

UN Thessaloniki
Centre to Publish
PMF from 2001

Candidate Countries
Prepare to Manage
Pre-Accession Funds

Bulgarian Agency
to Oversee EU Rural
Development Aid

Interview with Czech
Republic's Top Auditor

SIGMA Charts New Course



Image: Bank/Indel Davidson

Change is in the air: the countries that SIGMA serves are evolving rapidly and in consequence the European Commission is strengthening its approach to EU candidate countries and to South East Europe, and changing the management of technical assistance. For the ten candidate countries in Central and Eastern Europe, the Commission continues to build up the "twinning" mechanism, while for other transition countries, it is redistributing responsibilities and developing new frameworks of co-operation. SIGMA is adapting to all these changes under the guidance of the new Director of the

OECD's Public Management Service (PUMA), Mr. Tony Hutton. Although final arrangements have not yet been settled, it is most likely that the OECD and the Commission will approve two separate conventions - one for candidate countries and one for non-candidate countries in the Western Balkans - to guide SIGMA actions in 2001. If approved, these conventions will reaffirm the European Union's status as the principal funder and sponsor of the SIGMA Programme in co-operation with the OECD. In light of these impending changes, *PMF* asked the three main actors responsible for SIGMA to describe the Programme's future.

Forum Focus

Definitions
and Standards
for Internal Audit

Vol. VI - N° 4 - 2000

Phare

OECD  OCDE

From 1995 through 2000, *PMF* has been published by SIGMA, the Programme for Support for Improvement in Governance and Management in Central and Eastern European Countries.

Views expressed herein do not necessarily represent the official views of the European Commission, OECD Member countries, or the central and eastern European countries participating in the Programme.

Written submissions are welcome. Story ideas, humour and letters to the editor should be sent to the address below. The editors reserve the right to edit submissions for clarity, style, grammar and space.



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Public Management Forum

This and previous issues are available online under the "Publications" heading at <http://www.oecd.org/puma/sigmaweb>
ISSN Number: 1024-7416
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Starting in 2001, all correspondence for PMF should be addressed to the new publisher:

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Public Management Forum is printed on recyclable paper.

SIGMA'S FINAL EDITION OF *PMF*

With this issue, SIGMA terminates its publishing of *Public Management Forum*. Budget cuts and a smaller mandate for future work mean that the Programme is no longer able to produce this publication. We are very pleased to report, however, that we have identified a new sponsor and host for *PMF*: the United Nations Thessaloniki Centre for Public Service Professionalism (UNTC). The UNTC, inaugurated on 1 December 2000, is a joint enterprise of the Government of Greece and the United Nations, and constitutes a unit of the UN Division for Public Economics and Public Administration.

The UNTC is very well placed to ensure that *PMF* continues to serve as a forum for the exchange of views and experience among public administration practitioners in transition countries, and as a supplier of reliable and timely information on laws, international standards and developments on public administration. The UNTC aims to support the modernisation of administrative systems in the countries of Central and Eastern Europe and the New Independent States through policy advice and personnel training. It also seeks to involve these countries in an evolving online programme for sharing experience, data, ideas and expertise in the field of administrative reform.

We would like to take this opportunity to thank once more for your continued interest in this newsletter, and to encour-

age you to participate in the launch of the "new *PMF*" by proposing ideas for articles that you would like to read — or even write. You can send your suggestions to the new editorial team at the address to the left. As presently envisioned, the publication will appear in English three times a year in a revised format. Note, however, that your current subscription to *PMF* will **not** be automatically renewed with the transfer of the publication to the UNTC. Therefore, if you would like to receive the newsletter free of charge in 2001, return the enclosed subscription form.

As several of you have asked about our future plans, you may be interested to know that both of us will remain in the communications field, taking on new roles in early 2001. Belinda will remain in Paris and work as the lead consultant for a UNESCO communication and development project. Bart, meanwhile, will manage communications with non-governmental organisations for the Manila-based Asian Development Bank. Together with our SIGMA colleagues who have produced this newsletter during some of the most challenging years of transition in Central and Eastern Europe, we wish you a peaceful and prosperous new year.

