Guidelines on the Managerial Accountability Concept

Acting in the Public Interest All the Time

The objective of this guidelines is to help PFBs in the entire public sector to clearly and comprehensively understand the MA concept, and to implement the concept within their organizations, in accordance with the existing external and internal regulations and organisational structure, and to develop better conditions for managerial accountability that is focused on positive outcomes and impact.
The Guidelines were created within the project financed by the European Union.

The overall objective of the PIFC twinning project is to have modern and efficient public finance management processes at all government levels, expressed in a more transparent use and savings of public resources of the Republic of Serbia.

The purpose of the project is to support improvement and modernization of management of public finance system in Serbia with focus on PIFC and ensure systemic rollout of consolidated PIFC methodologies and procedures throughout public sector in line with applicable international standards and best EU practices.
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INTRODUCTION ON THE CONCEPT OF MANAGERIAL ACCOUNTABILITY

The public sector plays a major role in society. The public sector determines, usually through a political process, the outcomes it wants to achieve and the different types of intervention. These include enacting legislation or regulations; delivering goods and services; redistributing income through mechanisms such as taxation or social security payments; and the ownership of assets or entities, such as state owned enterprises.

The values of integrity, transparency and accountability in public administrations have enjoyed a resurgence within the past three decades or so. Sound public administration involves public trust. Citizens expect public servants to serve the public interest with fairness and to manage public resources properly on a daily basis. Fair and reliable public services and predictable decision-making inspire public trust and create a level playing field for businesses, thus contributing to well-functioning markets and economic growth. The integrity, transparency and accountability of Public Funds Beneficiaries (hereafter: PFBs) are a prerequisite to and underpin public trust, as a keystone of good governance. The devastating effects of the lack of integrity, transparency and accountability—leading to corruption and misconduct—cannot be underestimated. Unethical practices, bribery, and fraud have a very real human cost—whether it be in the lives and health of people who are robbed of quality health care and medicines or children who are not properly educated.

Effective governance in the PFBs encourages better decision making and the efficient use of resources and strengthens accountability for the stewardship of those resources. Effective governance can improve management, leading to more effective implementation of the chosen interventions, better service delivery, and, ultimately, better outcomes. People’s lives are thereby improved.

The Managerial Accountability (hereafter: MA) concept encompasses many relationships: between the civil service and the political system, between the civil service and the parliament, and between the civil service and the citizens. It is widely acknowledged that MA is a complex concept, embedded in the constitutional and existing legislative frameworks. This is also the case
in the Republic of Serbia, e.g. the Law on Civil Servants and Employees\(^1\) emphasizes the responsibilities each civil servant has and the Budget System Law (hereafter: the BSL) specifically mentions what the executives, and/or managers of direct and/or indirect budget beneficiaries shall be accountable for (e.g. for legal, purposeful, cost effective and efficient usage of budget appropriations).

In the Republic of Serbia, the legal notion of MA derives from the concept of Public Internal Financial Control (hereafter: PIFC) as introduced in the legal framework of the BSL. This law defines managerial accountability as the accountability of managers at all levels with the public funds beneficiaries to carry out all tasks in a legal manner, observing the principles of economy, effectiveness, efficiency and transparency, as well as to be accountable for their decisions, actions and results to those who have appointed them or ‘transferred’ such accountability to them.\(^2\) Consequently, MA has started to emerge as a legal obligation across the public sector, without being properly embedded in the wider legal and institutional framework of the administration. MA in PFBs requires responsibility for the operations within the framework of clearly provided and/or delegated authority where the accountability of managers focusses on performance, besides legal compliance. In other words, the Public Administration Reform (hereafter: PAR) and the Public Financial Management Reform (hereafter: PFM) should serve as umbrella-reforms in which PIFC fits. Alignment through legislation, clearly defined objectives, allocation of resources, structural reforms and budget reform is a precondition for the successful implementation of PIFC.

In March 2018, the Central Harmonisation Unit published, in the framework of the Twinning Project, a Booklet on the concept of MA “Acting in the Public Interest - All the Time”. This booklet served as a base for these MA guidelines, showing the EU-concept and the good practice of the MA concept, and demonstrating the added value of a modern public management system. The guidelines aim to be an inspiration for the Serbian PFBs by providing more detailed information and reference material on the concept of MA.

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CONTEXT AND CHALLENGE

The activities of a democratically elected government and all its employees must follow the will of the people to whom they are ultimately responsible. Generally, as the public becomes more educated, they tend to also become more aware, more demanding, less understanding and less willing to accept average performance or poor services from government and public administration. In these circumstances it becomes increasingly clear that sufficient attention must be paid to accountability and performance issues at every level of government.

The most important risk facing any PFBs is the possibility of having an excessive concentration of power in the hands of top management. The need to always ensure that appropriate checks and balances are in place, is therefore quite obvious. Similarly, and with a view to addressing probable financial and operational risks and to avoid any conflict of interest, the need inevitably arises to establish a sound control environment as well as to clearly define lines of responsibility, accountability and reporting. ³

The worst situation is when the organisational model of the PFBs is based on a strict monocratic principle: concentrating all managerial authorities on the level of organisation at the position of the minister. He/she is the head of the PFB and, in this capacity, takes decisions regarding its organisation and operation.

A well-functioning PFB plays a fundamental role in the European integration process by enabling the implementation of crucial reforms and efficient accession dialogue with the European Union. Experience shows that attempts to reform traditionally centralized public governance systems to become result-driven PIFC-compliant environments are often hampered by a lack of delegation, a lack of managerial accountability.

“Typical” Public Governance system:

Modern Public Governance System (Delegation):

“Managerial accountability requires decentralization of authorities and responsibilities. The allocation of responsibilities requires to be matched by sufficient authority and resources to deliver objectives and performance indicators. There should be established reporting lines since the managers have to report to their superiors how well their responsibilities have been carried out.” ⁴

It is of crucial importance to constantly verify that PFBs that are responsible for carrying out the

³ Accountability and good governance in the public sector, Günther Witthöft
⁴ Discussion paper Managerial Accountability and Risk Management, RESPA, 2017
policies of government do so in a manner that ensures effective service delivery and proper value for money.
DEFINITION

MA is growing in importance through European Union accession negotiations, national public administration reform (PAR) strategies and in high-level dialogue with the European Commission. It is often regarded as a crucial issue in many discussions on public internal financial control (PIFC) and a precondition for all PIFC-related elements. Despite its use in policy dialogue, a commonly agreed definition of the concept is still lacking, even among the EU member countries.

