



Operation of the FMC/CHUs

Results of the Survey

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Introduction

Main objective to identify similarities and differences between the CHU/FMCs regarding implementation of FMC in your countries

Not about scoring points on a chart – think about the answers you gave and whether you can learn from some of the other answers

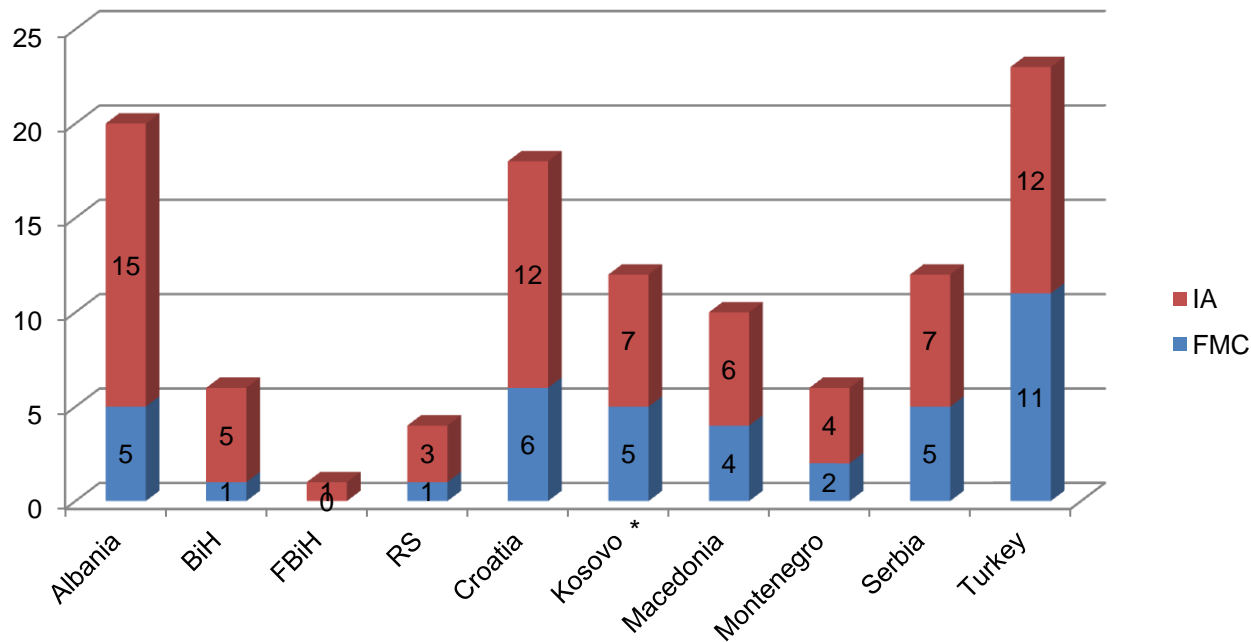
The questionnaire covered

- General Administrative Structure of the CHU/FMCs
- Information on progress made by CHU/FMCs in developing FMC
- Risk Management
- Monitoring Function of the CHU/FMC

10 Replies including Entities of BiH

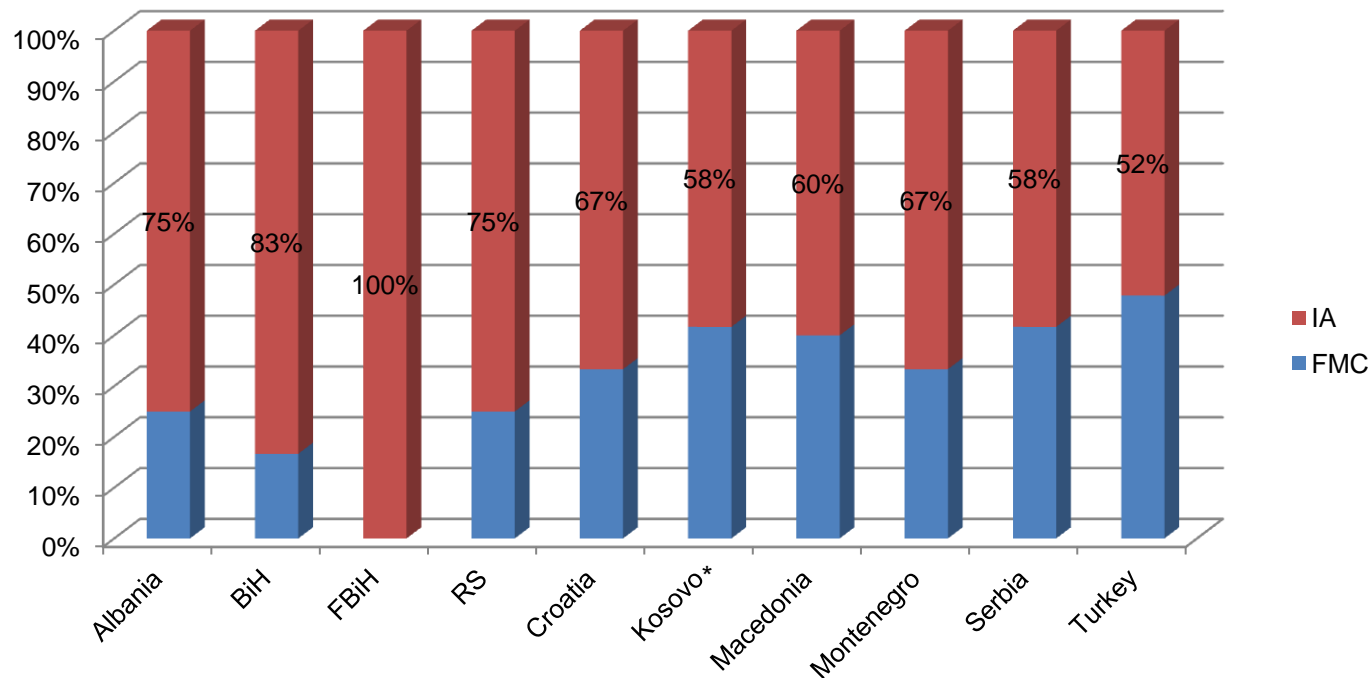
Structure of CHU/FMCs (1)