Bart W. Édes, Editor-in-Chief,
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Belinda Hopkinson, Managing Editor
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TABLE OF CONTENTS

Promoting Accountable and Effective Government	
• EU Candidates Preparing to Manage Pre-Accession Funds	4
• Bulgaria's Long Road to SAPARD Accreditation	6
• Forum Focus:	
International Internal Auditing Standards	8
Defining Terms for Internal Control and Internal Audit	9
• Head of Czech Audit Office Sees Common Challenges to Candidate Country SAIs	10
• How French Agricultural Boards Met EAGGF Accreditation Standards	11
Fresh off the Press	
• The Global Move Towards Decentralisation of Public Services	14
• Inbox: A Selection of Recent Articles and Publications	14
Managing the Public Purse	
• Budgetary Reform in Central and Eastern Europe	15
On the Agenda	
	16

PROMOTING ACCOUNTABLE AND EFFECTIVE GOVERNMENT

Continued from page 1

SIGMA Charts New Course

Mr. Matthias Ruete,
Director of Phare, DG Enlargement,
European Commission



As we enter the final stretch to enlargement, there is still a great deal of work to do. The main instruments to assist countries in meeting EU membership

requirements will continue to be the deployment of EU Member State experts through twinning, and the Technical Assistance Information Exchange Office (TAIEX). Public administration reform requires a multifaceted approach. This is why SIGMA has been retained based on its particular expertise. SIGMA has performed well in the past on the particularly sensitive issues of public administration reform in which the Union has relatively less power and capability to intervene. The latest *Enlargement Strategy Paper* (see box on page 12) and the annual regular reports stress the importance of government-wide management systems in particular with reference to the need to reduce corruption. This is where the SIGMA approach to strengthening "integrity systems" fits in. The recent Phare 2000 review underscores the need to address the "systemic failings of public administration" and to search for strategic approaches to reform in the 2001 programme.

In agreeing to renew SIGMA for work on the candidate countries, the Commission has asked for changes to be made especially to bring SIGMA's work more closely into line with the Commission's strategic approach to the countries. SIGMA projects will require *ex ante* agreement from the Commission and will only be undertaken if there is an assessment of positive political will and sufficient absorptive capacity. SIGMA's substantive scope has been reduced so that it focuses on financial control and external audit as well as civil service and administrative reform strategies. Work in policy making, expenditure management and procurement will only be possible on an exceptional basis, and the information and publications programme has been sharply curtailed. The Programme volume has also been reduced,

although it may be possible to finance additional special projects from national programme funds. We are especially keen that SIGMA's work on assessing management systems should continue.

Because of the special situation of Bulgaria and Romania, SIGMA will provide additional services to these two countries. SIGMA's substantive scope for assisting these candidate countries is broader and more flexible, and there will be a greater emphasis on helping them benefit from the main instruments of Commission assistance.

Ms. Catherine Day,
Deputy Director-General,
DG External Relations,
European Commission



The European Union's main objective in the Western Balkans is the integration of the countries of the region - Albania, Bosnia and Herzegovina, Croatia, the

Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia - into the political and economic mainstream of Europe. The Stabilisation and Association process, which offers each country in the region a "road to Europe" is the centrepiece of EU policy in these countries. The process, which leads to formal contractual relations with the EU through a Stabilisation and Association Agreement, involves a major effort in institution building.

The countries need to build up and strengthen administrative systems supportive of a democratic system of governance and a market economy. In the process of European integration, they will need to progressively develop their administrative capacities to implement the *acquis*. The EU will support them in this institution building effort. For that reason, we have decided to introduce a new SIGMA programme to cater for the specific needs of the Western Balkans countries. Building on the support already provided in Albania, the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina,

SIGMA will be extended to Croatia and the Federal Republic of Yugoslavia. In the first instance SIGMA will focus on defining needs in key areas of public administration reform including public finance (taxation, budget and treasury, public procurement) and internal and external financial control. These assessments will feed into the institutional reform programme of each of the countries. SIGMA will provide targeted expertise to underpin these reform programmes.