However, the European Commission’s Compendium of the public internal control systems presents managerial accountability as “a process whereby managers at all levels are responsible for, and may be required to explain, the decisions and actions taken to meet the objectives of the organisation they manage. Managerial accountability implies responsibility for sound financial management at all levels, i.e. the adequate organisation, procedures and reporting of the results of the organisation”\(^5\).

Accountability, Responsibility and Authority are intertwined, as demonstrated in the triangle below.

Accountability\(^6\) is the obligation to account and answer for the execution of responsibilities to those who entrusted those responsibilities (obligation to perform). These responsibilities are delineated by the actor’s authority (the right to act). Accountability involves provision of information on, as well as explanation and justification of actions, activities and choices.

An individual is truly accountable if he/she has:

- Said what they are going to do, how it will be accomplished, and to what extent;
- Believed in what they said;
- Accomplished what they set out to do;
- Demonstrated what they have done.

Responsibility is the obligation to carry out the duties/tasks assigned.

Authority is the power or right to give orders to make decisions to use delegated resources (HR, Budget, …) to reach objectives that fit into the realm of their responsibility.

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\(^6\) Source: Principles of Public Internal Control, Position Paper N°1, Public Internal Control and EU approach, Ref 2015-1, p. 7. Another explanation was provided in SIGMA paper no. 58 “Managerial accountability in the Western Balkans - A comparative analysis of the barriers and opportunities faced by senior managers in delivering policy objectives”. There is no universal definition of managerial accountability. This Paper will explain its content by referring to a number of interlinked ideas of responsibility, authority and autonomy (sometimes called in this context the “strategic space” of managers).
After being introduced in the legal framework of the Republic of Serbia (through the BSL), the notion of MA was further elaborated in the Rulebook on joint criteria and standards for establishing, functioning and reporting on the system of financial management and control in the public sector (hereafter: FMC Rulebook), according to which managerial accountability is based on the three interrelated concepts:

- Authority is the right and obligation to make decisions to use delegated resources (human resources, financial resources) to reach objectives of the public fund beneficiary,
- Responsibility is a means for delegating the obligation to carry out the tasks assigned on the basis of the provider’s authority (right to act),
- Accountability is the obligation to answer for the execution of responsibilities to those who entrusted those responsibilities (obligation to perform). Accountability involves provision of information on, as well as explanation of actions, activities or decisions undertaken.\(^7\)

Managerial accountability refers to the answerability of managers for the work and results of their organisations. It implies responsibility for all aspects of management, from planning to reporting and from delegation to control. Managerial accountability means both conformity to the legislation, rules and procedures (compliance) and a clear focus on results (performance), in a transparent manner.

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**What is MA**

Implementation of laws and policies in line with the legislation and procedures.

MANAGERIAL ACCOUNTABILITY

Economic, efficient and effective delivery of government policy objectives in accordance with laws, regulations and internal procedures.

COMPLIANCE

TRANSPARENCY

PERFORMANCE

**5 common mistakes that prevent an effective accountability**

**Unknown or ill-defined roles and responsibilities:** An effective accountability relationship takes place only when the roles and responsibilities of all the parties to the relationship are clearly defined. In the absence

\(^7\) FMC Rulebook, Article 16 („Official Gazette of RS“, no. 89/19)
of a clear definition, the possibility of holding anyone responsible, if anything goes wrong, becomes difficult.\textsuperscript{8}

**Unclear or not defined performance expectations:** Every actor in the accountability framework should know his or her performance targets. The goals, objectives and expected accomplishments should be clearly defined. If they are not done, the accountability framework loses force, as responsibility for non-performance cannot be easily fixed.

**Unbalanced expectations and capacities:** The performance expectations need to be clearly linked to and in balance with the capacity of each party to deliver. Performance expectations that exceed or fall short of the resources weaken the accountability framework. There should be a balance between the resources provided and performance expected.

**Lacking or inadequate reporting on performance is:** Based on reliable information, on a timely basis and in a manner that highlights the contribution made by the reporting entities, enhances the effectiveness of accountability.

**Lessons not learned:** There should be some follow-up action where the expectations about performance have not been met. The follow-up action could take the form of revising the targets, adjusting the resources or other actions to overcome the obstacles.

**Guiding principles** for effective MA are a supportive legal framework, ethical environment, inspiring tone at the top and process-orientation (instead of focus on departments), as will be further explained in the chapter “Toolbox”.

**Example: Football Manager**\textsuperscript{9}

[Being] responsible means that you are involved, possibly [by] performing a clearly defined task, and your performance could determine a successful outcome. [Being] accountable means that it’s up to you to ensure that there will be a successful outcome. Even though you might not actually be performing any of the tasks involved.\textsuperscript{10}

*Let’s look at soccer as an example.*

The players are responsible, for the passing, tackling, attacking, defending and scoring of the goals that will determine who wins the game. The manager is accountable for result. If the team loses he is the one who will need to explain why to his bosses, and will possibly suffer the consequences after a string of poor results.

Many people say that it is unfair, as the manager does not kick a single ball. However, it is the manager who selected the players, trained the players, decided the tactics, provided the motivation and game plan, was able to make the changes to players and tactics as the match unfolds.

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\textsuperscript{8} For more information about the delegation of responsibilities and authorities, as well as the resulting accountability, see the Guidelines on Delegation, prepared by the Central Harmonisation Unit with the assistance of the EU Twinning Project „Support to Further Development of Public Internal Financial Control“, available at the Ministry of Finance website

\textsuperscript{9} http://danblackonleadership.info/archives/2921

\textsuperscript{10} For more information, see Guidelines on Delegation
Accountability needs to be interconnected and aligned with the planning and control cycle.

In a delegated system:

- attainable objectives are clearly defined, given the resources;
- responsibilities and authority are aligned to accomplish these objectives;
- results and performance are reported.

