing (discontinuing) redundant controls	16,7	50,0	33,3	0,0	0,0
Monitoring the follow-up activities of management regarding the given recommendations	29,4	41,2	23,5	5,9	5,6

High and moderate level of need for further professional development for all questions in this section comprise 50% or more of respondents' answers. This indicates that education for internal auditors and their additional training needs to stress all practices shown in the Table 36.

According to internal auditors' answers, for two practices the need for further professional development is higher than for others (more than 70% of respondents). These practices include recommending change, or changing the existing controls for the purpose of improving their effectiveness and monitoring the follow up activities of management regarding the given recommendations.

Additionally, the need for further professional development is also high for the practice of recommending ensuring that existing controls are implemented constantly and consistently and recommending decreasing (discontinuing) redundant controls.

When it comes to qualitative data, for preparing audit reports, recommendations to the management and monitoring the follow up activities the rules are very clear and these activities are regularly conducted. The internal auditors also explained that successful completion of these practices is related to the authority of the internal auditor and their skills, for which some additional training is needed.

Next segment of the questionnaire dealt with perception of professional development needs for performing different types of internal audit: compliance audit, performance audit, IT system audit, financial audit and audit of the programs funded by the European Union. Results are presented in the Table 37.

Table 37: Different types of internal audits (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Performing compliance audit (analysing and assessing the compliance of organization's operations with the laws, regulations, internal acts and contractual provisions)	31,3	18,8	31,3	18,8	5,9
Performing performance audit (analysing and assessing the utilisation of resources in an economical, efficient, and effective manner in order to achieve the goals of the organization)	87,5	6,3	0,0	6,3	5,9
Performing information system audit (analysing and assessing the processes, procedures and use of electronic information systems relating to security, confidentiality, integrity and availability of information and information systems)	76,5	17,6	5,9	0,0	5,6
Performing audit of programs and projects funded by the European Union	56,3	25,0	18,8	0,0	11,1
Performing financial audit (analysing and assessing the controls that ensure the accuracy and completeness of accounting data and financial statements)	43,8	31,3	18,8	6,3	5,9

Even though majority of respondents agree that for all types internal audit high or moderate need for further professional development exists, for two internal audits the need is much higher. For information system audit and performance audit 90% of respondents have high or moderate need for improving their knowledge. In addition, respondents need further training for performing audit of programs and projects funded by the European Union as well as for financial audit. Only for compliance audit there is a significant number of respondents (about one third) who claimed that they have only low level of need for improvement or no such need at all (Table 37).

Interestingly, around 11% of internal auditors claim that audit of programs and projects funded by the European Union is not part of their job description.

Qualitative research confirmed data gathered through interviews. First, for compliance audit and financial audit the need for further professional development is low, because internal auditors already have experience with conducting these two audits. However, they were unanimously in favour of additional training in this field. Secondly, performance audit and IT audit were never conducted in the respondents organizations. Internal auditors have not even had training for these two audits, and they need significant further professional development. Finally, for performing audit of programs and projects funded by the European Union the need for training is also high even though interviewees have done this type of audit in the past. They also mentioned the need for English language courses because most of the documentation for this type of audit is in English.

Since a substantive part of internal auditors' job has traditionally been focused on financial audit, it received additional attention in the questionnaire, as reflected in the number of posed questions about professional development needs in specific financial audit practices. Results are presented in the Table 38.

Table 38: Financial audit (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Reviewing whether all income and expenditure is adequately planned, controlled and monitored	20,0	53,3	13,3	13,3	11,8
Reviewing whether appropriate budgets are established that are consistent with the organisation's strategic plan and financial forecasts	28,6	50,0	7,1	14,3	17,6
Reviewing whether a suitable budgetary control framework has been developed	28,6	50,0	21,4	0,0	17,6

Reviewing whether managers are provided with suitable expenditure reports	21,4	50,0	21,4	7,1	17,6
Reviewing whether appropriate reporting system is in place to enable senior managers to effectively monitor the organisation's financial position	28,6	42,9	21,4	7,1	17,6
Reviewing whether all cash income is collected, recorded adequately and promptly banked and that suitable banking (Treasury) services are obtained	21,4	50,0	14,3	14,3	17,6
Reviewing whether all transactions, assets and liabilities relevant to the period of review have been recorded	21,4	28,6	42,9	7,1	17,6
Reviewing whether the recorded transactions, assets and liabilities have been correctly and accurately valued or measured.	23,1	46,2	23,1	7,7	13,3
Reviewing whether the recorded transactions, assets and liabilities have been properly classified and recorded in the organisation's financial records	21,4	50,0	21,4	7,1	12,5
Reviewing whether all assets are kept securely, custody is clearly stated, and access is properly authorised	28,6	35,7	21,4	14,3	12,5
Reviewing whether recorded assets and liabilities are in compliance with the regulation	21,4	50,0	14,3	14,3	12,5
Reviewing whether all liquid financial assets are utilised efficiently	38,5	38,5	23,1	0,0	18,8
Reviewing of income and debtor arrangements	15,4	53,8	23,1	7,7	18,8
Reviewing of the completeness, occurrence, measurement, regularity and disclosure of purchases and payments	14,3	78,6	7,1	0,0	17,6
Reviewing whether all goods and services required by the organisation are received, accounted and paid for efficiently.	14,3	42,9	42,9	0,0	17,6
Reviewing of payroll and expense arrangements	14,3	50,0	21,4	14,3	17,6
Reviewing whether non-monetary assets are properly safeguarded, verified and utilised effectively	21,4	64,3	7,1	7,1	17,6
Reviewing of the public procurement procedures	14,3	50,0	28,6	7,1	17,6
Reviewing whether purchases are done economically, efficiently and effectively	28,6	64,3	7,1	0,0	17,6

More than half of the respondents believe that high or moderate level of additional professional applies for all practices under financial audit. Activities for which additional professional development is needed the most are reviewing whether purchases are done economically, efficiently and effectively and reviewing of the completeness, occurrence, measurement, regularity and disclosure of purchases and payments. Also, internal auditors believe that they need more skills when it comes to reviewing whether non-monetary assets are properly safeguarded, verified and utilised effectively (Table 38).

On the other hand, more than a third of the respondents think that low level of further training or no training at all is needed for reviewing whether all transactions, assets and liabilities relevant to the period of review have been recorded, and reviewing whether all goods and services required by the organisation are received, accounted and paid for efficiently (more than 40% of respondents claimed they need only low level of additional training).

Interestingly, between 11% and 18% of internal auditors claim that practices listed in the table 7 are not part of their job description.

Internal auditors had opportunity to answer about their professional development needs in relation to human resource management audit. Questions dealt with varying elements of human resource management from recruitment practices, training provisions, monitoring and rewarding performance, etc.

Table 39: Human Resource Management Audit (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Reviewing whether human resource management is conducted economically, efficiently and effectively	7,7	46,2	46,2	0,0	18,8
Reviewing whether activities of central departments with responsibility for human resource management are adequately devised, assigned and carried out.	15,4	30,8	53,8	0,0	18,8
Reviewing whether human resource recruitment is strategically planned, and conducted in a robust and open manner.	21,4	28,6	50,0	0,0	12,5
Reviewing whether training needs are assessed and appropriate training is provided and evaluated.	15,4	30,8	53,8	0,0	18,8
Reviewing whether there are adequate procedures for managing, developing and communicating with the people in the organisation.	14,3	42,9	42,9	0,0	12,5
Reviewing whether there are adequate procedures for monitoring, improving and rewarding performance in the organisation.	7,1	57,1	35,7	0,0	17,6

According to respondents' answers for most of the practices comprising human resource management audit, most frequently low level of need for further professional development was reported. This is also the only section where none of the respondents selected no need at all for further professional development as an answer.

Finally, as in some of the previous examples, there are between 12% and 18% of those who believe that this activity is not part of their everyday job.

Qualitative data are in line with the data gathered through online questionnaires. Interviewees expressed only low level of need for further professional development, because human resource management audit is regularly conducted in organizations.

The last part of the questionnaire was devoted to professional development needs in usage of different techniques, methods and tools for conducting internal audit. For all questions in Table 40 more than half of respondents claimed they need high or moderate additional professional development.

Table 40: Methods and techniques for conducting internal audit (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Using different methods of sampling including random, stratified, statistical sampling	28,6	35,7	35,7	0,0	17,6
Performing compliance tests	23,1	53,8	15,4	7,7	23,5
Performing substantive tests	30,8	46,2	23,1	0,0	23,5
Performing analytical reviews (e.g. tests of financial information made by a study and comparison of relationships among data)	35,7	35,7	21,4	7,1	17,6
Performing inspection through different techniques (re-computation, vouching, tracing book keeping records, physical examination and counts, confirmation)	13,3	46,7	26,7	13,3	11,8
Utilizing observation and enquiry techniques	13,3	46,7	33,3	6,7	11,8
Conducting interviews as a part of enquiry process	20,0	53,3	26,7	0,0	11,8

General data shows that there are four practices for which most of internal auditors claimed they need additional professional development: performing compliance tests, substantive tests, analytical reviews and for conducting interviews as part of enquiry process (more than 70% of respondents). On the other hand, for using methods of sampling, utilizing observations and inquiry techniques as well as for reviewing whether there are adequate procedures for monitoring, improving and rewarding performance in the organisation, the low level of need combined with no need at all was selected by more than one third of the respondents.

Finally, for performing substantive tests and compliance tests, 23,5% of respondents claimed that these practices are not relevant for their job positions.

When it comes to data gathered through interviews, the internal auditors are in favour of further professional development in this area. They are already using all the above-mentioned methods and techniques and have appropriate guides, but additional training is more than welcomed.

Positions towards the purpose, authority and responsibility of the internal audit

One part of the qualitative study was related to the positions towards the purpose, authority and responsibility of the internal audit in the organizations. The interviewees were asked to describe the purpose, authority and responsibility of internal audit (from their personal point of view as well as from the point of view of their colleagues in the organization).

Three main conclusions from the interviews can be drawn. First, it was almost unanimously stated by the interviewees that Law on the Budget System, the Rulebook on Common Criteria for Organization, Standards and Methodological Instructions for the Internal Audit Treatment and Reporting in the Public Sector and finally the Charter of Internal Audit (this last document is developed and adopted by each CGUs separately) are the three main sources of the basic norms for internal audit. They define internal audit, and set the rules for conducting internal audit. Most of the interviewees agree with the definitions set in these documents.

The two definitions in the Law and the Rulebook are as follows:

- Law on the Budget System (Official Gazette of RS, no. 54/2009, 73/2010, 101/2010, 101/2011, 93/2012, 62/2013, 63/2013 – change., 108/2013, 142/2014, 68/2015 – state law, 103/2015 and 99/2016) defines internal audit as: “activity that provides independent and objective assurance and advisory activity, with the aim of contributing to the improvement of the organization's business; helping the organization to achieve its goals by systematically and disciplined assessing and evaluating risk management, control and management of the organization”.
- Rulebook on Common Criteria for Organization, Standards and Methodological Instructions for the Internal Audit Treatment and Reporting in the Public Sector and finally Charter of Internal Audit (Official Gazette of RS, no. 99/2011 and 106/2013) also defines internal audit as: “activity that provides independent objective assurance and advisory activity, with the aim of contributing to the improvement of the operations of users of public funds; It helps the beneficiary of public funds to achieve its goals by systematically and disciplined assessment and evaluation of risk management, control and management of users of public funds”.

All the interviewees also agree that the main purpose of the internal audit is to assess if the system in each of the CGUs functions properly. Each internal audit is assessing only one part of the system, not the entire system (this the reason why there is financial audit, HRM audit, etc.) Internal audit, as an

independent unit works closely with the Minister of each CGUs and submits its report to the Minister directly. On the other hand, it provides recommendations for improvement of CGUs work (as well as advice before the internal audits is commenced).