Mr. Tony Hutton,
Director, PUMA, OECD



Since I arrived at the OECD in September 2000 to head the OECD's Public Management Service, I have made considerable efforts, together with OECD Deputy Secretary-General Ms. Sally Shelton-Colby and with the help of the SIGMA team, to re-orient SIGMA to reflect the Commission's new approaches both to the countries of the Western Balkans and the current EU candidate countries.

Our objective has been to preserve the capacities and the good will that SIGMA has built up during its eight years of service to transition countries. In fact, I was very pleased to see new evidence of SIGMA's reputation in the recently released *Annual Report of the European Court of Auditors Concerning the Financial Year 1999*. I believe we are now close to agreement with the Commission on SIGMA's future role and to a new management structure. I will take overall responsibility for SIGMA, working closely with the heads of the two teams: Bob Bonwitt on candidate countries and Claude Cornuau on the Western Balkans. This will also allow us to strengthen the link between SIGMA and PUMA, allowing greater cross-fertilisation between European Union Members, EU candidate countries and the other European states. It will also allow better co-ordination between other OECD activities in these countries managed by PUMA and funded under its programme.

Continued on page 12

EU Candidates Preparing to Manage Pre-Accession Funds

by Nick Treen & Johannes Stenbæk Madsen

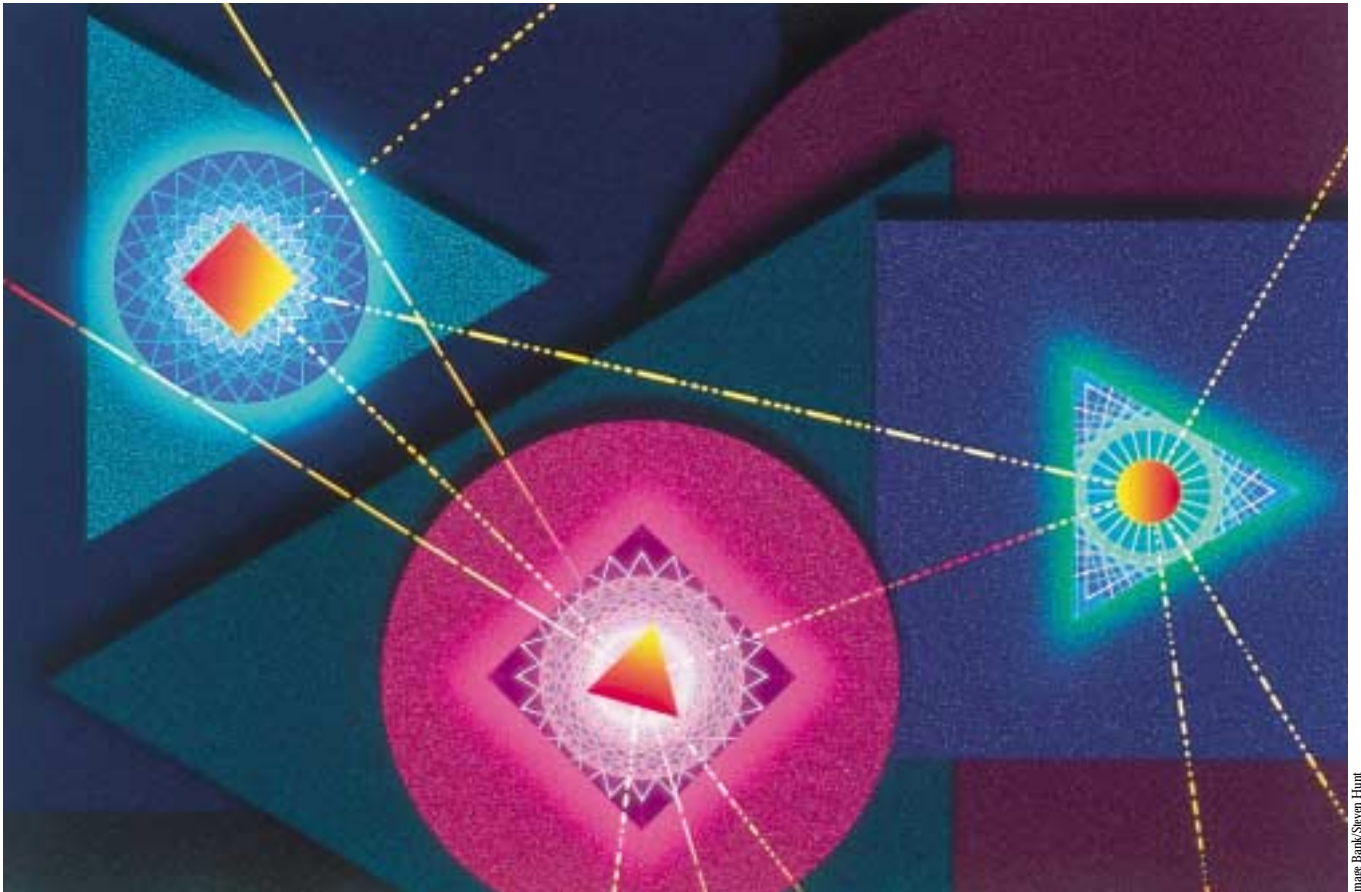


Image: Bank/Sven Hunt

Marking a major change in the way it handles pre-accession funds for candidate countries, the European Council passed a new Regulation in 1999 to give the countries a much greater role in the management of these monies. Helping aspiring Member States to prepare for this new role will be one of the main tasks of SIGMA's audit and financial control team in 2001.

In 1999, the European Union took an important step towards decentralising the management of pre-accession funds when it adopted Council Regulation 1266/1999 (see box on page 5). Through

this measure, the EU has created the possibility of waiving the statutory requirement of *ex-ante* control of expenditure by the European Commission. This will allow aspiring Member States to manage and control pre-accessions funds if the bodies they create to manage the funds fulfil specific minimum requirements. These requirements are defined in an Annex to Regulation 1266 (see box on page 5), and apply them to the Special Accession Programme for Agriculture and Rural Development (SAPARD), the Instrument for Structural Policies for Pre-Accession (ISPA), and Phare.