In the traditional way of management, the focus of the management and control usually is on meeting budget and cash limits as well as legal requirements. A little, if any attention is paid on meeting objectives and performance standards and related to this on achievement of efficiency and effectiveness in using public finance resources. Modern way of management requires that management is considered in a wider sense where: “Management includes establishing a plan or road map for what is to be accomplished, allocating resources to implement the plan within the agreed timescale, then establishing what actually was achieved compared with what was originally envisaged, identifying the differences and the reasons for them and with feeding that back into original plans and resource allocation decisions. And management has to be accountable which in turn requires transparency. Accountability rests upon clarity and understandability in reporting arrangements and the capacity of those to whom information is made available to access, interpret and challenge that information”

The Financial Management Cycle starts with the drawing of the strategic and annual plan and the related financial plan. The financial plan shows how much and what type of inputs are required and how the inputs will be managed to get to the required outcome. The inputs required flow from unpacking the plan of the organisation. This is demonstrated by working backwards:

Once the PFB receives its budget, the head of the organisation needs to allocate the budget to the various departments and units, in accordance with the proposed planned activities. The allocated budget should reflect the priorities. It involves review of the strategic and annual plan and (re)allocating the (usually lower) amount of money.

The section “Operating, Monitoring and Safeguarding” from figure above reflects the activities that happen throughout the financial year of operation. It emphasises the importance of internal controls and covers the management of revenue, expenditure, assets and losses. This ‘in-year

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11 Noel Hepworth, Managerial Accountability PIFC’s cornerstone; Conference on PIFC, Brussels, September 2009, pg. 2
12 RESPA, Discussion Paper
13 www.who.int
14 See Chapter “Final Goal” where this forward chain is described and an example is shared
management of resources’ includes the creating of good administrative procedures, making funds available for operation, monitoring the use of funds and managing revenue, expenditure, assets and liabilities.

In order to be accountable, management needs to know how well they have managed their resources and services. For this reason, management needs to evaluate and analyse expenditure in relation to services and the public interest. Whilst monitoring happens throughout the year, evaluation happens at the end of the financial year. The findings lay the foundation of future service and financial planning.

### Planning interventions

As part of the planning process, each PFBs should decide how the performance of its services and projects is to be measured, establish appropriate Key Performance Indicators, and make sure the entity has the capacity to generate (capture, process, analyse and report) the information needed to review service delivery and quality regularly. This will mean ensuring that processes, systems, and frameworks in place are logical and that the various inputs, throughputs, and outputs, such as public expenditure, can be tracked accurately and quickly.

In view of the longer-term nature and wider impacts of their activities, PFBs should prepare their budgets in accordance with their organizational objectives, strategies, and medium-term financial plan.

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15 See also Guidelines on Performance, published by the Central Harmonisation Unit
Stronger accountability goes hand in hand with improved performance. Maximising performance is vital to deliver on the overall ambition of the Public Administration Reform Programme.

Accountability means being held answerable for accomplishing a goal or assignment. Unfortunately, the word "accountability" often connotes punishment or negative consequences. If approached correctly, accountability can produce positive, valuable results:

- Improved performance,
- More employee participation and involvement,
- Increased feelings of competency,
- Increased employee commitment to the work and motivation,
- More creativity and innovation, and
- Higher employee morale and satisfaction with the work.

These positive results occur when employees view accountability programs as helpful and progressive methods of assigning and completing work. For example, managers who involve employees in setting goals and expectations find that employees understand expectations better, are more confident that they can achieve those expectations, and perform at a higher level.

**Modern Governance for a reliable public system:**

Overall and final authority, responsibility and accountability with those charged with governance: the highest political and/or administrative levels in public sector entities – e.g. ministers, senior

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16 [https://www.opm.gov](https://www.opm.gov)
17 [https://www.opm.gov](https://www.opm.gov)
management, governing bodies - are authorized, responsible and ultimately accountable for all aspects of the public entity’s functioning, its results and impact.18

Within the public sector, accountability is the process whereby PFBs, and the individuals within them, are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. It is achieved in part by all parties having a clear understanding of those responsibilities, and having clearly defined roles through a robust structure.

In general, the process of public sector accountability can be illustrated in the following diagram:

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18 Principles of Public Internal Control, Position Paper No. 1, Ref. 2015-1 (pg. 8)
The MA concept operates in tandem with Public Internal Financial Control (PIFC), which is designed to identify and manage the risks, and to improve the probability of achieving the objectives; and providing the critical systems and organisational structures necessary to ensure that PFBs operational, compliance, and reporting objectives are met. The MA concept involves many stakeholders.

Enhancing the effectiveness of accountability asks for:

- reform of the legislative framework to provide greater clarity and certainty as to the roles and responsibilities of ministers and civil servants including accountability to the Government and parliament;
- more effective accountability of senior management including the publication of specific objectives (performance expectations);
- review HR practices including contractual arrangements for senior officials (balanced expectations and capacities);
- simplify and clarify the reporting lines and content (credible reporting performance);
- continuously improve the setting of objectives and balancing the resources (reasonable review and adjustment);
- reaffirm and reinforce the ethos and values of the civil service;
- build structures to underpin effective horizontal Managerial Accountability to address the issue of ‘silos’ between Ministries and departments (e.g. related complex social and economic challenges).

Clear Roles, Responsibilities, and Authorities

PFBs must seek to delineate clear roles and responsibilities as well as authorities across their organization in order to achieve better synergy and alignment, and must also more clearly defined divisions of labour with accountability for resources and results.

The public servants are entrusted with public resources for performance of certain well-defined functions. From the point of view of public, it is very important that citizens have confidence in the work of public administration. Although all public servants are accountable for the performance of their respective functions, the senior management has a broader responsibility to account for the resources at their disposal. The managers at appropriate levels need to provide the adequate information for preparing the organisation work information booklets on their role as stewards of public resources, their duties and obligations to preserve, maintain and foster good governance at a public fund beneficiary. This work information booklet should contain details of the resources consumed and the results achieved.

Although the heads of all PFBs are responsible for everything, including proper financial management of their organizations, yet they have to delegate much of the authority to lower levels.

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19 See also the 5 principles of accountability and the required environment
20 With respect to state administration, the term “senior management” should refer to senior civil servants
and have to rely on the work being done by their subordinates. The heads of PFBs need to be assured that the work being done by their subordinates is as it should be.21

The financial management responsibilities of the heads of PFBs can be stated simply as follows:

- The programs under control should be delivered by obtaining best value for money.
- Decisions are taken on a timely manner and in the light of reliable financial information and analysis.
- Cost effective internal controls for safeguarding the assets and information are in place.
- Suitable environment exists for public servants to perform their functions with probity and prudence.
- There is a mechanism in place for all tiers of management to report on their respective performance and financial accountability.
- The financial management structure meets the current and foreseeable future needs of the PFB.
- For meeting these responsibilities, the heads of the PFB should require their subordinate managers to build appropriate evidence in support of each of these responsibilities.