Finally, when it comes to perception of the internal audit by the rest of the employees in the organization, they usually feel sceptical and suspicious, even before they had any contact with the internal audit activities. They perceive internal audit as some sort of “police” which only look for mistakes and has a mandate to punish them. After their first internal audit (and after they learn the fact that there are no legal sanctions for not accepting recommendations given by the internal auditors) employees start to cooperate more and feel more relaxed. They even tend to ask for advice and try to improve their work and system in their unit. Also, interviewees noticed that younger employees in CGUs tend to be more cooperative with internal auditors and even to ask advice beforehand, while older employees are more closed and do not accept advice and recommendations as much. Finally, internal auditor’s advice is that not only low-level employees should be more informed about internal audit role but also the heads of the units including the minister himself.

CONCLUSIONS

Financial management and control

Results show that **general managers** are more engaged in human resource management, but when it comes to practices which are more closely connected to the other aspects of control environment, or risk management, control activities, and system monitoring and assessment general managers tend to be much less involved or to often express a view that certain practice is not relevant for their job position.

In relation to perceived needs for further professional development, for the majority of practices around 50% of general managers (who see these practices relevant for their job position) stated that they have high or moderate level of need for further professional development in order to perform those practices more effectively. Practices for which general managers have highest need for professional development are in area of 1) human resource management (Reviewing training needs, promotions, and performances of employees and Supervising the employees and providing them with the support they need to perform key tasks) 2) regulating control environment (Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion and Establishing clear policies on authorizations and approvals of certain activities and transactions in writing), 3) information and communication system (Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control and Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents), 4) risk management (Identifying reputational risks; Developing risk management strategy; and Assessing the risks in terms of their impact and probability) 5) control activities (Performing corrective control activities; Ensuring that the procedures for access to data and records in place and applied; Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use). More than 55% of respondents expressed high/moderate need for professional development as well for the practice Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).

Results show that in the area of control environment and information and communication **managers of finance departments** for a number of practices in financial management and control claimed that they take part in to a greater extent. There is a significant difference between the areas of risk management and control activities in terms of the extent to which the finance managers are involved in - control activities are more often reported as those in which they take part to a greater extent (range from 39% to 67%). In risk management only the processes of identifying risks (financial, operational and



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reputational) are reported to be present to a greater extent in higher percentages (from 35% for reputational to 58% for financial risks).

Finance managers expressed strong need for professional development in all the practices of COSO framework. In the area of control environment results indicate that, when looking at all practices, 45% to 76% states high/moderate level of need (out of those who see these practices as relevant for their job position). In the areas of risk management and control activities the smallest number of respondents saying that they have high/moderate need for development was observed for Using technique *risk exposure matrix* (46%), and the highest was for Identifying financial risks (79%). For the most practices percentages range between 60% and 70% of respondents reporting high/moderate level of need for professional development.

Interviews conducted with general managers and managers of finance departments indicates that full awareness of the meaning and importance of financial management and control is not widespread in public administration, although it was within the interviewees. In their view, it rather takes a sort of formalized approach - it is rarely seen as a continual process, fundamental public administration approach, but more as something that is done to satisfy external requirements. In other words, public administration organization did complete the maps of business processes, devise new directives, have identified risks, design risk management strategy etc., but this did not have strong impact on daily work of its employees. However, even where this is the case, the very process of creating basic pillars of financial management and control in each organization had positive impact. Moreover, overall perception of more experienced civil servants is that the control environment in public administration is certainly significantly better than it was earlier (e.g. ten years ago) thanks to many different processes of public administration reforms. Managers of finance departments also note that financial management and control is often understood just as a 'matter of finance departments'. Some of them even think that it is unfortunate that the name of the approach starts with a word financial, thus making other civil servants believe that it has only to do with finances, and because of that it is a matter finance specialists. Interviewees also stressed the importance of quality communication in organization and that it is often an issue that requires significant improvements. In that sense, a crucial role of top managers is emphasized. Moreover it was prioritized that top managers should be very well educated in financial management and control, as they should set the tone and strive to broad acceptance of the approach. This seems not to be happening often and adding to this a fluctuation of management, it brings us to conclusion that training of top management in financial management and control is of paramount importance. Finally, aside of needed widespread awareness raising on financial management and control throughout public administration, interviewees stresses the need for additional trainings and assistance in developing knowledge and skills for establishment of basic elements of financial management and control - especially in the area of risk management and control activities.

Programme budgeting

Programme budgeting was also a topic for which questions were posed both to general managers and finance managers, but also were included other employees of finance departments. Results indicate that a surprisingly high percent of **general managers** do not see programme budgeting to be relevant for

their job position. This stands for different aspects of programme budgeting: establishing programme structure, programmes, programme activities and projects, establishing its objectives, establishing different indicators, monitoring, analysis and reporting the results. When thinking about their professional development needs for these programme budgeting practices, 33% to 52% of general managers who understand them as a regular part of their work, expressed that they have high or moderate need for additional training. In other words, managers more often think that they have low level of need or no need at all for further training. Above 50% of high/moderate level of need was observed for the following practices: Analysing how the achievement of the objectives can most appropriately and practically be measured; Defining indicators measuring the quality of services provided; and Reporting the achieved values through the use of selected indicators. For practices that have more to do with financial aspects (examining spending, planning costs, establishing direct and indirect costs) on average about one third of general managers (who perceive them as relevant for their job position) state that they have high or moderate need for further training.

Results for **employees in finance departments** in the area of programme budgeting are largely different than those observed for general managers. The biggest difference can be seen in the percentages of respondents who stated that they are performing the practices to a greater extent, which are significantly more present with employees in finance. Nevertheless, even here findings indicate that there is a substantial number of perceptions that programme budgeting practices are not relevant for their job position.

On the other hand, at least 40% of employees in finance departments (who see these practices as part of their job) stated that they have high or moderate level of need for professional development for all the practices in programme budgeting. The highest needs were expressed for the following practices: Developing budget programme structure; Establishing objectives of a programme; Establishing objectives of a programme activity or project; Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound); Analysing how the achievement of the objectives can most appropriately and practically be measured; Defining indicators measuring the quantity or volume of service provided; Defining indicators measuring the quality of services provided; and Defining efficiency indicators used to measure the achievement of results at an appropriate cost.

Interviews with general managers and managers of finance departments showed that they are very knowledgeable and supportive to the programme budgeting approach. They see it as a very instrumental for increase of the transparency and efficiency of public administration. However, it is still rather new approach and there are plenty of challenges to its implementation. Firstly, it is a question of defining the programme structure and general and specific goals. Sometimes there are no updated sectorial or inter-sectorial strategies where the overall goals are explicated. If there are, than the issue is defining specific goals. However, it seems that even bigger challenge is devising appropriate indicators that would be used to monitor and evaluate the progress, especially real performance indicators. They need to be relevant, measurable, available, etc. and that is not always easy to select. Closely connected to this is a new monitoring and evaluation culture programme budgeting brings - performance reporting with financial elements is a novelty in the system and a source of concerns. Another challenge with programme budgeting stressed by interviewees is that it requires very precise planning than earlier line

budgeting. Less 'improvisations' is allowed and it dictates the need that managers know exactly not only what they want to achieve, but exactly how to that and to have refined plan for it. Furthermore, programme budgeting necessities better coordination and communication between finance departments and other sectors within an organization than it was traditionally present. All these challenges require additional and extensive further professional development of civil servants if programme budgets are to become effective tool for public administration reform.

Budget implementation and accounting

Respondents (employees in finance departments), expectedly, frequently stated that they are involved in the practices of budget implementation and accounting, often to a greater extent. Nevertheless, for each practice there was a number of respondents who stated that they are not taking part in it or it is not relevant for their job position - an expected consequence of job division within finance departments (e.g. on budget planning, execution and accounting and reporting).

In terms of perceived needs for professional development in listed practices, a range of 24% to 55% of respondents stated that they have high/moderate level of such needs. Among the practices which were most often mentioned as those needed to be developed more are: Preparing budget implementation plans; Preparing drafts of medium-term and financial plan; Preparing proposals for determining priority areas of financing for the budget year and the two following fiscal years; Preparation of reports on budget implementation; Working with Financial Management Information System application run by the Treasury; Producing periodical and annual financial statements and Producing cash flow statements .

When it comes to management accounting - those accounting practices that are dominantly of analytical character and are aimed for informing organizational management - in most of the cases, finance department personnel stated that these practices are not important part of their work, i.e. most often they are not involved in their implementation or it is not even relevant for their job position. Needs for professional development in this field were less prominent than for previous sets of practices. For all practices claims of high/moderate level of needs ranged from 20% to 53%. The highest level of development need was found for the following practice: Performing cost-benefit analysis and cost-efficiency analysis.

Final topic in this section placed (Table 28). Significant percentages of respondents stated that practices of implementing procedures of financial management of European Union and co-financing funds are not relevant for their job position (percentages ranging from 40% to 45%) or that they are not involved in them (28% to 40%). This signals that finance departments are not participating in any substantial manner in implementing financial management of EU and co/financing funds. When it comes to professional development, between 40-45% of respondents (out of those who think the practice is relevant for their job) report high/moderate need for development for each of the listed practices.

Interviews with managers of finance departments indicate several conclusions. Firstly, budget execution is rather routine activity and was not stressed as an area in need for further improvements. Secondly, the system at the moment is requiring double accounting base to be performed - officially and by law

public administration organization are required to follow cash basis accounting principle. On the other hand, a request from the State audit institution is that organizations apply literally accrual accounting approach. Interviewees are of opinion that this needs to be reconciled and are aware of the general reform orientation towards accrual base. In that sense, they are certain that this shift will need to be accompanied with additional training of their personnel. Third conclusion from the interviews is that management accounting is rarely present in public administration organizations. This is partly due to lack of awareness of its importance and partly due to lack of analytical skills in finance departments. Better communication between finance departments and other sectors and top management is required in this context as well. All these challenges could be seen as call for further professional development. Final conclusion from the interviews is that finance departments role in financial management of EU funded projects is very limited. They usually have very technical role, but all the planning and decision making is placed in specific sectors in an organization and centrally in the Ministry of finance.

Managing public policy

Questions about managing public policy were administered only to general managers. Results show that not many managers are taking part in to a great extent policy management process (analysing problems, establishing policy objectives and performance indicators, monitoring and evaluation framework and conducting elements of ex-ante policy impact analysis, etc.) There are a number of practices in this domain for which percentages for answers No (I am not taking part in the practice) and This is not relevant for my job position are relatively high.

When thinking about their needs for professional development, for a number of practices more than 50% of respondents stated that they have high or moderate level of need for professional development: Analyzing the impact of obligations assumed in the accession to the EU and in other ratified international treaties in the relevant policy area; Assessing the legal framework in the respective area; Performing comparative analyses of problems/solutions for similar issues in other countries; Performing systematic analysis of problems in respective area, including examination of cause and effect relationships; Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority; and Using statistical data and analysis for assessing key issues and associated risks. Also for practices which are framing the processes of establishing objectives of new policies, performance indicators and means and methods for monitoring and evaluation 50% or more of respondents stated that they have high or moderate need for professional development. On the other hand, conducting elements of ex-ante policy impact analysis was somewhat lesser reported as high/moderate need for professional developments.