This issue of *PMF* focuses on efforts made by the candidate countries to set up organisations and procedures that will enable them to meet the requirements set out in Regulation 1266. One requirement obliges national agencies that approve and

execute payments to projects funded by pre-accession funds to demonstrate “effective internal controls, including an independent audit function and an effective accounting and financial reporting system which meets internationally accepted audit standards”. The last part of this phrase naturally raises the question of how to define internationally accepted audit standards, a question addressed by Nick Treen in the article on page 8.

Guidance provided by professional audit associations can be very useful to government bodies attempting to establish modern internal audit functions in the candidate countries. For this reason, we have published on page 9 definitions of the terms internal control and internal audit, as provided by the internationally renowned Institute of Internal Auditors.

Overseeing EU Funds in Bulgaria & France

Over the past year, public bodies in Central and Eastern Europe have undertaken major reforms to prepare themselves for managing and controlling pre-accession funds, particularly those provided through SAPARD. Some bodies are already fit to begin handling EU funds from the beginning of 2001. Besides meeting the criteria cited above, SAPARD agencies have to meet more detailed requirements and submit to an accreditation procedure before receiving the necessary approval from the Commission's General Directorate for Agriculture (DG AGRI). In his article beginning on page 6, Charles Groutage, DG AGRI, describes preparations made by Bulgaria's State Fund of Agriculture to become accredited by the Commission as a SAPARD agency.

The *acquis communautaire* spells out specific obligations of Member States regarding internal control and internal audit, but does not do so in the area of public external audit. Nevertheless, a sound public external audit system staffed by trained professionals is considered a vital element of a solid financial management and control framework, and it contributes to good governance, the rule of administrative law and effective public accountability. Moreover, in some EU Member States, the function of "Certifying Body" that is a requirement of the *acquis communautaire* is carried out by the supreme audit institution. On page 11, Claude Bernet explains how France has set up its Certifying Body under the umbrella of the country's supreme audit institution, the *Cour des Comptes*, and describes the accreditation of French paying agencies for support under the EU Common Agricultural Policy.