Responsibilities of the managers need to be clear both in terms of the authority a PFB or a manager has, but also the timelines of the key responsibilities and opportunities need to be known.22 For instance, if a manager can prepare a proposal for her/his part of the state budget, the format, the overall limits and the timelines need to be known in advance, and the procedure needs to be clear and predictable. Otherwise the manager cannot take responsibility for delivery results.

Examples of roles and responsibilities in finances23

The Ministry of Finance has the responsibility for preparation of budget, execution of budget, controlling expenditure, issuing guidelines on financial management, training public managers in financial management, preparing financial statements of the government, providing information on budgetary performance, etc.

The collectors of revenue have the responsibility for applying the laws, rules and regulations in transparent and fair manner, collecting taxes promptly and judiciously, reporting on the taxes collected and in default, handling appeals and resolving disputes.

The public debt managers have the responsibility for ensuring that all debt repayment obligations are met on due dates. All debt contracted is recorded and channelled to the spending departments promptly and information on debt management is compiled in a timely and reliable manner.

The budget officers are responsible for managing the respective budgets, re-allocation of funds between heads of accounts, maintaining ledgers for measuring budget variances and providing information on actual income and expenditure versus budgeted estimates.

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21 Guidelines on Delegation, prepared by the Central Harmonisation Unit with the assistance of the EU Twinning Project „Support to Further Development of Public Internal Financial Control“
22 SIGMA paper No. 56, “Managerial Accountability in the Balkans”.
23 See Guidelines on Delegation, published by the Central Harmonisation Unit
The accountants are responsible for maintaining books of account and preparing financial statements on a timely basis.

The auditors are required, among other things, to audit the financial statements as well as review the internal control system. They may also be required to conduct performance audits.

*A satisfactory system of accountability would require that all these actors perform their functions and discharge their obligations economically, efficiently and effectively.*

### Objectives and Reporting

There is a strong emphasis in public internal financial control (PIFC) and the COSO framework on the role of objectives. Managerial accountability, which needs to be decentralised, requires not only the existence of organisational objectives, but also their cascading through an organisation, with the widest possible distribution of responsibilities. Cascading objectives down within an organisation means that high-level, more strategic objectives (usually found in relevant strategies) need to be made concrete through operational (shorter-term) objectives, not only at the level of the organisation (i.e. the ministry), but also of individual organisational units. These objectives will ideally then translate into the individual objectives of the managers themselves, which sets a good environment for the delivery of both organisational and individual results.24

The importance of the internal division of tasks forming a clear scope of responsibility is particularly emphasised by the COSO model, which recommends that it should include:

1. links between the general tasks of a PFB and the tasks of its operational units, in order to demonstrate the connections between the operational level and the PFB’s mission;

2. the identification of connections between the tasks of individual internal units, to enhance their ability to co-operate;

3. the identification of outputs for tasks at every level of the organisation, thus allowing the effectiveness and efficiency of operations to be measured (and reported), and resources to be assigned rationally25.

Consider Program budgeting as an effective tool of accountability26.

- A detailed framework of budgeting is needed, that requires public managers to justify their budgetary requirements with expected achievements, indicators of achievements, expected outputs and required inputs.

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24 For more information about achievement of goals and appraisal of civil servants in state administration, see Decree on evaluation of work Performance of civil servants and Decree on appraisal of civil servants


26 Instruction for monitoring and reporting on the performance of programs, prepared by the Budget Department of the Ministry of Finance can be found on the website of the Ministry of Finance – [www.mfin.gov.rs](http://www.mfin.gov.rs)
The public managers should report on their performance with reference to the budgetary resources. There should be detailed guidelines for building the portfolio of evidence in support of the achievements claimed in the performance report.

**Transparency / Implementing good practices in reporting**

- PFBs need to demonstrate that they have delivered their stated commitments, requirements, and priorities and have used public resources effectively in doing so. They, therefore, need to report publicly at least annually, so that stakeholders can understand and make judgments on issues such as how the PFB is performing and whether it is delivering value for money and has sound stewardship of resources. It is also important that the process for gathering information and compiling the annual report ensures that the governing body and senior management own the results shown.
- To demonstrate good practice, governing bodies should assess the extent to which they are applying the principles of PIFC, including an “action plan” for improvement. They should allow for comparison with other, similar PFBs and be prepared to use internationally accepted standards of quality.

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**Managing risks and performance through robust internal control**

MA can be considered as a trail through the PIFC system27, otherwise this system will only consist of separate components and each component will remain artificial.28

PFBs need to implement and sustain an effective performance management system that enables them to deliver the planned services effectively and efficiently. Risk management and control measures are significant and an integral part of a performance management system and crucial to the achievement of outcomes. They consist of ongoing processes designed to identify and address the significant risks to the achievement of PFB’s outcomes. A strong Internal Control system (FMC and IA) is essential for the implementation of public sector policies and the achievement of intended outcomes through enforcing financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

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**HR Practices / Contractual arrangements**

The fourth principle within the COSO framework insists that the key human resources functions (hereafter: HRM) of recruitment, development and retention of staff should be carried out in line with objectives and that individuals should be held accountable for their internal control responsibilities in the pursuit of objectives.

HRM enables a PFB to link its organisational objectives (set in strategies and plans) to the management of the people in the organisation. It can “enable an organisation to assess and anticipate its current and future needs such as the size of the workforce, the deployment of the workforce across the organisation, and the knowledge, skills and competencies needed to pursue

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27 The 3 pillars of PIFC are FMC, Internal Audit and Central Harmonisation.
28 See FMC Manual for further information on the PIFC system in general and the pillar FMC in more detail
its mission”29. Managers’ capacity to pursue and achieve their objectives depends, in addition to their own skill set and competencies, on the quality of the staff working in their department, sector or unit, and on whether the competent and skilled people are doing the right things.30 If a manager is made responsible for influencing the planning of the necessary human resources in their unit, then they must also think in advance and assume responsibility for how those civil servants will contribute to the achievements of the strategic and organisational objectives. Leaving managers out of HR planning can lead to a decreased sense of responsibility for the results of the staff in their units.