Interviews with top managers indicate a few challenges for effective policy management. Firstly, investment in public administration capacities to effectively manage public policy is not systemically supported - meaning organizations usually do not have strategic (policy) units, there are no job positions of policy analysts, nor the policy analysis is part of job descriptions of other positions. In other words there are no formal requirements and expectations from civil servants to engage in such important tasks. In that sense, there is no professional ownership over policy analysis and policy development in

organizations. Ownership over these processes is additionally hampered by often outsourcing - analytical tasks of this kind are often done by external consultants and through different projects or via numerous ad hoc working groups. This means that there is no continual investments in such capacities of employees in public administration organizations, nor any additional incentives. If we add to that burden of daily duties, it is not difficult to understand why civil servants are not engaged in some substantial extent in policy analysis. When thinking about possible areas of professional development what was stressed were different analytical skills that fall in the realm of policy analysis and project management. The analysis of interviews also showed that among most important challenges in managing public policy are those connected to policy implementation and its monitoring.

Internal audit

Questionnaire covering internal audit was administered only to internal auditors in public administration organizations. In contrast to other questionnaires, this one asked only for perception of professional development needs for varying internal audit practices.

Results show that, in general, internal auditors are frequently of opinion that they need further professional development - on average, this is more frequent than with other investigated subsamples. Only as exception there can be found an internal audit practice for which less than 50% of auditors feel they have high/moderate level of need for professional development. By rule, these percentages are considerably higher. Most notably, internal auditors express the need for professional development in evaluating risk exposures, assessing whether relevant risk information is captured and communicated in a timely manner across the organisation, performing performance audit, performing information system audit, and reviewing whether purchases are done economically, efficiently and effectively - for all these practices more than 90% of auditors reported high or moderate need for professional development. High/moderate need for professional development in performing audit of programs and projects funded by the European Union is reported by 81% of auditors.

Interviews to a great extent have validated these findings about the areas where the most of further professional development should be directed. When it comes to perception of the internal audit by the rest of the employees in the organization, internal auditors feel that they usually feel sceptical and suspicious, even before they had any contact with the internal audit activities. They perceive internal audit as some sort of "police" which only look for mistakes and has a mandate to punish them. After their first internal audit (and after they learn the fact that there are no legal sanctions for not accepting recommendations given by the internal auditors) employees start to cooperate more and feel more relaxed. They even tend to ask for advice and try to improve their work and system in their unit. This calls for consideration of raising awareness of other civil servants about the importance and benefit that internal audit can provide to their work and performance.

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ANNEXES

Annex 1: Questionnaires

Questionnaire for general management

FINAC

Financial management, accounting and controlling in public administration

This survey is prepared within the project Financial management, accounting and controlling in public administration (FINAC) under the EU programme ERASMUS +, subprogramme *Capacity Building in Higher Education*. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved throughout developing/modernizing master degree programmes and provision of trainings for public administration employees in the field of financial management, accounting and controlling.

Project is implemented in Serbia and Albania and the project consortium involves 12 partners (from Serbia, Albania and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. One of the leading partners in the project consortium is Ministry of Public Administration and Local Self Government of the Republic of Serbia which strongly supports the realization of this project, including the administration of this survey. More about the project can be found on <http://www.finac.org.rs>

Exclusive purpose of this survey is to gather information that would guide the development of new master programmes and in-service trainings so they are tailored to the real needs of public administration and its employees. This survey is anonymous. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

This questionnaire asks for information about the professional practices you perform in your daily work and further professional development you need to perform these practices more effectively. Furthermore, it asks about your initial education and professional development that you already had. This questionnaire should take approximately 30 minutes to complete.

Thank you very much for your cooperation!

I BACKGROUND INFORMATION

A1. How old are you? _____ years
(Please round to the nearest whole number.)

A2. In what type of institution do you work?

- a. Ministry
- b. Integrated authority within the ministry
- c. Special organisation
- d. Government service (office)

A3. In what sector of public administration do you work?

- a. Agriculture and Rural Development
- b. Science, Technological Development, and Innovation
- c. Foreign Affairs
- d. Environment
- e. Energy, Mineral Resources, and Mining
- f. General Public Administration Services
- g. Transport and Transport Infrastructure
- h. Labour Market
- i. Social Security
- j. Human Rights and Civil Society
- k. Construction, Urban and Spatial Planning
- l. Culture, Communications, and the Media
- m. Sports and Youth
- n. Public Security
- o. Economic and Development Policy
- p. Judiciary and the Legal System

- q. Defence
- r. Healthcare
- s. Religious Affairs and Diaspora
- t. Education
- u. Political System
- v. Financial and Fiscal System

A4. What is your job position?

- a. Civil servant on appointed position (assistant minister, secretary of a ministry, director of the integrated authority, director of a special organization, deputy and assistant of the director of a special organization)
- b. Civil servant on executorial position (head officer of subordinate organizational unit)

A5. How many civil servants are under your direct supervision? _____

A6. If you are on executorial position, what is your rank?

- a. Senior Advisor
- b. Independent Advisor
- c. Advisor
- d. Junior Advisor
- e. Associate
- f. Junior Associate

A7. How many years have you been working in public administration altogether?

_____ years

Please round to the nearest whole number.

A8. How many years have you been working in supervising (managing) position altogether?

_____ years

Please round to the nearest whole number.

II INITIAL (FORMAL) EDUCATION

B1. What is the highest level of formal education that you have completed?

- a. First degree from higher vocational education institution
- b. First degree from university higher education
- c. Magisterium / specialization / master degree
- d. Doctorate / PhD degree

First level higher education degree / bachelor degree

B2. Country of study: _____

B3. Type of institution:

- a. Public
- b. Private

B4. Name of university (if applicable): _____

B5. Name of faculty or higher vocational education institution:

B6. Earned qualification (title designation): _____

B7. Year of graduation: _____

Magisterium / specialization / master degree

B8. Country of study: _____

B9. Type of institution:

- a. Public
- b. Private

B10. Name of university (if applicable): _____

B11. Name of faculty or higher vocational education institution:

B12. What is the status of your study?

- a. Completed
- b. Not completed yet

B13. Qualification earned or pursued (title designation): _____

B14. Year of graduation: _____

Doctorate / PhD degree

B15. Country of study: _____

B16. Type of institution:

- c. Public
- d. Private

B17. Name of university: _____

B18. Name of faculty:

B19. What is the status of your study?

- c. Completed
- d. Not completed yet

B20. Qualification earned or pursued (title designation): _____

B21. Year of graduation: _____

B22. To what extent are the competencies that you have acquired during formal education relevant for performing your daily work?

- a. Not at all relevant
- b. Of little relevance
- c. Somewhat relevant
- d. Very relevant
- e. Of utmost relevance

B23. Is in your daily work required from you to perform activities for which you were not educated during your formal education?

- a. It is not required. Knowledge and skills I have acquired during formal education are fully matching the requirements of my work.
- b. Yes, but to a limited extent
- c. Yes, almost for half of activities I perform
- d. Yes, for the most of activities I perform

e. Yes. Knowledge and skills I have acquired during formal education do not match the requirements of my work at all.

III PROFESSIONAL PRACTICES AND PROFESSIONAL DEVELOPMENT

In this section we are interested 1) whether you perform certain practices within the scope of your work (whether by yourself, in a team or group or organization wide), and 2) to what extent do you need further professional development in order to perform these practices more effectively. When answering, please bear in mind the scope of responsibilities for which you are primarily entitled as appointed or executorial civil servant.

Listed practices should be considered as systematic activity leaving an audit trail (and not as spontaneous, informal activity).

Professional practices and professional development needs in relation to

POLICY FORMULATION, IMPLEMENTATION, AND EVALUATION - PART 1

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position

C1	Performing systematic analysis of problems in respective area, including examination of cause and effect relationships	1	2	3	4	1	2	3	4	5
C2	Examining the effectiveness of existing policies or policy - implementing measures in the respective area	1	2	3	4	1	2	3	4	5
C3	Assessing the legal framework in the respective area	1	2	3	4	1	2	3	4	5
C4	Analysing the impact of obligations assumed in the accession to the EU and in other ratified international treaties in the relevant policy area	1	2	3	4	1	2	3	4	5
C5	Analysing key issues and associated risks based on facts and information collected from existing studies, analyses, and reports	1	2	3	4	1	2	3	4	5
C6	Using statistical data and analysis for assessing key issues and associated risks	1	2	3	4	1	2	3	4	5
C7	Performing comparative analyses of problems/solutions for similar issues in other countries	1	2	3	4	1	2	3	4	5
C8	When defining key policy issues employing various analytical techniques such as the problem tree, SWOT analysis, PESTLE analysis and the like	1	2	3	4	1	2	3	4	5
C9	Identifying key stakeholders and performing stakeholder analysis (analysing their needs, interests, and capacities)	1	2	3	4	1	2	3	4	5
C10	Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority	1	2	3	4	1	2	3	4	5

POLICY FORMULATION, IMPLEMENTATION, AND EVALUATION - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C11	Establishing objectives to be achieved by implementing measures contained in the policy document or policy-implementing regulation	1	2	3	4	1	2	3	4	5
C12	Establishing performance indicators for measuring the efficiency and effectiveness of policy implementation and for monitoring the realization of set objectives	1	2	3	4	1	2	3	4	5
C13	Establishing performance indicators at the level of impact, outcome, and output indicators	1	2	3	4	1	2	3	4	5
C14	Within performance indicators defining the base value (the existing value), target value, and the source of verification for achieved	1	2	3	4	1	2	3	4	5

	values									
C15	Establishing framework for monitoring and evaluating policy implementation and its results	1	2	3	4	1	2	3	4	5
C16	Defining the method for assessing achieved results, or the method for evaluating the efficiency of policy document implementation	1	2	3	4	1	2	3	4	5
C17	Analysing the impact of other policies and regulations relevant for the respective area	1	2	3	4	1	2	3	4	5
C18	Assessing new policy idea in relation to development policy and priorities and on-going development activities in the country	1	2	3	4	1	2	3	4	5
C19	Assessing financial means required for the realisation of each policy measure or regulation	1	2	3	4	1	2	3	4	5
C20	Examining the effects of considered policy options on the economy in general, and on the certain economic sectors and businesses	1	2	3	4	1	2	3	4	5
C21	Examining significant direct and indirect effects of considered policy options on various population categories	1	2	3	4	1	2	3	4	5
C22	Examining significant direct and indirect effects of considered policy options on vulnerable categories or groups (primarily the poor, the disabled, minorities, etc.)	1	2	3	4	1	2	3	4	5
C23	Examining the effects of considered options on the environment	1	2	3	4	1	2	3	4	5

POLICY FORMULATION, IMPLEMENTATION, AND EVALUATION - PART 3

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C24	Assessing the policy implementation risks and uncertainties	1	2	3	4	1	2	3	4	5
C25	Performing basic institutional capacity assessment in relation to policy implementation (capacity to deliver services and manage change)	1	2	3	4	1	2	3	4	5
C26	Examining legal, organisational, managerial, and institutional aspects of the considered policy options' effects	1	2	3	4	1	2	3	4	5
C27	Identifying different policy options to achieve set objectives	1	2	3	4	1	2	3	4	5

C28	Comparing the advantages and disadvantages of each analysed option in order to determine the most efficient one for achieving set objectives, or the one with least disadvantages.	1	2	3	4	1	2	3	4	5
C29	Considering the “optimistic” and “pessimistic” scenario of a given policy option’s outcome	1	2	3	4	1	2	3	4	5
C30	Employing quantitative techniques such as the cost-benefit analysis and cost-efficiency analysis.	1	2	3	4	1	2	3	4	5
C31	Consulting relevant public administration and state bodies, including civil society organisations and scientific and research organisations.	1	2	3	4	1	2	3	4	5
C32	Monitoring the realisation of set objectives for each of the defined performance indicator	1	2	3	4	1	2	3	4	5
C33	Preparing of Terms of Reference for different purposes within the policy process	1	2	3	4	1	2	3	4	5