The supreme audit institutions of Central and Eastern Europe are taking steps to develop their organisation and working methods. Some have worked with SIGMA to arrange a "peer review", which at times has been followed by the drafting

Council Regulation (EC) No 1266/1999 of 21 June 1999 on coordinating aid to the applicant countries in the framework of the pre-accession strategy and amending Regulation (EEC) No 3906/89 (Official Journal L 161 , 26/06/1999, p. 0068 - 0071) (Extracts)

ARTICLE 12

1. Project selection, tendering and contracting by applicant countries shall be subject to ex-ante approval by the Commission.

2. The Commission may, however, decide, on the basis of a case-by-case analysis of national and sectorial programme/project management capacity, financial control procedures and structures regarding public finance, to waive the ex-ante approval requirement referred to in paragraph 1 and confer on implementing agencies in applicant countries management of

aid on a decentralised basis. Such a waiver shall be subject to:

- the minimum criteria for assessing the ability of implementing agencies in applicant countries to manage aid and minimum conditions applicable to such agencies set out in the Annex to this Regulation;
- and specific provisions concerning, inter alia, invitations to tender, scrutiny and evaluation of tenders, the award of contracts and the implementation of Community public procurement directives, which shall be laid down in financing agreements with each beneficiary country.

ANNEX. MINIMUM CRITERIA AND CONDITIONS FOR DECENTRALISING MANAGEMENT TO IMPLEMENTING AGENCIES IN APPLICANT COUNTRIES (ARTICLE 12)

1. Minimum criteria for assessing the ability of implementing agencies in applicant countries to manage aid.

The following criteria shall be applied by the Commission in assessing which implementing agencies in partner countries are able to manage aid on a decentralised basis:

- (I) there should be a well-defined system for managing the funds with full internal rules of procedure, clear institutional and personal responsibilities;
- (II) the principle of separation of powers must be respected so that there is no risk of conflict of interest in procurement and payment;
- (III) adequate personnel must be available and assigned to the task. They must have suitable auditing skills and experience, language skills and be fully trained in implementing Community programmes.

2. Minimum conditions for decentralising management to implementing agencies in applicant countries
Decentralisation to applicant countries with ex post control by the Commission may be considered for an implementing agency where the following conditions are met:

- (I) demonstration of effective internal controls including an independent audit function and an effective accounting and financial reporting system which meets internationally accepted audit standards;
- (II) a recent financial and operational audit showing effective and timely management of Community assistance or national measures of similar nature;
- (III) a reliable national financial control system over the implementing agency;
- (IV) procurement rules which are endorsed by the Commission as meeting requirements of Title IX of the Financial Regulation applicable to the general budget of the European Communities;
- (V) Commitment by the National Authorising Officer to bear the full financial responsibility and liability for the funds.

This approach shall not prejudice the right of the Commission and the Court of Auditors to check the expenditure.

and implementation of a strategic development plan (see also *PMF* Vol. V, No. 5, 1999). In the Czech Republic, SIGMA carried out a peer review of the Supreme Audit Office, and trained auditors in the implementation of the EU SAI's and ECA's 15 guidelines for implementing the INTOSAI auditing standards. On page 10, we feature an interview with the head of the Czech Supreme Audit Office, Ludomir Voleník, who talks about some of the important issues that

his institution has had to address in connection with the Czech Republic's European aspirations. ■

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Bulgaria's Long Road to SAPARD Accreditation

by Charles Groutage

Under the Special Accession Programme for Rural Development (SAPARD), the European Union has earmarked 3.5 billion euros over seven years for the ten applicant countries in Central and Eastern Europe. The Union has also indicated its intention to shift functional and financial responsibilities for these funds from Brussels to these countries. Crucially, funds will not be released by the European Commission, and the Programme may not begin, until an applicant country has established an operational (i.e. staffed and equipped) implementing and paying body, known as a "SAPARD agency", which meets minimum standards of internal control. Bulgaria is one applicant country that has moved quickly to set up a SAPARD agency.

The SAPARD Agency in Bulgaria may well be one of the first to be "accredited" by the European Commission as meeting the minimum standards of internal control or "accreditation criteria". This success has been achieved despite a late start and limited experience with project management and implementation. The key success factors include:

- Committed and pro-active political support.
- Dynamic and hard working top management.
- A young, well-qualified and motivated staff.
- Extensive support from the EC Delegation in Sofia.
- Sound, pragmatic technical assistance from SIGMA throughout the period of development to finalisation of the project.