The recruitment process, following on from the planning, also needs some level of central control, especially in the more politicised administrative cultures where the risk of patronage is high, as it has been argued that centralised recruitment helps ensuring meritocracy reduces politicisation31. Yet recent trends in OECD countries lean towards a focus on efficiency and effectiveness, which require that innovative approaches are found. They, in turn, “entail greater delegation of responsibility for human resource management to ministries and agencies and to line managers, in order to enable them to develop new ways of working”32. Therefore, it makes sense for line managers to be involved in the recruitment of the staff within their units and, even, for certain senior and medium level positions, have a final say in the ultimate phase of a merit-based recruitment process. It is important to strike the right balance between the oversight (or even control) needed to curb corruption and nepotism on the one hand – especially when recruiting from outside of the civil service – and the strategic space that managers need in order to create a team which can deliver results (delegation).

Performance dialogues

The ambition of the Serbian Public Sector is to deliver the best value for money for the citizen. To further that ambition, preconditions must be met, by creating sound control environment regarding the human resources, such as leadership, clear division of roles (through delegation of responsibilities and authority), teamwork, professional development and the achievement of objectives.

By the adoption of the PIFC Development Strategy for 2017-202033 along with the new Action plan for 2017-2018 and the new Action plan for 2019-202034, including the PAR Strategy in RS35, along with its Action plan for 2018-2020, the Government committed to undertake a number of reform measures directed towards increasing the accountability of managers and staff in public sector, through management of public funds in accordance with principles of internal financial

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30 At the moment, the state administration in Serbia is undergoing the evaluation of performance of civil servants. For more information, see the Decree on evaluation of work performance of civil servants (“Official Gazette of RS”, no. 2/2019 and 69/2019) and the Decree on appraisal of civil servants (“Official Gazette of RS”, no. 2/2019)
31 Sundell, A. (2014), Are formal civil service examinations the most meritocratic way to recruit civil servants? Not in all countries. Public Admin, 92: 440-457. doi:10.1111/padm.12077
33 (“Official Gazette of RS”, no. 51/17-consolidated text, 69/08, 98/12 and 87/13)
34 (“Official Gazette of RS”, no. 26/19),
35 (“Official Gazette of RS”, no. 9/14, 42/14-corrig. and 54/18),
control, in order to achieve strategic goals of the public sector and strengthen transparency and accountability in performance of the public administration tasks.

It is therefore critical that we enable a full and effective contribution from our staff to further our objectives and to facilitate their continuing learning and high performance. This requires a culture that affects staff and senior management.

The linking of organisational objectives with individual/personal objectives vertically within a PFB is a key element of a performance management system which supports managerial accountability. This is because managers need to be able to properly and correctly assess the performance of their staff in order to be accountable for their own performance.

At the same time, “all employees need and deserve to know how they are performing, to motivate them by highlighting their strengths, to help them improve by pinpointing their weaknesses, to help them develop by identifying gaps in their competences, and to signal when they might be ready for promotion”. HRM tools – including performance appraisal, professional training and development – “are needed not only to attract valuable employees to the public service, but also to retain them and motivate them to achieve the strategic goals of the state”.

Developing effective practices and embedding them into a PFB is challenging. Performance dialogues can be an excellent starting point. Done right, performance dialogues can be a catalyst for overall improvement. Dialogues, between the head of the public fund beneficiary and head of departments or between supervisors and employees, provide a place for identifying improvement opportunities, corrective measures and leads to immediate results. Effective dialogues are leading to more managerial accountability.

The purpose of the performance dialogue is to:

- Review objectives from the previous year and set objectives for the coming year
Performance pay

And finally, “flexibility of salary systems, including performance pay, is probably one of the most contested issues with regard to the introduction of managerial accountability systems. On the one hand, it seems only logical that, as well as setting, monitoring and measuring achievement of objectives, and evaluating staff performance, managers should be able to provide some financial reward to the top performers in their teams. In that sense, performance pay seems central to any managerial accountability concept. Indeed, “pay is an important management tool, and the strongest motive for decentralised pay setting is that public managers need to have access to and a willingness to use this tool, if they are to be able to pursue performance and result-based goals. Relative differences in pay and pay adjustments can be used to signal expectations and to reward good behaviour and good performances – or to punish bad behaviour”.

On the other hand, willingness to be held accountable, with sanctions for non-performance, is also a cornerstone.
Complaints and Response Mechanisms

Staff rules and regulations, policies and procedures with respect to administrative appeals, workplace grievances (such as harassment), anti-fraud and whistleblowing provide the guidance on the rights and obligations of staff, and outline the processes for raising and responding to complaints.

The protector of citizens (Ombudsman), who is neutral and independent, assists in facilitating communication through informal negotiation and mediation, and helps the citizens by checking the allegations of complaints or acting at own initiative, whether state administration bodies, Republic Public Attorney, bodies or organizations exercising public authority, treat the citizens of Serbia in accordance with law and other regulations of the Republic of Serbia or in compliance with the principles of good administration.

Finding ways for peaceful resolution of labour disputes is the role of the Republic Agency for Amicable Settlement of Labour Disputes.

These two mechanisms are some of external ways through which citizens and staff may obtain services or assistance to exercise rights in these areas, while the Human Resources Division, as an internal mechanism in an organisation, plays a key role in maintaining a respectful work environment, and in enhancing the administration of justice through informally resolving staff members’ grievances and formally representing the organisation in the Justice System.

There are different ways through which external stakeholders can raise issues or concerns regarding the PFBs’ actions and decisions. The feedback mechanism used depends on the nature of the issue, level of sensitivity and need for confidentiality.

Management’s openness to feedback/complaints and the valuing of participation from staff and the general public is important and sets the tone of the culture of accountability. Some PFBs state that they carry out regular and systematic surveys of development activities, staff perception and client satisfaction to continuously receive feedback with a view to improving current practices. This – if complemented by effective awards and rewards mechanisms – constitutes a great opportunity to initiate cultural change.

Independent and Objective Internal Audit to increase accountability and transparency

According to international standards, independence and impartiality are core requirements of IA.

- Position the internal audit function in such a way that it can perform its services from an independent position;
- Create awareness on the importance of independency and objectivity through training and seminars with Auditors, heads of internal audit and managers.
**Example: publishing best practice guides**

The government business is quite complex. Lessons are learnt and forgotten easily because of the enormity and complexity of the government operations. Public managers cannot keep track of all the lessons that may have emerged in the past. It is, therefore, of great value if best practice guides are published and reviewed periodically.