**Professional practices and professional development needs in relation to
FINANCIAL MANAGEMENT AND CONTROL - PART 1**

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
D1	Ensuring that employees are made familiar with the code of conduct	1	2	3	4	1	2	3	4	5
D2	Reviewing training needs, promotions, and performances of employees	1	2	3	4	1	2	3	4	5
D3	Analysing the needs of employees for training in financial management and control	1	2	3	4	1	2	3	4	5
D4	Supervising the employees and providing them with the support they need to perform key tasks	1	2	3	4	1	2	3	4	5
D5	Informing employees about long and short-term goals of the organization	1	2	3	4	1	2	3	4	5

D6	Segregating duties among the employees	1	2	3	4	1	2	3	4	5
D7	Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion	1	2	3	4	1	2	3	4	5
D8	Establishing clear policies on authorizations and approvals of certain activities and transactions in writing	1	2	3	4	1	2	3	4	5
D9	Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing and recording business changes	1	2	3	4	1	2	3	4	5
D10	Determining clear lines of reporting	1	2	3	4	1	2	3	4	5
D11	Documenting all business processes and transactions required for preparing appropriate audit trails	1	2	3	4	1	2	3	4	5
D12	Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control	1	2	3	4	1	2	3	4	5
D13	Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents	1	2	3	4	1	2	3	4	5

FINANCIAL MANAGEMENT AND CONTROL - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
D14	Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs	1	2	3	4	1	2	3	4	5
D15	Identifying operational risks – events or actions that can disrupt the delivery of services or result in departure from set goals	1	2	3	4	1	2	3	4	5
D16	Identifying reputational risks – events or actions that could jeopardize the organization’s reputation.	1	2	3	4	1	2	3	4	5
D17	Developing risk management strategy	1	2	3	4	1	2	3	4	5
D18	Assessing the risks in terms of their impact and probability	1	2	3	4	1	2	3	4	5
D19	Using technique <i>risk exposure matrix</i>	1	2	3	4	1	2	3	4	5
D20	Developing and supplementing risk register – a simple summary of risks, consequences, responsible parties, and activities taken to avert the risks	1	2	3	4	1	2	3	4	5

D21	Using risk management form - a document that contains more details concerning the inherent and residual risk, as well as the control activities and contingency plans	1	2	3	4	1	2	3	4	5
D22	Contingency planning - planning for solving the consequences if a certain risk materializes	1	2	3	4	1	2	3	4	5
D23	Checking whether the risk level is changing	1	2	3	4	1	2	3	4	5
D24	Assuring that controls that should minimize the risk are in place and functioning efficiently	1	2	3	4	1	2	3	4	5
D25	Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring	1	2	3	4	1	2	3	4	5
D26	Performing detective control activities - designed to detect and correct errors, inefficiencies and/or irregularities	1	2	3	4	1	2	3	4	5
D27	Performing directive control activities - designed to encourage activities and events necessary for fulfilment of objectives	1	2	3	4	1	2	3	4	5
D28	Performing corrective control activities - designed to correct detected errors	1	2	3	4	1	2	3	4	5
D29	Ensuring that the procedures for access to data and records in place and applied	1	2	3	4	1	2	3	4	5
D30	Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use	1	2	3	4	1	2	3	4	5
D31	Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations	1	2	3	4	1	2	3	4	5
D32	Monitoring of control adequacy to provide reasonable assurances that the organisation is likely to achieve its objectives	1	2	3	4	1	2	3	4	5
D33	Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).	1	2	3	4	1	2	3	4	5
D34	Reporting on risk management and internal control within the organization	1	2	3	4	1	2	3	4	5

Professional practices and professional development needs in relation to

PROGRAMME BUDGETING - PART 1

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E1	Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows	1	2	3	4	1	2	3	4	5
E2	Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.	1	2	3	4	1	2	3	4	5
E3	Developing various time-limited business ventures - projects, the implementation of which also contributes to the achievement of the	1	2	3	4	1	2	3	4	5

	purposes and objectives established by the programme									
E4	Defining the purpose of a programme, programme activity, or project	1	2	3	4	1	2	3	4	5
E5	Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects.	1	2	3	4	1	2	3	4	5
E6	Describing the programme, programme activity, or project (includes an explanation of the key activities to be accomplished and services to be provided).	1	2	3	4	1	2	3	4	5
E7	Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme).	1	2	3	4	1	2	3	4	5
E8	Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs)	1	2	3	4	1	2	3	4	5
E9	Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound)	1	2	3	4	1	2	3	4	5
E10	Analysing how the achievement of the objectives can most appropriately and practically be measured	1	2	3	4	1	2	3	4	5
E11	Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects	1	2	3	4	1	2	3	4	5
E12	Defining indicators measuring the quantity or volume of service provided	1	2	3	4	1	2	3	4	5
E13	Defining indicators measuring the quality of services provided	1	2	3	4	1	2	3	4	5
E14	Defining efficiency indicators used to measure the achievement of results at an appropriate cost	1	2	3	4	1	2	3	4	5
E15	Using logical framework matrix (Logframe) as a tool for programme/project management	1	2	3	4	1	2	3	4	5

PROGRAMME BUDGETING - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E16	Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources	1	2	3	4	1	2	3	4	5
E17	Prioritising expenditures and outflows for the forthcoming programme activities or project	1	2	3	4	1	2	3	4	5
E18	Planning costs of the current programme activities or project in the coming year	1	2	3	4	1	2	3	4	5
E19	Incorporating EU pre-accession assistance (IPA) funds into programme budget	1	2	3	4	1	2	3	4	5
E20	Defining of unit cost for provided services	1	2	3	4	1	2	3	4	5

E21	Establishing the direct costs – the costs to be used exclusively for carrying out tasks within one program activity or project	1	2	3	4	1	2	3	4	5
E22	Establishing the indirect costs - the costs to be used for implementing various programme activities and / or projects simultaneously	1	2	3	4	1	2	3	4	5
E23	Allocating incomes and other employee receiving across the programmes, programme activities or projects	1	2	3	4	1	2	3	4	5
E24	Allocating costs of using goods and services across programmes, programme activities, and projects.	1	2	3	4	1	2	3	4	5
E25	Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.	1	2	3	4	1	2	3	4	5
E26	Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future	1	2	3	4	1	2	3	4	5
E27	Reporting the achieved values through the use of selected indicators	1	2	3	4	1	2	3	4	5
E28	Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values.	1	2	3	4	1	2	3	4	5

IV FURTHER PROFESSIONAL DEVELOPMENT

Please provide information for up to three, in your opinion, most important trainings (professional development activity) in the field of public administration you have attended.

Professional development activity 1 / 2 / 3

F1/7/13. Please mark one of the listed areas to which main topics of the professional development activity best fit:

- a. Public policy process (formulation, implementation, evaluation)
- b. Financial management and control
- c. Programme budgeting
- d. Other topics in the field of public administration.

F1a/7a/13a. If your answer on previous question was *Other topics* – please write what that topic was: _____

F2/8/14. Country where the training was held: _____

F3/9/15. Duration of the training in days: _____ days

F4/10/16. In which year the training was held: _____

F5/11/17. Who was the organizer of the training?

- a. Government / public administration entity
- b. International organization (EU agencies, World Bank, OEBS...)
- c. Donor organization
- d. Higher education institution
- e. Non-profit (civil society) organization
- f. Commercial organization
- g. Other

F6/12/18. Whose initiative was to attend this professional development activity?

- a. My own initiative
- b. Initiative of my supervisor
- c. The training was part of obligatory professional development for civil servants
- d. Other

F6a/12a/18a. If your answer on previous question was *Other* – please explain this answer:

F19. What is the most important motive for your further professional development?

- a. I want to improve my knowledge and skills in order to be more effective in my work
- b. I want to advance in my career and for that I need additional knowledge and skills
- c. I have forgotten many things I have learned during my previous education
- d. At the moment, I am not motivated for further professional development
- e. Other

F20. If your answer on previous question was *Other* – please explain this answer:

This is the end of the questionnaire.

Thank you very much for your cooperation!

Questionnaire for management/staff in finance departments

FINAC

Financial management, accounting and controlling in public administration

This survey is prepared within the project Financial management, accounting and controlling in public administration (FINAC) under the EU programme ERASMUS +, subprogramme *Capacity Building in Higher Education*. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved throughout developing/modernizing master degree programmes and provision of trainings for public administration employees in the field of financial management, accounting and controlling.

Project is implemented in Serbia and Albania and the project consortium involves 12 partners (from Serbia, Albania and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. One of the leading partners in the project consortium is Ministry of Public Administration and Local Self Government of the Republic of Serbia which strongly supports the realization of this project, including the administration of this survey. More about the project can be found on <http://www.finac.org.rs>

Exclusive purpose of this survey is to gather information that would guide the development of new master programmes and in-service trainings so they are tailored to the real needs of public administration and its employees. This survey is anonymous. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

This questionnaire asks for information about the professional practices you perform in your daily work and further professional development you need to perform these practices more effectively. Furthermore, it asks about your initial education and professional development that you already had. This questionnaire should take approximately 30 minutes to complete.

Thank you very much for your cooperation!

*Note: Questions marked with * were answered only by heads of finance departments*

I BACKGROUND INFORMATION

A1. How old are you? _____ years
(Please round to the nearest whole number.)

A2. In what type of institution do you work?

- a. Ministry
- b. Integrated authority within the ministry
- c. Special organization
- d. Government service (office)

A3. In what sector of public administration do you work?

- a. Agriculture and Rural Development
- b. Science, Technological Development, and Innovation
- c. Foreign Affairs
- d. Environment
- e. Energy, Mineral Resources, and Mining
- f. General Public Administration Services
- g. Transport and Transport Infrastructure
- h. Labour Market
- i. Social Security
- j. Human Rights and Civil Society
- k. Construction, Urban and Spatial Planning
- l. Culture, Communications, and the Media
- m. Sports and Youth
- n. Public Security
- o. Economic and Development Policy
- p. Judiciary and the Legal System
- q. Defence
- r. Healthcare
- s. Religious Affairs and Diaspora
- t. Education
- u. Political System
- v. Financial and Fiscal System

A4. What is your job position?

- a. Civil servant on appointed position (assistant minister)
- b. Civil servant on executorial position (head officer of subordinate organizational unit)

A5*. How many civil servants are under your direct supervision? _____

A6. If you are on executorial position, what is your rank?

- a. Senior Advisor
- b. Independent Advisor
- c. Advisor
- d. Junior Advisor
- e. Associate
- f. Junior Associate

A7. How many years have you been working in public administration altogether?

_____ years

Please round to the nearest whole number.

A8*. How many years have you been working in supervising (managing) position altogether?

_____ years

Please round to the nearest whole number.

II INITIAL (FORMAL) EDUCATION

B1. What is the highest level of formal education that you have completed?

- a. First degree from higher vocational education institution
- b. First degree from university higher education
- c. Magisterium / specialization / master degree
- d. Doctorate / PhD degree

First level higher education degree / bachelor degree

B2. Country of study: _____

B3. Type of institution:

- a. Public
- b. Private

B4. Name of university (if applicable): _____

B5. Name of faculty or higher vocational education institution:

B6. Earned qualification (title designation): _____

B7. Year of graduation: _____

Magisterium / specialization / master degree

B8. Country of study: _____

B9. Type of institution:

- a. Public
- b. Private

B10. Name of university (if applicable): _____

B11. Name of faculty or higher vocational education institution:

B12. What is the status of your study?