- FMC clearly lagging behind IA - 10/10 replies indicated less staff in CHU/FMC than in CHU/IA



Structure of CHU/FMCs (2)

- Actual numbers are not always key – quality of staff and size/structure of public sector etc.
- But significant differences between FMC and IA



Structure of CHU/FMCs (3)

- 6/10 replied no regular communication channel for top managers to share opinions on FMC issues
- 6/10 replied no PIFC Advisory Committee or similar for budget users
- Lack of commitment or interest comes through in later answers

General Operations

- 6/10 – CHU covers all parts of general government
- 8/10 – CHU/FMC underpinned by law, manual etc.
- 7/10 – reports on FMC developments sent to CHU by Budget Users (annual except for Montenegro – quarterly)

Progress in FMC

- Changes in Strategy mainly refer to legislation, staff, policy papers but Albania, Croatia and Kosovo* referred to involvement of other Ministries, suggesting wider PAR context
- Impediments were mainly identified as lack of awareness, poor capacity, lack of staff, no political commitment but Albania referred to lack of trust between MoF and line ministries and Croatia referred to failure to clearly define roles & responsibilities
- Overcoming impediments was mainly answered as more training, networking etc. (also legislation and more staff) but little detail about what focus of training was and degree of success (except for Croatia)
- Success factors mainly seen as legislative, training, etc.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo Declaration of Independence.

Risk Management (1)

- 7/10 – RM regulated in law and guidelines published (and 2 others plan to do this)
- Raising awareness of top management – reliance on training and manuals – Croatia has also embedded RM in strategic and operational plans of BUs
- Level of development – 6 at level 1; 3 at level 2; 1 at level 3
- Kind of support – 9/10 EU assistance and 8/10 guidelines

Risk Management (2)

- Methodology for determining risks – 5 said hybrid; 4 said top-down
- 7/10 – responsibility for implementation of RM strategy with State Sec or Line managers
- 9/10 – nearly all said lack of awareness or commitment, which suggests raising awareness of top management has not succeeded so far
- 8/10 – IA assurance and consulting limited to advising management

Monitoring Role (1)

- 10/10 primary legislation; 4/10 supported by secondary legislation
- 7/10 – guidelines for CHU monitoring role re FMC etc.
- 7/10 – co-operation with external audit institution on FMC matters
- 3/10 receive no external support in monitoring FMC functions but....
- Nothing surprising in the list of topics in the monitoring function
- 7/10 – no difference in monitoring different levels of BU
- 2/10 do NOT have access to IA reports (Turkey and former Yugoslav Republic of Macedonia)
- Monitoring – Montenegro quarterly; Turkey no regular frequency

Monitoring Role (2)

- 9/10 do consolidated annual report for Government except Turkey
- 4/10 make the reports public (FBiH, RS, Serbia, Croatia)
- 9/10 report CHU advises top management re FMC but mainly on a “take it or leave it” basis
- Albania and former Yugoslav Republic of Macedonia issue separate reports and share with BUs; Croatia on a pilot basis
- Albania is only country reporting use of assessment scales at end of monitoring activity
- 6/10 responded on ensuring reliability of data from BUs – mainly comparing data against other sources of info and/or on-site

Monitoring Role (3)

Main Objectives of CHU/FMC

- Legislation - 3
- Strengthening CHU – 2
- Raising awareness – 3
- Monitoring – 4
- Reporting – 4
- Assessment, including training – 5
- Guidance – 4

Monitoring Role (4)

Main impediments to achieving objectives

- Too many institutions
- Different levels of FMC development on state and local levels
- Managers not respecting reporting deadlines
- Poor understanding of concepts and poor quality of reports
- No political support
- No connection between financial and managerial reporting
- FMC seen as imposition of CHU

Albania, Croatia, Kosovo*, Republika Srpska and Serbia

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