**Guiding Principles**

An enabling environment provides the foundation for effective accountability in the organisation and recognizes that accountability is applicable at all levels of the organisation. Important elements of an enabling environment include:

**Legislative framework**

**The legislator needs to take a lead**

- explain MA and give directions on MA: delegation of tasks, budget, resources and decision space
- enact necessary laws making it obligatory for all PFBs to report on their performance, which also implies implementing the International Public-Sector Accounting Standards
- draft guidelines for the planning and control cycle: preparing and approving a work plan, method of monitoring those plans, reporting on performance, developing of portfolio of evidence on performance reporting, system of validation and oversight of performance reports

**Timely revision of regulations / review of rules**

- The effectiveness of the legal basis depends on the timely revision of rulebooks, in keeping aligned with legislative amendments, changes in public administration structures or new EU or international best practices.
- Rules tend to get outdated over time, making accountability difficult to achieve since the public managers struggle to adhere to the letters of the rules. The rules should undergo a regular review, to ensure they are up to date and re-aligned them with the basic principles of good public administration such as probity, fairness, prudence, objectivity and neutrality.

**Creating the environment of the MA concept: Ethical behaviour and Tone at the Top**

A strong, supporting culture of accountability and transparency is established as a shared value to be demonstrated and implemented by all management and staff across the PFB and embedded in all activities.

Ethical environment can be stimulated by establishment of a proper code of conduct, a training in ethics, visible equal treatment by senior managers towards all employees.
Tone at the Top

Accountability is applicable to all levels and is championed as a core value. Senior managers recognize that they must lead by example in order to instil a culture of accountability throughout their organisation.

Senior management is committed to advancing a culture of accountability by routinely setting the tone, leading by example, setting clear goals, roles, and responsibilities, and articulating expectations regarding the conduct ethical values and standards of conduct at all levels, and by encouraging and participating in open dialogue. Leading by values is the basis for all other key competencies of a manager. Acting upon the values arising out of responsibilities, authority and the ultimate accountability should be the number one priority in every aspect of the organization’s/division’s/work unit’s day-to-day operation. Throughout their decisions, the managers should put emphasis on accountability. In the event of a conflicting decision, accountability should always come first. This also underlines the need for a strong accountability framework, but also for a strong culture of compliance, personal integrity and accountability.

In any organization, behaviour of leaders automatically flows down the hierarchical levels (“top-down”). Effectively the tone from the top has to be unambiguous and every manager should abide 100 per cent by the regulations, rules and policies.

- **Leading by information and communication (transparent decision-making)**

Information and communication are a crucial component of a positive culture of accountability. Management should exert every effort to close the existing information gaps between hierarchical levels, divisions and work units of their organization. In terms of management skills and organizational culture, accountability is fostered by transparent decision-making processes. Staff and other stakeholders have to be informed about the process leading to decisions and its outcomes and perceive the process as transparent. Lack of information and communication can seriously weaken an organization’s effectiveness.

- **Leading by motivation (recognition of staff achievements)**

Accountability and integrity have to be permanently mutually supported and encouraged by real or psychological incentives. Short-term advantage and opportunity often prevail over the long-term perspective. Thus, continuous and strong positive reinforcements are needed to overcome this bias. There is always a need to encourage accountability and to motivate staff to act in an accountable way. Simple recognition can lead to increased staff accountability. Awards and rewards can supplement this, but their impact is limited in time and duration. Continuous recognition by supervisors and colleagues is the key to increased awareness of accountability issues.

- **Leading by guidance and discipline (a zero-tolerance policy for unacceptable behaviour at all levels)**

In order for the staff to perceive accountability as being one of the core values, management has to provide strong guidance first. Acceptable behaviour should be highlighted and the reasons for classifying some behaviours as not acceptable should be explained. The Staff Regulations and Rules (SRR) must be complemented by an explanatory section/separate document highlighting the types of sanctions practised for certain kinds of misbehaviour. Sanctions should be carried out in an equal, systematic and transparent way from the top. All sanctions should be properly justified.
and executed with a thorough followup. Rules of conduct in state administration are defined in the Civil Service Code of Conduct. 38

- **Leading by participation (an open dialogue)**

Participation is key to accountability because it transforms the accountability principle from a personal ethical guideline to a collective tradition, setting the basis for a shared culture of accountability. Ownership is then not only in the hands of management, but on every level. Staff participating in setting up such a culture should feel rewarded and their expertise can be used to improve existing systems. Their experience sheds a different light on existing practices.

**Ethical Values**

Public funds beneficiaries’ ethical values and standards of conduct serve to underpin the culture of accountability and transparency. Several instruments provide guidance on the organization’s values and ethics, and exist to support and inform the behavioural standards expected from all staff—to act in a responsible manner, with integrity and respect for the policies and procedures, to maintain confidentiality and demonstrate corporate loyalty to the organisation, including reporting suspected irregularity and frauds (which may be subject of whistleblowing). The relevant policies and practices must be compiled in the “Code of Ethics and Code of Conduct” and Integrity Plans in all organisations.

All staff members are expected to conduct themselves with integrity and loyalty to the aspirations, goals and values of their organisation, and to comply with Staff Regulations, Rules, and related policies.

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**FMC tools reinforce managerial accountability**

Development of IC objectives and effective risk management will reinforce compliance and efficiency and tone at the top will fashion the accountability environment at all levels. Any attempt to improve MA in the management of public funds, should take into consideration that Risk management relies on clearly defined performance objectives and the signal to public managers that no one is exempt from accountability.

Performance reporting requires that benchmarks of efficiency be devised for all PFBs. Performance information should be used for accountability and learning regarding the delivery of value for money.

A proper accountability framework would require also that a detailed cost accounting system be introduced in the government to record, allocate and control all costs.

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The final goal can be illustrated by the results chain.

A results chain is a simplified picture of a program, initiative, or intervention that is a response to a given situation. It also shows the logical relationships among the resources that are invested, the activities that take place, and the sequence of changes that result.\(^{39}\)

**INPUTS**

Any programme, policy or service requires resources of some kind. We call these resources inputs. Typically, inputs refer to money, staff time, materials and equipment, transport costs, infrastructure, information etc.

**ACTIVITY**

These inputs are required to carry out a number of activities. Activities are actions taken that use inputs to produce higher level results – ‘outputs.’ Typical activities in governance and development are the drafting of a policy document for a ministry in a form of legal framework, the organization of a media outreach campaign, the training of staff in a new approach, etc.