- a. Completed
- b. Not completed yet

B13. Qualification earned or pursued (title designation): _____

B14. Year of graduation: _____

Doctorate / PhD degree

B15. Country of study: _____

B16. Type of institution:

- a. Public
- b. Private

B17. Name of university: _____

B18. Name of faculty:

B19. What is the status of your study?

- a. Completed
- b. Not completed yet

B20. Qualification earned or pursued (title designation): _____

B21. Year of graduation: _____

B22. To what extent are the competencies that you have acquired during formal education relevant for performing your daily work?

- a. Not at all relevant
- b. Of little relevance
- c. Somewhat relevant
- d. Very relevant
- e. Of utmost relevance

B23. Is in your daily work required from you to perform activities for which you were not educated during your formal education?

- a. It is not required. Knowledge and skills I have acquired during formal education are fully matching the requirements of my work.
- b. Yes, but to a limited extent
- c. Yes, almost for half of activities I perform
- d. Yes, for the most of activities I perform
- e. Yes. Knowledge and skills I have acquired during formal education do not match the requirements of my work at all.

III PROFESSIONAL PRACTICES AND PROFESSIONAL DEVELOPMENT

In this section we are interested 1) whether you perform certain practices within the scope of your work (whether by yourself, in a team or group or organization wide), and 2) to what extent do you need further professional development in order to perform these practices more effectively. When answering, please bear in mind the scope of responsibilities for which you are primarily entitled as appointed or executorial civil servant.

Listed practices should be considered as systematic activity leaving an audit trail (and not as spontaneous, informal activity).

Professional practices and professional development needs in relation to

FINANCIAL MANAGEMENT AND CONTROL - PART 1*

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)	Part (B)
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)	To what extent do you need further professional development in order to perform each of the practices more effectively?

		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C1	Ensuring that employees are made familiar with the code of conduct	1	2	3	4	1	2	3	4	5
C2	Reviewing training needs, promotions, and performances of employees	1	2	3	4	1	2	3	4	5
C3	Analysing the needs of employees for training in financial management and control	1	2	3	4	1	2	3	4	5
C4	Supervising the employees and providing them with the support they need to perform key tasks	1	2	3	4	1	2	3	4	5
C5	Informing employees about long and short-term goals of the organization	1	2	3	4	1	2	3	4	5
C6	Segregating duties among the employees	1	2	3	4	1	2	3	4	5
C7	Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion	1	2	3	4	1	2	3	4	5
C8	Establishing clear policies on authorizations and approvals of certain activities and transactions in writing	1	2	3	4	1	2	3	4	5
C9	Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing and recording business changes	1	2	3	4	1	2	3	4	5
C10	Determining clear lines of reporting	1	2	3	4	1	2	3	4	5
C11	Documenting all business processes and transactions required for preparing appropriate audit trails	1	2	3	4	1	2	3	4	5
C12	Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control	1	2	3	4	1	2	3	4	5
C13	Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents	1	2	3	4	1	2	3	4	5

FINANCIAL MANAGEMENT AND CONTROL - PART 2*

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C14	Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs	1	2	3	4	1	2	3	4	5
C15	Identifying operational risks – events or actions that can disrupt the delivery of services or result in departure from set goals	1	2	3	4	1	2	3	4	5
C16	Identifying reputational risks – events or actions that could jeopardize the organization’s reputation.	1	2	3	4	1	2	3	4	5
C17	Developing risk management strategy	1	2	3	4	1	2	3	4	5
C18	Assessing the risks in terms of their impact and probability	1	2	3	4	1	2	3	4	5
C19	Using technique <i>risk exposure matrix</i>	1	2	3	4	1	2	3	4	5
C20	Developing and supplementing risk register – a simple summary of risks, consequences, responsible parties, and activities taken to avert the risks	1	2	3	4	1	2	3	4	5

C21	Using risk management form - a document that contains more details concerning the inherent and residual risk, as well as the control activities and contingency plans	1	2	3	4	1	2	3	4	5
C22	Contingency planning - planning for solving the consequences if a certain risk materializes	1	2	3	4	1	2	3	4	5
C23	Checking whether the risk level is changing	1	2	3	4	1	2	3	4	5
C24	Assuring that controls that should minimize the risk are in place and functioning efficiently	1	2	3	4	1	2	3	4	5
C25	Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring	1	2	3	4	1	2	3	4	5
C26	Performing detective control activities - designed to detect and correct errors, inefficiencies and/or irregularities	1	2	3	4	1	2	3	4	5
C27	Performing directive control activities - designed to encourage activities and events necessary for fulfilment of objectives	1	2	3	4	1	2	3	4	5
C28	Performing corrective control activities - designed to correct detected errors	1	2	3	4	1	2	3	4	5
C29	Ensuring that the procedures for access to data and records in place and applied	1	2	3	4	1	2	3	4	5
C30	Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use	1	2	3	4	1	2	3	4	5
C31	Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations	1	2	3	4	1	2	3	4	5
C32	Monitoring of control adequacy to provide reasonable assurances that the organisation is likely to achieve its objectives	1	2	3	4	1	2	3	4	5
C33	Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).	1	2	3	4	1	2	3	4	5
C34	Reporting on risk management and internal control within the organization	1	2	3	4	1	2	3	4	5

Professional practices and professional development needs in relation to

PROGRAMME BUDGETING - PART 1

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
D1	Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows	1	2	3	4	1	2	3	4	5
D2	Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.	1	2	3	4	1	2	3	4	5
D3	Developing various time-limited business ventures - projects, the implementation of which also contributes to the achievement of the	1	2	3	4	1	2	3	4	5

	purposes and objectives established by the programme									
D4	Defining the purpose of a programme, programme activity, or project	1	2	3	4	1	2	3	4	5
D5	Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects.	1	2	3	4	1	2	3	4	5
D6	Describing the programme, programme activity, or project (includes an explanation of the key activities to be accomplished and services to be provided).	1	2	3	4	1	2	3	4	5
D7	Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme).	1	2	3	4	1	2	3	4	5
D8	Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs)	1	2	3	4	1	2	3	4	5
D9	Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound)	1	2	3	4	1	2	3	4	5
D10	Analysing how the achievement of the objectives can most appropriately and practically be measured	1	2	3	4	1	2	3	4	5
D11	Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects	1	2	3	4	1	2	3	4	5
D12	Defining indicators measuring the quantity or volume of service provided	1	2	3	4	1	2	3	4	5
D13	Defining indicators measuring the quality of services provided	1	2	3	4	1	2	3	4	5
D14	Defining efficiency indicators used to measure the achievement of results at an appropriate cost	1	2	3	4	1	2	3	4	5
D15	Using logical framework matrix (Logframe) as a tool for programme/project management	1	2	3	4	1	2	3	4	5

PROGRAMME BUDGETING - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
D16	Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources	1	2	3	4	1	2	3	4	5
D17	Prioritising expenditures and outflows for the forthcoming programme activities or project	1	2	3	4	1	2	3	4	5
D18	Planning costs of the current programme activities or project in the coming year	1	2	3	4	1	2	3	4	5
D19	Incorporating EU pre-accession assistance (IPA) funds into programme budget	1	2	3	4	1	2	3	4	5
D20	Defining of unit cost for provided services	1	2	3	4	1	2	3	4	5

D21	Establishing the direct costs – the costs to be used exclusively for carrying out tasks within one program activity or project	1	2	3	4	1	2	3	4	5
D22	Establishing the indirect costs - the costs to be used for implementing various programme activities and / or projects simultaneously	1	2	3	4	1	2	3	4	5
D23	Allocating incomes and other employee receiving across the programmes, programme activities or projects	1	2	3	4	1	2	3	4	5
D24	Allocating costs of using goods and services across programmes, programme activities, and projects.	1	2	3	4	1	2	3	4	5
D25	Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.	1	2	3	4	1	2	3	4	5
D26	Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future	1	2	3	4	1	2	3	4	5
D27	Reporting the achieved values through the use of selected indicators	1	2	3	4	1	2	3	4	5
D28	Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values.	1	2	3	4	1	2	3	4	5

Professional practices and professional development needs in relation to

BUDGET IMPLEMENTATION, ACCOUNTING, AND REPORTING - PART 1

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E1	Preparing proposals for determining priority areas of financing for the budget year and the two following fiscal years	1	2	3	4	1	2	3	4	5
E2	Preparing drafts of medium-term and financial plan	1	2	3	4	1	2	3	4	5
E3	Preparing budget implementation plans	1	2	3	4	1	2	3	4	5
E4	Planning budget implementation on a daily and monthly basis	1	2	3	4	1	2	3	4	5
E5	Managing budget appropriations and quotas	1	2	3	4	1	2	3	4	5
E6	Assuring the accuracy of budget classification (economic, organizational, functional, etc.)	1	2	3	4	1	2	3	4	5
E7	Preparation of reports on budget implementation	1	2	3	4	1	2	3	4	5
E8	Assuring adequacy of submitted documentation for incurrence of liabilities	1	2	3	4	1	2	3	4	5

	(decision, resolution, contract, estimate, account, etc.)									
E9	Assuring that a liability incurred is in compliance with the regulated appropriations	1	2	3	4	1	2	3	4	5
E10	Monitoring compatibility of accounting documentation with contracted values	1	2	3	4	1	2	3	4	5
E11	Assuring adequacy of financial and material documentation in terms of compliance with fiscal, accounting, financial and other relevant regulations	1	2	3	4	1	2	3	4	5
E12	Performing substantive, formal and computational control of financial documentation	1	2	3	4	1	2	3	4	5
E13	Controlling financial documentation in connection with the execution of internal payment orders and other payments	1	2	3	4	1	2	3	4	5
E14	Monitoring payments and transfer of funds to indirect budget users	1	2	3	4	1	2	3	4	5
E15	Working with Financial Management Information System application run by the Treasury	1	2	3	4	1	2	3	4	5

BUDGET IMPLEMENTATION, ACCOUNTING, AND REPORTING - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E16	Assuring that bookkeeping is made on the basis on reliable accounting business information and valid documents	1	2	3	4	1	2	3	4	5
E17	Assuring that bookkeeping of subsidiary books is conducted by programs and sources of financing, indirect users and accounts	1	2	3	4	1	2	3	4	5
E18	Controlling the accuracy of accounting records and compliance with procedures established by the regulations	1	2	3	4	1	2	3	4	5
E19	Producing periodical and annual financial statements	1	2	3	4	1	2	3	4	5
E20	Producing cash flow statements	1	2	3	4	1	2	3	4	5
E21	Producing balance sheet	1	2	3	4	1	2	3	4	5
E22	Producing statement of revenues and expenditures	1	2	3	4	1	2	3	4	5
E23	Preparing report on budget implementation prepared in such a way to present the discrepancy between the approved resources and execution	1	2	3	4	1	2	3	4	5
E24	Preparing reports on utilization of funds from current and permanent budget reserve	1	2	3	4	1	2	3	4	5
E25	Preparing reports on guarantees issued during the fiscal year	1	2	3	4	1	2	3	4	5

BUDGET IMPLEMENTATION, ACCOUNTING, AND REPORTING - PART 3

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E26	Analyzing of financial statements of indirect budget users	1	2	3	4	1	2	3	4	5
E27	Assessing financial means required for the realization of each policy measure or regulation	1	2	3	4	1	2	3	4	5
E28	Performing cost-benefit analysis and cost-efficiency analysis.	1	2	3	4	1	2	3	4	5
E29	Performing financial ratio analysis (e.g. liquidity ratio, risk ratio, activity ratio...)	1	2	3	4	1	2	3	4	5
E30	Performing trend analysis (examining and determining the trends of items in financial statements over time)	1	2	3	4	1	2	3	4	5
E31	Analyzing non-financial information (with financial information)	1	2	3	4	1	2	3	4	5
E32	Analyzing the ability of organization to timely meet its financial obligations	1	2	3	4	1	2	3	4	5
E33	Predicting financial problems of organization before they become serious	1	2	3	4	1	2	3	4	5
E34	Predicting the financial situation of organization for the years ahead	1	2	3	4	1	2	3	4	5

BUDGET IMPLEMENTATION, ACCOUNTING, AND REPORTING - PART 4

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E35	Implementing procedures of financial management of European Union and co-financing funds	1	2	3	4	1	2	3	4	5
E36	Planning European Union and co-financing funds	1	2	3	4	1	2	3	4	5
E37	Managing flow and transfer of European Union and co-financing funds	1	2	3	4	1	2	3	4	5
E38	Managing funds of national co-financing (under the management of financial assistance of the European Union)	1	2	3	4	1	2	3	4	5
E39	Requesting funds from the European Commission National Authorizing Officer	1	2	3	4	1	2	3	4	5
E40	Transferring funds to contractors / grant beneficiaries (under the management of financial assistance of the European Union)	1	2	3	4	1	2	3	4	5
E41	Suspending payments (under the management of financial assistance of the European Union)	1	2	3	4	1	2	3	4	5
E42	Reallocating of funds (under the management of financial assistance of the European Union)	1	2	3	4	1	2	3	4	5

IV FURTHER PROFESSIONAL DEVELOPMENT

Please provide information for up to three, in your opinion, most important trainings (professional development activity) in the field of public administration you have attended.