**OUTPUT**

The next level, outputs are typically the result of several completed activities. In development and governance, an output is delivered if a group of people or an organization has improved capacities, abilities, skills, systems, policies or if something is created, built or repaired. Outputs are the direct result of a set of activities and delivered during the implementation of a programme, a policy or a service. Outputs are different from the next level of results – outcomes – because you largely have control over delivering outputs. That means that if we – and our partners – have the resources and the time to deliver a certain output, we can largely guarantee that the output will be delivered. It also means, that in turn, we are fully responsible for delivering an output. Typical outputs are a draft policy document for a ministry, a media outreach campaign, improved skills, etc.

**OUTCOME**

An outcome is something we hope to achieve as a result of what we do. In development and governance, an outcome implies that institutions or people do

a) something differently (behavioural change) or  
b) something better (change in performance)

The difference of an outcome is that – unlike outputs which we largely control – we can only influence the achievement of an outcome, but it ultimately goes beyond our control. Typical outcomes are a parliament passing a new law, people changing their behaviour because of a media campaign, staff that apply new skills in their daily routine, etc. Outcomes are typically achieved at the end or even after a programme, policy or service has been implemented.

\(^{39}\) [http://winderl.net/resultschain/](http://winderl.net/resultschain/)
Finally, outcomes should contribute to a broader impact. An impact is the long-term effect of programmes, policies or services. It implies a detectable improvement in people’s lives. Impact typically relates to positive economic, social, cultural, institutional, environmental, technological changes in the lives of a targeted population. An impact is often related to broad national goals or international aspirations like the Sustainable Development Goals. Impact is typically much broader than a programme, policy or service. And, an impact is typically detectable only after a few months or even years.

**MA Concept to ensure Performance of Public Policies**

**Examples:**

Typical outputs of PFBs range from policies to regulations to services. Here are some examples:

- **Policy and Legislative Outputs:** Policies by the ministries in charge of Finance, Economics, Tourism, Agriculture, etc. to promote competition; Legislation by the ministry in charge of Environment Protection to influence climate change; Regulations by the ministry of the interior to control border security; Education Curriculum Policy by the ministry in charge of Education to enhance quality of education, and the like.
- **Regulatory or Oversight Outputs:** Audits by the SAI or Environmental monitoring by the ministry in charge of Environment Protection.
- **Functional Outputs:** Treasury Administration enables budget execution for public fund beneficiaries; Tax Administration and Customs perform revenue collection, maintenance of highways is done by the ministry in charge of Infrastructure.
- **Service Outputs:** Quick and efficient public service; Health clinics management, school maintenance, road upgrading etc. by Local Self-Government bodies and services, etc.

Typical outcomes of PFBs could range from increased investment growth (as a result of new competition policy), or improved literacy (due to improved education services) or better mortality rates (due to improved health services).

![Diagram of Inputs, Activities, Outputs, Outcome, Impact](image)

- **Economy** means that the assets used by the public fund beneficiary for conducting its activities should be available on time, in adequate quantity, with adequate quality and at the most favourable price.\(^{41}\) Therefore, economy is concerned with the cost of inputs. Economy represents value for money and delivering the required service on budget, on time and within other resource constraints. It is common for PFB employees and their representatives to complain about underfunding, but they have to deliver value to the taxpayers, as well as those working in them and those using the service.
- **Efficiency** means achieving the best ratio between the assets used and the results achieved.\(^{42}\) It is concerned with maximizing output for a given input. Efficiency is concerned with getting an acceptable return on the money and resources invested in a service. Efficiency is defined as work output divided by work input and it is all about getting as much out as possible from the amount put into a system. It follows that an efficient organisation delivers more for a given level of resource input than an inefficient one.
- **Effectiveness** means the ratio between the results achieved and the goals planned.\(^{43}\) It ensures that the outputs of a service or programme succeed in achieving objectives. Effectiveness describes the extent to which the PFB delivers what it is intended to deliver.

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41 FMC Rulebook, Article 2  
42 FMC Rulebook, Article 2  
43 FMC Rulebook, Article 2
Transparency / Implementing good practices in reporting (see also page 15)

PFBs need to demonstrate that they have delivered their stated commitments, requirements, and priorities and have used public resources effectively in doing so.

To demonstrate good practice, governing bodies should assess the extent to which they are applying the principles of PIFC, including an action plan/plan of activities for improvement. They should allow for comparison with other, similar entities and be prepared using internationally accepted high-quality standards.

As part of their overall management strategy, the public managers can use performance measurement to (1) evaluate; (2) control; (3) budget; (4) motivate; (5) promote; (6) celebrate; (7) learn; and (8) improve. It would be desirable that all competent managers, while doing the management work in their organisations, reflect on the following questions:

- Evaluate: How well is my institution performing?
- Control: How can I ensure that my subordinates are doing the right thing in a right way?
- Budget: On what programs, people, or projects should my institution spend the public’s money?
- Motivate: How can I motivate line staff, middle managers, nonprofit and for-profit collaborators, stakeholders, and citizens to do the things necessary to improve performance?
- Promote: How can I convince political superiors, legislators, stakeholders, journalists, and citizens that my institution is doing a good job?
- Celebrate: What accomplishments are worthy of the important organizational ritual of celebrating success?
- Learn: Why is what working or not working?
- Improve: What exactly should who do differently to improve performance?

It is important to ensure that the outputs targeted are indeed those that are strategically relevant to the desired outcomes. After all, it is outcomes that we are finally after – such as improved economic growth, full employment, quicker travel times, safer transport, and healthier environments, etc. PFBs need to continually check whether the outputs (policies, regulations, services) they are providing do indeed help their clients and the community at large achieve these beneficial outcomes.
CONCLUSION

The recognition of the concept of managerial accountability and the observance of recommendations reflecting those principles should ensure that any potential problem is discovered quickly and timely and resolved. No system of governance can provide total protection against management failure or fraudulent behavior. However, risks can be reduced by making all participants in the governance process — members of governing bodies, employees, auditors and other stakeholders — aware of what is expected from them.

Public expectations of behavior in PFBs are continually rising. These guidelines are offering a first response to these rising expectations, as a practical step forward towards improving the effectiveness of management across the public sector being aware of the importance of performance.

To develop an effective accountability framework, acceptance and clear demonstration of commitment should begin at the top. Management should clearly communicate the need for accountability and be able to demonstrate effective accountability practices and ongoing assessment of those practices. Establishing the effective accountability framework in practice is impossible without linking it to and adequately embedding it into the legal framework, without the delegation mechanism, performance dialogue and focus on achievement of performance, including active raising of awareness with all actors in public administration, as a prerequisite for its operational implementation. If this occurs, these practices will be institutionalized. Addressing accountability from an internal perspective helps to ensure good management discipline within the PFB.
ANNEX 1: AM I A GOOD SENIOR MANAGER?