Professional development activity 1 / 2 / 3

F1/7/13. Please mark one of the listed areas to which main topics of the professional development activity best fit:

- a. Public policy process (formulation, implementation, evaluation)
- b. Programme budgeting
- c. Financial management and control
- d. Budget implementation
- e. Budget accounting and reporting
- f. Financial management of EU funds
- g. Other topics in the field of public administration.

F1a/7a/13a. If your answer on previous question was *Other topics* – please write what that topic was: _____

F2/8/14. Country where the training was held: _____

F3/9/15. Duration of the training in days: _____ days

F4/10/16. In which year the training was held: _____

F5/11/17. Who was the organizer of the training?

- a. Government / public administration entity
- b. International organization (EU agencies, World Bank, OEBS...)
- c. Donor organization
- d. Higher education institution
- e. Non-profit (civil society) organization
- f. Commercial organization
- g. Other



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use which may be made of the information contained therein*

F6/12/18. Whose initiative was to attend this professional development activity?

- a. My own initiative
- b. Initiative of my supervisor
- c. The training was part of obligatory professional development for civil servants
- d. Other

F6a/12a/18a. If your answer on previous question was *Other* – please explain this answer:

F19. What is the most important motive for your further professional development?

- a. I want to improve my knowledge and skills in order to be more effective in my work
- b. I want to advance in my career and for that I need additional knowledge and skills
- c. I have forgotten many things I have learned during my previous education
- d. At the moment, I am not motivated for further professional development
- e. Other

F20. If your answer on previous question was *Other* – please explain this answer:

This is the end of the questionnaire.

Thank you very much for your cooperation!

Questionnaire for internal auditors

FINAC

Financial management, accounting and controlling in public administration

This survey is prepared within the project Financial management, accounting and controlling in public administration (FINAC) under the EU programme ERASMUS +, subprogramme *Capacity Building in Higher Education*. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved throughout developing/modernizing master degree programmes and provision of trainings for public administration employees in the field of financial management, accounting and controlling.

Project is implemented in Serbia and Albania and the project consortium involves 12 partners (from Serbia, Albania and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. One of the leading partners in the project consortium is Ministry of Public Administration and Local Self Government of the Republic of Serbia which strongly supports the realization of this project, including the administration of this survey. More about the project can be found on <http://www.finac.org.rs>

Exclusive purpose of this survey is to gather information that would guide the development of new master programmes and in-service trainings so they are tailored to the real needs of public administration and its employees. This survey is anonymous. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

This questionnaire asks for information about the professional practices you perform in your daily work and further professional development you need to perform these practices more effectively. Furthermore, it asks about your initial education and professional development that you already had. This questionnaire should take approximately up to 30 minutes to complete.

Thank you very much for your cooperation!

I BACKGROUND INFORMATION

A1. How old are you? _____ years
(Please round to the nearest whole number.)

A2. In what type of institution do you work?

- a. Ministry
- b. Integrated authority within the ministry
- c. Special organisation
- d. Government service (office)

A3. In what sector of public administration do you work?

- a. Agriculture and Rural Development
- b. Science, Technological Development, and Innovation
- c. Foreign Affairs
- d. Environment
- e. Energy, Mineral Resources, and Mining
- f. General Public Administration Services
- g. Transport and Transport Infrastructure
- h. Labour Market
- i. Social Security
- j. Human Rights and Civil Society
- k. Construction, Urban and Spatial Planning
- l. Culture, Communications, and the Media
- m. Sports and Youth
- n. Public Security
- o. Economic and Development Policy
- p. Judiciary and the Legal System
- q. Defence
- r. Healthcare
- s. Religious Affairs and Diaspora
- t. Education
- u. Political System
- v. Financial and Fiscal System

A4. What is your job position?

- a. The chief audit executive
- b. Internal auditor (certified)
- c. Internal auditor (in the process of training/certification)

A5. How many internal auditors are employed in your internal audit unit (including the chief audit executive)? _____

A6. What is your civil servant rank?

- a. Senior Advisor
- b. Independent Advisor
- c. Advisor
- d. Junior Advisor
- e. Associate
- f. Junior Associate

A7. How many years have you been working in public administration altogether?

_____ years

Please round to the nearest whole number.

A8. How many years have you been working as a certified internal auditor in public sector?

_____ years

Please round to the nearest whole number.

A9. Have you been working as internal auditor in other sectors (i.e. not public administration)?

- a. No
- b. Yes

If yes – for how long? _____ years

Please round to the nearest whole number.

II INITIAL (FORMAL) EDUCATION

B1. What is the highest level of formal education that you have completed?

- a. First degree from higher vocational education institution
- b. First degree from university higher education
- c. Magisterium / specialization / master degree
- d. Doctorate / PhD degree

First level higher education degree / bachelor degree

B2. Country of study: _____

B3. Type of institution:

- a. Public
- b. Private

B4. Name of university (if applicable): _____

B5. Name of faculty or higher vocational education institution:

B6. Earned qualification (title designation): _____

B7. Year of graduation: _____

Magisterium / specialization / master degree

B8. Country of study: _____

B9. Type of institution:

- a. Public
- b. Private

B10. Name of university (if applicable): _____

B11. Name of faculty or higher vocational education institution:

B12. What is the status of your study?

- a. Completed
- b. Not completed yet

B13. Qualification earned or pursued (title designation): _____

B14. Year of graduation: _____

Doctorate / PhD degree

B15. Country of study: _____

B16. Type of institution:

- a. Public
- b. Private

B17. Name of university: _____

B18. Name of faculty:

B19. What is the status of your study?

- a. Completed
- b. Not completed yet

B20. Qualification earned or pursued (title designation): _____

B21. Year of graduation: _____

B22. To what extent are the competencies that you have acquired during formal education relevant for performing your daily work?

- a. Not at all relevant
- b. Of little relevance
- c. Somewhat relevant
- d. Very relevant
- e. Of utmost relevance

B23. Is in your daily work required from you to perform activities for which you were not educated during your formal education?

- a. It is not required. Knowledge and skills I have acquired during formal education are fully matching the requirements of my work.
- b. Yes, but to a limited extent
- c. Yes, almost for half of activities I perform
- d. Yes, for the most of activities I perform
- e. Yes. Knowledge and skills I have acquired during formal education do not match the requirements of my work at all.

III NEEDS FOR PROFESSIONAL DEVELOPMENT

In this section we are interested to what extent do you need further professional development in order to perform these internal audit practices more effectively.

PART 1

<p style="text-align: center;">To what extent do you need further professional development in order to perform each of the practices more effectively?</p> <p style="text-align: center;">Please mark one choice in each row. (If a given practice is not relevant for your job position, please mark the appropriate choice on the right)</p>		High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C1	Preparing a strategic plan of internal audit for a three-year period (including the strategic goals of internal audit based on long-term goals of the organization and internal audit risk assessment).	1	2	3	4	5
C2	Preparing annual work plan of internal audit (containing general and specific objectives and purpose of the audit, which should be implemented during the year).	1	2	3	4	5
C3	Establishing risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals	1	2	3	4	5
C4	Communicating the internal audit activity's plans and resource requirements to senior management for review and approval	1	2	3	4	5
C5	Establishing policies and procedures to guide the internal audit activity	1	2	3	4	5
C6	Evaluating the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities	1	2	3	4	5
C7	Assess whether the information technology governance of the organisation supports the organisation's strategies and objectives	1	2	3	4	5

C8	Assessing whether organisational objectives support and align with the organisation's mission	1	2	3	4	5
C9	Assessing whether significant risks are identified and assessed	1	2	3	4	5
C10	Assessing whether appropriate risk responses are selected that align risks with the organisation's risk appetite	1	2	3	4	5
C11	Assessing whether relevant risk information is captured and communicated in a timely manner across the organisation, enabling staff and management to carry out their responsibilities	1	2	3	4	5
C12	Evaluating risk exposures relating to achievement of the organisation's strategic objectives	1	2	3	4	5
C13	Evaluating risk exposures relating to reliability and integrity of financial and operational information	1	2	3	4	5
C14	Evaluating risk exposures relating to effectiveness and efficiency of operations and programmes	1	2	3	4	5
C15	Evaluating risk exposures relating to safeguarding of assets	1	2	3	4	5
C16	Evaluating risk exposures relating to compliance with laws, regulations, policies, procedures and contracts	1	2	3	4	5
C17	Evaluating the potential for the occurrence of fraud and how the organisation manages fraud risk.	1	2	3	4	5
C18	Evaluating the adequacy and effectiveness of controls in responding to risks regarding the achievement of the organisation's strategic objectives	1	2	3	4	5
C19	Evaluating the adequacy and effectiveness of controls in responding to risks regarding reliability and integrity of financial and operational information	1	2	3	4	5
C20	Evaluating the adequacy and effectiveness of controls in responding to risks regarding the effectiveness and efficiency of operations and programmes	1	2	3	4	5
C21	Evaluating the adequacy and effectiveness of controls in responding to risks regarding safeguarding of assets	1	2	3	4	5
C22	Evaluating the adequacy and effectiveness of controls in responding to risks regarding the compliance with laws, regulations, policies, procedures and contracts	1	2	3	4	5

PART 2

<p align="center">To what extent do you need further professional development in order to perform each of the practices more effectively?</p> <p align="center">Please mark one choice in each row. (If a given practice is not relevant for your job position, please mark the appropriate choice on the right)</p>		High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C23	Developing and documenting a plan for each engagement, including the engagement's objectives, scope, timing and resource allocations	1	2	3	4	5
C24	Establishing objectives for each internal audit engagement	1	2	3	4	5
C25	Conducting a preliminary assessment of the risks relevant to the activity under review	1	2	3	4	5
C26	Determining the extent to which management has established adequate criteria to determine whether objectives and goals have been accomplished	1	2	3	4	5
C27	Working with management to develop appropriate evaluation criteria for evaluating governance, risk management and controls	1	2	3	4	5
C28	Determining appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints and available resources	1	2	3	4	5
C29	Developing and documenting work programmes for achieving the engagement objectives	1	2	3	4	5
C30	Identifying sufficient, reliable, relevant and useful information to achieve the engagement's objectives	1	2	3	4	5
C31	Documenting and filing relevant information to support the conclusions and engagement results (working papers)	1	2	3	4	5
C32	Preparing audit reports with conclusions, recommendations and action plans	1	2	3	4	5