Am I a good senior manager?

1- Objectives

**Clear performance expectations:** Every actor in the accountability framework should know his or her performance targets. The goals, objectives and expected accomplishments should be clearly defined. If they are not done, the accountability framework loses force, as responsibility for non-performance cannot be easily fixed.

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<thead>
<tr>
<th>Tools</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>a. Strategic plans define SMART(^{44}) strategic objectives and key performance indicators</td>
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<td>b. Strategic plans/programmes and Budgets are aligned</td>
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<td>c. Strategic plans are communicated with the public and with the staff</td>
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<tr>
<td>d. Operation plans (unit plans) are derived from the strategic plan and SMART operational objectives and indicators are described</td>
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<tr>
<td>e. Individual plans are derived from the operational plans and SMART objectives and indicators are described</td>
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<tr>
<td>f. Managers participate in formulation of the strategic plans/programmes, objectives and indicators</td>
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<tr>
<td>g. Staff participates in formulation of the operational and individual plans</td>
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<tr>
<td>h. The number of objectives per plan is limited (e.g. max. 6) in order to be able to focus and prioritize</td>
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2. Roles and responsibilities\(^{45}\)

**Clearly defined roles:** An effective accountability relationship takes place only when the roles and responsibilities of all the parties to the relationship are clearly defined. In the absence of a clear definition, the possibility of holding anyone responsible, if anything goes wrong, becomes difficult.

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\(^{44}\) SMART objectives (Specific, Measurable, Attainable, Realistic, Time-bound)

\(^{45}\) For more information, see the Guidelines on delegation, available on the website of the Ministry of Finance
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<tbody>
<tr>
<td>a.</td>
<td>The process of delegation of responsibilities and authority is clearly described</td>
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<td>b.</td>
<td>Responsibilities and authorities are delegated in practice (where responsibilities and authorities are aligned)</td>
</tr>
<tr>
<td>c.</td>
<td>The chosen delegation ensures a balance of delegated power and responsibility</td>
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<tr>
<td>d.</td>
<td>There is coherence between management line and delegation of authority and responsibilities and clear reporting lines</td>
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<tr>
<td>e.</td>
<td>All managers and staff have job descriptions</td>
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<td>f.</td>
<td>Job descriptions are coherent with the day-to-day work of the managers and staff</td>
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<tr>
<td>g.</td>
<td>It is ensured that all managers and staff are fully aware of their role and responsibility</td>
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<tr>
<td>h.</td>
<td>Job descriptions are regularly reviewed and updated</td>
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### 3. Capacity

**Balanced expectations and capacities:** The performance expectations need to be clearly linked to and in balance with the capacity of each party to deliver. Performance expectations (defined within the performance dialogue or specified within a service level agreement) that exceed or fall short of the resources (inadequate delegation of resources) or due to weak autonomy in decision-making, weaken the accountability framework. There should be a balance between the resources provided and performance expected.

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<tbody>
<tr>
<td>a.</td>
<td>The performance expected from the managers is balanced with the resources provided and/or delegated</td>
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<td>b.</td>
<td>The balance of resources and expected performance is ‘negotiated’ with the respective managers and staff (performance dialogue)</td>
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<tr>
<td>c.</td>
<td>Trainings are established and performed to ensure that staff are competent to perform the task at hand</td>
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</table>
4. Reporting

**Credible reporting performance:** Based on reliable information, on a timely basis and in a manner that highlights the contribution made by the reporting entities, enhances the effectiveness of accountability.

- a. Annually, managers submit an ‘in control statement’ (or letter/form of representation/assurance/attestation)
- b. Annually, the institution submits an ‘in control statement’ based on the information received from the individual managers
- c. Each unit/project/process conducts a risk analysis and reports regularly on the management of the top risks
- d. A strategic risk analysis is performed, involving the management board/team
- e. The performance of managers and staff is measured (against set objectives and indicators)
- f. Performance assessment for all levels (managers and staff) include 360-degree feedback

5. Review

**Reasonable review and adjustment:** There should be some follow-up action where the expectations about performance have not been met. The follow-up action could take the form of revising the targets, adjusting the resources or other actions to overcome the obstacles.

- a. The organization conducts credible, utilization-focused evaluations and communicate the findings, conclusions and recommendations to stakeholders
- b. Managers and staff members’ performance is monitored, and corrective action taken if needed
- c. Outstanding performance is acknowledged by recognition/awards/rewards
- d. Lessons-learned is discussed and derived from performance dialogue (experience and view on the quality of set objectives and indicators, on the
balance between expectations and resources, on measures to further improve

d. Well-performance is celebrated and rewarded

e. Self-assessments are performed for departments and for the institution in total

f. Recommendations of oversight bodies/ internal audits and evaluations are tracked, shared within the PFB and implemented or, if not implemented, clear justification is provided

g. Sanctions imposed and awards/rewards are published

Guiding principles

Creating the environment of the MA concept: Ethical behaviour and Tone at the Top

A strong, supporting culture of accountability and transparency is established as a shared value to be demonstrated and implemented by all management and staff across the organisation and embedded in all activities.

Ethical environment can be stimulated by establishment of a proper code of conduct, a training in ethics, visible equal treatment by senior managers towards all employees.

a. The PFB has an information disclosure policy/ transparency policy

b. The results of the PFB’s activities are communicated regularly to legislative organs, supervisor boards and other stakeholders, including donors, beneficiaries and the general public

c. The PFB has staff regulations/code of conduct (which includes topics as harassment on any grounds, gifts/favours/hospitality, activities outside the job position and/or organization, disciplinary measures, restriction in hiring relatives, etc.)

d. Periodically adherence to the code of conduct is reviewed

e. There is an ethics function established in the PFB

f. Protection is organised against retaliation for reporting wrongdoing (whistle-blower policy)

g. Training on the code of conduct, anti-fraud and anti-corruption policy is performed

h. Recruitment policy restricts hiring of family members and relatives
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h. Financial regulations and rules (FRR) in the PFBs embody anti-fraud and financial misconduct policies and are implemented practically |
|   |   |
i. Staff at all levels have access to relevant, reliable information that supports decision-making in line with their delegated authorities |
|   |   |
j. Internal and external communication channels are fully exploited |
|   |   |
j. Staff members and users have access to non-formal complaints mechanisms |