C33	Recommending new control activities to management	1	2	3	4	5
C34	Recommending correcting or changing existing controls for the purpose of improving their effectiveness	1	2	3	4	5
C35	Recommending ensuring that existing controls are implemented constantly and consistently	1	2	3	4	5
C36	Recommending decreasing (discontinuing) redundant controls	1	2	3	4	5
C37	Monitoring the follow-up activities of management regarding the given recommendations	1	2	3	4	5

PART 3

<p style="text-align: center;">To what extent do you need further professional development in order to perform each of the practices more effectively?</p> <p style="text-align: center;">Please mark one choice in each row.</p> <p style="text-align: center;">(If a given practice is not relevant for your job position, please mark the appropriate choice on the right)</p>						
		High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C38	Performing compliance audit (analysing and assessing the compliance of organization's operations with the laws, regulations, internal acts and contractual provisions)	1	2	3	4	5
C39	Performing performance audit (analysing and assessing the utilisation of resources in an economical, efficient, and effective manner in order to achieve the goals of the organization)	1	2	3	4	5
C40	Performing information system audit (analysing and assessing the processes, procedures and use of electronic information systems relating to security, confidentiality, integrity and availability of information and information systems)	1	2	3	4	5
C41	Performing audit of programs and projects funded by the European Union	1	2	3	4	5

C42	Performing financial audit (analysing and assessing the controls that ensure the accuracy and completeness of accounting data and financial statements)	1	2	3	4	5
C43	Reviewing whether all income and expenditure is adequately planned, controlled and monitored	1	2	3	4	5
C44	Reviewing whether appropriate budgets are established that are consistent with the organisation's strategic plan and financial forecasts	1	2	3	4	5
C45	Reviewing whether a suitable budgetary control framework has been developed	1	2	3	4	5
C46	Reviewing whether managers are provided with suitable expenditure reports	1	2	3	4	5
C47	Reviewing whether appropriate reporting system is in place to enable senior managers to effectively monitor the organisation's financial position	1	2	3	4	5
C48	Reviewing whether all cash income is collected, recorded adequately and promptly banked and that suitable banking (Treasury) services are obtained	1	2	3	4	5
C49	Reviewing whether all transactions, assets and liabilities relevant to the period of review have been recorded	1	2	3	4	5
C50	Reviewing whether the recorded transactions, assets and liabilities have been correctly and accurately valued or measured.	1	2	3	4	5
C51	Reviewing whether the recorded transactions, assets and liabilities have been properly classified and recorded in the organisation's financial records	1	2	3	4	5
C52	Reviewing whether all assets are kept securely, custody is clearly stated, and access is properly authorised	1	2	3	4	5
C53	Reviewing whether recorded assets and liabilities are in compliance with the regulation	1	2	3	4	5
C54	Reviewing whether all liquid financial assets are utilised efficiently	1	2	3	4	5
C55	Reviewing of income and debtor arrangements	1	2	3	4	5
C56	Reviewing of the completeness, occurrence, measurement, regularity and disclosure of purchases and payments	1	2	3	4	5
C57	Reviewing whether all goods and services required by the organisation are received, accounted and paid for efficiently.	1	2	3	4	5
C58	Reviewing of payroll and expense arrangements	1	2	3	4	5
C59	Reviewing whether non-monetary assets are properly safeguarded, verified and utilised	1	2	3	4	5

	effectively					
C60	Reviewing of the public procurement procedures	1	2	3	4	5
C61	Reviewing whether purchases are done economically, efficiently and effectively	1	2	3	4	5

PART 4

To what extent do you need further professional development in order to perform each of the practices more effectively? Please mark one choice in each row. (If a given practice is not relevant for your job position, please mark the appropriate choice on the right)						
		High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C62	Reviewing whether human resource management is conducted economically, efficiently and effectively	1	2	3	4	5
C63	Reviewing whether activities of central departments with responsibility for human resource management are adequately devised, assigned and carried out.	1	2	3	4	5
C64	Reviewing whether human resource recruitment is strategically planned, and conducted in a robust and open manner.	1	2	3	4	5
C65	Reviewing whether training needs are assessed and appropriate training is provided and evaluated.	1	2	3	4	5
C66	Reviewing whether there are adequate procedures for managing, developing and communicating with the people in the organisation.	1	2	3	4	5
C67	Reviewing whether there are adequate procedures for monitoring, improving and rewarding performance in the organisation.	1	2	3	4	5

C68	Using different methods of sampling including random, stratified, statistical sampling	1	2	3	4	5
C69	Performing compliance tests	1	2	3	4	5
C70	Performing substantive tests	1	2	3	4	5
C71	Performing analytical reviews (e.g. tests of financial information made by a study and comparison of relationships among data)	1	2	3	4	5
C72	Performing inspection through different techniques (re-computation, vouching, tracing book keeping records, physical examination and counts, confirmation)	1	2	3	4	5
C73	Utilizing observation and enquiry techniques	1	2	3	4	5
C74	Conducting interviews as a part of enquiry process	1	2	3	4	5

IV FURTHER PROFESSIONAL DEVELOPMENT

Please provide information for up to three, in your opinion, most important trainings (professional development activity) in the field of internal audit you have attended.

Professional development activity 1 / 2 / 3

D1/7/13. Please list the main topics of the training:

D2/8/14. Country where the training was held: _____

D3/9/15. Duration of the training in days: _____ days

D4/10/16. In which year the training was held: _____

D5/11/17. Who was the organizer of the training?

- a. Government / public administration entity
- b. International organization (EU agencies, World Bank, OEBS...)
- c. Donor organization
- d. Higher education institution
- e. Civil society organization
- f. For profit organization
- g. Other

D6/12/18. Whose initiative was to attend this training?

- a. My own initiative
- b. Initiative of my supervisor
- c. The training was part of obligatory professional development for civil servants
- d. Other



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use which may be made of the information contained therein*

D6a/12a/18a. If your answer on previous question was *Other* – please explain this answer:

D19. What is the most important motive for your further professional development?

- a. I want to improve my knowledge and skills in order to be more effective in my work
- b. I want to advance in my career and for that I need additional knowledge and skills
- c. I have forgotten many things I have learned during my previous education
- d. At the moment, I am not motivated for further professional development
- e. Other

D20. If your answer on previous question was *Other* – please explain this answer:

Annex 2: Guides for interviews and accompanying documentation

1. GUIDE FOR INTERVIEWS WITH HEADS OF FINANCE DEPARTMENTS

INTRODUCTION

This interview is conducted within the project FINancial management, Accounting and Controlling for capacity building of public administration (FINAC) under the EU programme ERASMUS +, subprogramme Capacity Building in Higher Education. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved through developing master degree programmes in the field of financial management, accounting and controlling.

Project is implemented in Albania and Serbia and the project consortium involves 12 partners (from Albania, Serbia and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. One of the leading partners in the project consortium is Ministry of Public Administration and Local Self Government of the Republic of Serbia which strongly supports the realization of this project, including the realization of this interview.

The main task of this interview is to gain insights into the practices of financial management and control, budget preparation and execution and accounting in your organization, its positive aspects and ongoing challenges, and related perceptions of further professional development needed (for you personally and your colleagues and subordinates) to be more effective in daily work. This information will be used to guide the development of new master programmes so they are tailored to the real needs of public administration and its employees.

The interview is planned to last approximately 60 minutes. In order to be efficient and to accurately capture the meaning of what you said, I would like to ask for your consent to take audio record of this interview. This interview will be treated anonymously. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.



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The main part of this interview will be dealing with three topics: financial management and control, program budgeting and budget execution and accounting. Before that we will start with few questions pertaining to your position and professional experience.

PART I BACKGROUND INFORMATION

- What is the scope of responsibility of the organization unit you are managing?
- How many civil servants are you supervising?
- How long have you been in this position? How long have you been in any managing position in the public administration?
- How long have you been working in this organization? How long have you been working in public administration altogether?

PART II FINANCIAL MANAGEMENT AND CONTROL

- Have you been involved in introducing financial management and control in your organization?
- In your view, what is the purpose of these processes?

Further, I would like to ask some questions about certain aspects of financial management and control. Let us start with **control environment**. The control environment sets the “tone” of an organization and has an impact on employee awareness about controls. It is the basis for all other components of internal control, providing discipline and structure. Control environment factors include employee integrity, ethical values and expertise, management philosophy and workstyle, the way in which the management assigns authority and responsibility, organizes and improves personnel.

- What are the biggest challenges in the respect of creating an adequate control environment in organization?
- Would you say that everybody understands their role in the internal control system?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Another important aspect of financial management and control is **risk assessment**. Every organization faces a number of risks that may come from external or internal sources, which need to be assessed.

- How would you assess the practice of risk assessment in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Financial management and control entails **control activities** as well. Control activities are policies and procedures that help ensure that management directives are carried out. They help ensure that necessary actions are taken to tackle risks jeopardizing the achievement of the entity's goals.

- How would you assess whether control activities are implemented throughout the organization, at all its levels and within all functions?
- What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Effective communications, as another aspect of financial management and control, should flow down, across and upwards in the organization (and with external parties, as well) to facilitate the running and control of business.

- How would you assess the effectiveness of information flow and communication in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Internal control systems should be monitored to assess the quality of system performance over time.

- How would you assess the effectiveness of monitoring internal control in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

PART III PROGRAM BUDGETING

Thank you for all the answers and thoughts you've provided. Now, we are going to move another topic of our conversation. It considers program budgeting practices.

- In your view what is the purpose of program budgeting?
- What do you see as biggest benefits of program budgeting in comparison to previous budgeting process? How does it show?
- How would you assess the effectiveness of program budgeting in your organization?
- What are the biggest challenges in this process? [*If a respondent does not mention some aspects of those listed below, ask about challenges for those not mentioned*]
 - Programming in relation to strategic goals of organization
 - Establishing objectives
 - Establishing performance indicators
 - Establishing direct¹⁰ and indirect¹¹ costs

¹⁰ the costs to be used exclusively for carrying out tasks within one program activity or project

¹¹ the costs to be used for implementing various programme activities and / or projects simultaneously

Working with European Union and co-financing funds asks for implementing procedures of financial management of European Union and co-financing funds.

- How would you assess the effectiveness of implementing these procedures? What are the biggest challenges here?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

One of the cornerstones of the reform of financial management in public administration is transition to accrual accounting.

- What is your opinion on this matter? What are the biggest challenges in this process?
- What competencies need to be improved in order to have effective transition to accrual accounting (yours and competencies of your colleagues and subordinates)?

In order to provide the management with high quality information it might be expected from finance departments to provide e.g. assessment of financial means required for the realization of different policies or regulations, analyzing the ability of organization to timely meet its financial obligations, predicting financial problems of organization before they become serious, etc.

- How would you assess how effective is your finance department in meeting these expectations? What are the biggest challenges here?
- What competencies need to be improved to be more effective in these tasks (yours and competencies of your colleagues and subordinates)?

The management accounting entails different complex practices such are cost-benefit analysis, cost-efficiency analysis, financial ratio analysis¹², trend analysis¹³, analyzing non-financial information (with financial information) and so forth.

- How would you assess how effective is your finance department in performing these complex tasks? What are the biggest challenges here?
- What competencies need to be improved to be more effective in these tasks (yours and competencies of your colleagues and subordinates)?

Thank you so much for your time. Is there anything else you would like to add in relation to what we have been talking?

¹² e.g. liquidity ratio, risk ratio, activity ratio...)

¹³ examining and determining the trends of items in financial statements over time

2. GUIDE FOR INTERVIEWS WITH GENERAL LINE MANAGERS

INTRODUCTION

This interview is conducted within the project FINancial management, Accounting and Controlling for capacity building of public administration (FINAC) under the EU programme ERASMUS +, subprogramme Capacity Building in Higher Education. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved through developing master degree programmes in the field of financial management, accounting and controlling.

Project is implemented in Albania and Serbia and the project consortium involves 12 partners (from Albania, Serbia and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. One of the leading partners in the project consortium is Ministry of Public Administration and Local Self Government of the Republic of Serbia which strongly supports the realization of this project, including the realization of this interview.

The main task of this interview is to gain insights into the practices of policy management process, financial management and control and program budgeting in your organisation, its positive aspects and ongoing challenges, and related perceptions of further professional development needed (for you personally and your colleagues and subordinates) to be more effective in your work. This information will be used to guide the development of new master programmes so they are tailored to the real needs of public administration and its employees.

The interview is planned to last approximately 60 minutes. In order to be efficient and to accurately capture the meaning of what you said, I would like to ask for your consent to take audio record of this interview. This interview will be treated anonymously. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

The main part of this interview will be dealing with three topics: the policy management process, financial management and control and program budgeting. Before that we will start with few questions pertaining to your position and professional experience.

PART I BACKGROUND INFORMATION

- What is the scope of responsibility of the organization unit you are managing?
- How many civil servants are you supervising?
- How long have you been in this position? How long have you been in any managing position in the public administration?
- How long have you been working in this organization? How long have you been working in public administration altogether?

PART II POLICY MANAGEMENT PROCESS

Reforms in public administration place a lot of emphasis on improving the policy management process, i.e. planning, coordination, drafting, passing, implementation, implementation monitoring, analysis, impact assessment/evaluation of measures contained in policy documents and regulations.

First step in the policy management process usually entails identifying and defining an issue that needs to be resolved by new policy. In this phase of analysis and definition of the issue various analytical techniques may be employed such as the problem tree, SWOT analysis, PESTLE analysis, comparative legal analysis, consultations with stakeholders, and others.

- How would you assess effectiveness of identifying and defining an issue that needs to be resolved by new policy in your organization? What are the biggest challenges?
- What competencies of civil servants in your organization need to be improved so they become more effective in the task of identifying and properly defining policy issues? Do you observe a need for your personal professional development in this respect? Please, explain.

Next step in the policy process entails defining general and specific policy objectives and performance indicators¹⁴ for measuring the achievement of objectives.

- How would you assess effectiveness of these processes in your organization? What are the biggest challenges?

¹⁴ impact indicators (defined at the level of general policy objective); outcome indicators (defined at the level of specific policy objective), and output indicators (defined at the level of policy measures).

- What competencies of civil servants in your organization need to be improved so they become more effective in the task? Do you observe a need for your personal professional development in this respect? Please, explain.

Next phase of policy management process would entail identifying policy options (possible measures for achieving objectives) and analysing impact of identified options, for example:

- financial impact analysis;
 - economic impact analysis (impact on the economy);
 - social impact analysis, with particular emphasis on the impact on the poor;
 - environmental impact analysis,
 - administrative impact analysis,
 - risk and uncertainty analysis
- How would you assess effectiveness of these processes in your organization? What are the biggest challenges?
 - What competencies of civil servants in your organization need to be improved so they become more effective in the task? Do you observe a need for your personal professional development in this respect? Please, explain.

An organization preparing new policy should ensure participation of stakeholders and target groups in consultations about the new policy.

- How would you assess effectiveness of these processes in your organization? What are the biggest challenges?
- What competencies of civil servants in your organization need to be improved so they become more effective in the task? Do you observe a need for your personal professional development in this respect? Please, explain.

Policy implementation process entails also monitoring of new policy implementation and policy impact evaluation.

- How would you assess effectiveness of these processes in your organization? What are the biggest challenges?
- What competencies of civil servants in your organization need to be improved so they become more effective in the task? Do you observe a need for your personal professional development in this respect? Please, explain.

Thank you for all the answers and thoughts you've provided. Now, we are going to move another topic of our conversation. It considers financial management and control in your organization.

PART III FINANCIAL MANAGEMENT AND CONTROL

- Have you been involved in introducing financial management and control in your organization?
- In your view, what is the purpose of these processes?

Further, I would like to ask some questions about certain aspects of financial management and control. Let us start with **control environment**. The control environment sets the “tone” of an organization and has an impact on employee awareness about controls. It is the basis for all other components of internal control, providing discipline and structure. Control environment factors include employee integrity, ethical values and expertise, management philosophy and workstyle, the way in which the management assigns authority and responsibility, organizes and improves personnel.

- What are the biggest challenges in the respect of creating an adequate control environment in organization?
- Would you say that everybody understands their role in the internal control system?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Another important aspect of financial management and control is **risk assessment**. Every organization faces a number of risks that may come from external or internal sources, which need to be assessed.

- How would you assess the practice of risk assessment in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Financial management and control entails **control activities** as well. Control activities are policies and procedures that help ensure that management directives are carried out. They help ensure that necessary actions are taken to tackle risks jeopardizing the achievement of the entity’s goals.

- How would you assess whether control activities are implemented throughout the organization, at all its levels and within all functions?
- What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Effective communications, as another aspect of financial management and control, should flow down, across and upwards in the organization (and with external parties, as well) to facilitate the running and control of business.

- How would you assess the effectiveness of information flow and communication in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Internal control systems should be monitored to assess the quality of system performance over time.

- How would you assess the effectiveness of monitoring internal control in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

PART IV PROGRAM BUDGETING

Now, we are coming to the last part of our interview and it is related to program budgeting.

- Have you been taking part in program budgeting?
- In your view what is the purpose of program budgeting?
- What do you see as biggest benefits of program budgeting in comparison to previous budgeting process? How does it show?
- How would you assess the effectiveness **of programe budgeting** in your organization?
- What are the biggest challenges in this process? [*If a respondent does not mention some aspects of those listed below, ask about challenges for those not mentioned*]
 - Programming in relation to strategic goals of organization
 - Establishing objectives
 - Establishing performance indicators
 - Monitoring and reporting the achieved values through the use of selected indicators
 - Incorporating EU pre-accession assistance (IPA) funds into program budget
- What competencies need to be improved to be more effective in program budgeting (yours and competencies of your colleagues and subordinates)?

Thank you so much for your time. Is there anything else you would like to add in relation to what we have been talking?

3. GUIDE FOR INTERVIEWS WITH INTERNAL AUDITORS

INTRODUCTION

This interview is conducted within the project FINancial management, Accounting and Controlling for capacity building of public administration (FINAC) under the EU programme ERASMUS +, subprogramme Capacity Building in Higher Education. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved through developing master degree programmes in the field of financial management, accounting and controlling.

Project is implemented in Albania and Serbia and the project consortium involves 12 partners (from Albania, Serbia and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. One of the leading partners in the project consortium is Ministry of Public Administration and Local Self Government of the Republic of Serbia which strongly supports the realization of this project, including the realization of this interview.

The main task of this interview is to gain insights in your experiences performing internal audit in your organisation, its positive aspects and ongoing challenges, and related perceptions of further professional development needed (for you personally and your subordinates) to be more effective in your work. This information will be used to guide the development of new master programmes so they are tailored to the real needs of public administration and its employees.

The interview is planned to last approximately 45 minutes. In order to be efficient and to accurately capture the meaning of what you said, I would like to ask for your consent to take audio record of this interview. This interview will be treated anonymously. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

PART I

- How many internal auditors are there in your organization? Is there an independent unit for internal audit?
- Do internal auditors in your organization work only internal audit or they have other duties as well?
- How long have you been working as internal auditor?
- What kind of education/training did you have in order to become / work as an internal auditor

PART II

- Would you say that the purpose, authority and responsibility of the internal audit is clearly defined in your organization? Please, explain.
- In your view what is the purpose of internal audit?
- What is the overall perception of the purpose and responsibility of internal audit in your organization? How do you explain that?

PART III

- Are you (involved in) preparing a **strategic plan** of internal audit and **annual work plan**? What challenges do you have with this?
- How would you assess how effective internal audit in your organization is in terms of evaluating organizational **risk exposures**¹⁵? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess how effective internal audit in your organization is in terms of evaluating **adequacy and effectiveness of controls** in responding to risks? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of **compliance audit**¹⁶ that you perform? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of **performance audit**¹⁷ that you perform? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of **financial audit**¹⁸ that you perform? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?

¹⁵ Relating to achievement of the organisation's strategic objectives, reliability and integrity of financial and operational information, effectiveness and efficiency of operations and programmes, safeguarding of assets, compliance with laws, regulations, policies, procedures and contracts

¹⁶ analysing and assessing the compliance of organization's operations with the laws, regulations, internal acts and contractual provisions

¹⁷ analysing and assessing the utilisation of resources in an economical, efficient, and effective manner in order to achieve the goals of the organization

¹⁸ analysing and assessing the controls that ensure the accuracy and completeness of accounting data and financial statements

- How would you assess the practice of **information system audit**¹⁹ that you perform? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of auditing **programs and projects funded by the European Union**? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of auditing **human resource management** in your organization? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- Internal audit relies on using different **tests and specific techniques** (sampling, analytical, inspection, observation, enquiry etc.)? For which tests and techniques do you consider that you and /or your subordinates need additional improvement of competencies? Please, explain.
- How would you assess the practice of **reporting and communicating the results** and recommendation of internal audit to senior management and subsequent follow up (**monitoring of progress**)? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?

PART IV

- Having this conversation so far, could you summarize what would be the most important areas of internal audit for which you would like to enhance your competencies in order to be more effective in your work? What would that be when talking about you subordinates?
- When thinking about your organization in general what needs improvement the most so financial management and control becomes more effective, organization-wide approach? Please, explain.
- Do you have anything to add what you consider to be important for this interview that I did not ask you about?

Thank you for your time. FINAC reports will be publicly available and we would gladly send you when they are finished.

¹⁹ analysing and assessing the processes, procedures and use of electronic information systems relating to security, confidentiality, integrity and availability of information and information systems



FINAC
FINancial management,
Accounting & Controlling
in public administration



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INTERVIEW CONSENT FORM

Research project title: FINancial management, Accounting and Controlling curricula development for capacity building of public administration

Thank you for agreeing to be interviewed as part of this research project. Ethical procedures that we are following require that interviewees explicitly agree to being interviewed and how the information contained in their interview will be used. This consent form is necessary for us to ensure that you understand the purpose of your involvement and that you agree to the conditions of your participation.

The interview will take up to 60 minutes. We don't anticipate that there are any risks associated with your participation, but you have the right to stop the interview or withdraw from the research at any time.

Would you therefore read the accompanying information sheet and then sign this form to certify that you approve the following:

- the interview will be recorded and a transcript will be produced,
- you may be sent the transcript and given the opportunity to correct any factual errors, if you express a wish to do so,
- the transcript of the interview will be analysed by (name of the researcher) as research investigator,
- access to the interview transcript will be limited to (name of the researcher) and academic colleagues and researchers with whom he might collaborate as part of the research process,
- any summary interview content, or direct quotations from the interview, that are made available through research reports and other forms of presentation will be anonymized so that you cannot be identified, and care will be taken to ensure that other information in the interview that could identify yourself is not revealed,
- the actual recording will be kept in secure password-protected file space until the end of the project (October 14, 2019) when it will be destroyed.

Your signature documents your permission to take part in this research. Please keep a copy for your records and please return a signed copy to the researcher.

Signature of subject

Date

Signature of person obtaining consent

Date