This article briefly examines each of these success factors and its role in Bulgaria's creation of a capable SAPARD agency.

Political Support

Things began with a "false start" in summer/autumn 1999, but once the necessary political will was confirmed in the spring of 2000, the objective became clear to all: to obtain the European Commission's accreditation by late autumn 2000.

In the life of any project, however, tough strategic decisions need to be taken, often with a short delay if momentum is not to be lost. As the project progressed and the strategic options became clearer, the need for political figures to make certain key decisions became pressing. Timely decisions were taken, for example, on the number of

measures with which to start (four out of the nine included in the Rural Development Plan), and the type of processing with which to begin (initially manual, rather than using modern information technologies). This has enabled the SAPARD Agency to work towards the autumn deadline with a realistic set of ambitions.

Top Management

Bulgaria has created a SAPARD Agency with top management structure comprising two Deputy-Executive Directors. They have remained in their positions throughout the life of the project. The personnel involved are dynamic, hard-working problem-solvers with considerable delegated authority to initiate remedial action. They have ready access to the relevant political figures, a fact that has proved important, particularly for the allocation of additional resources. The Deputies also have first-hand knowledge of the various procedures and internal controls, which has facilitated dialogue internally and with the European Commission.

This situation is not common to all other applicant countries, where too often the top management team has either not been appointed until late into the life of the project, removed, or comprises a single individual. Moreover, the ability of top management to obtain early decisions of a strategic nature or with significant resource implications often depends on a long line of command. This is not conducive to sound project implementation.

Qualified and Motivated Staff

The SAPARD Agency's recruitment policy has been to recruit young staff with a

university level education in economics, finance and business. At the threshold of their working lives, they are also perhaps more ready to accept the modest salaries on offer in a country where unemployment is high. The result has been the establishment of a "can-do" culture which one suspects might not have been forthcoming from an officialdom experienced in the ways existing prior to 1989. Many of these young officials perceive SAPARD as a "good thing", representing an important step towards EU accession. They demonstrate a genuine openness, enthusiasm and commitment to their work.

In hard terms, the young staff at the SAPARD Agency in Bulgaria has applied a rigorous intellectual approach to the implementation of the project and, notably, has been among the first to identify points of principle requiring clarification.

EC Delegation

Little or no role for the Commission is foreseen in the day-to-day running of the SAPARD programme. This distinguishes SAPARD from the ISPA and Phare Programmes that are managed directly by the Commission from Brussels and on-the-spot by the Delegations. Fortunately, the Delegation in Sofia and the Country Desk in Brussels (in DG Enlargement), took the view that their involvement in the setting up of the SAPARD Agency was both desirable and possible. As a result, the Commission has continuous monitored developments from within the country. This has proved invaluable when progress has stalled or clarification has been required. Moreover, the Delegation



François-Roger Czajka

Left to right: Graham Jenkins, SIGMA SAPARD expert; Stoyan Christov, Executive Director, SAPARD Agency, Bulgaria; Andrienne Sukova-Tosheva, Deputy Minister of Agriculture; Roman Iontchev, Deputy Director, State Fund Agriculture; Charles Groutage, DG AGRI; Vladimir Karamishev, Deputy Director, State Fund Agriculture.

has been able to channel a certain amount of funds to provide technical assistance for the development of the SAPARD Agency, and this on a timely basis. Without the back-up of the Delegation (from the Desk Officer to its Head), it is unlikely that the Bulgarian authorities would have achieved the success they have.

SIGMA Support

In the summer of 1999, a decision was taken to engage a consultant, Mr. Graham Jenkins, the former Finance Director of a British paying agency, to carry out a first review of the preparedness for accreditation of the designated SAPARD Agency. The consultant's report comprised sound recommendations and, importantly, listed a number of key activities leading to accreditation, which would need to be accomplished according to an agreed timetable. Mr. Jenkins' recognition of the need for organised project implementation was a key insight.

Unfortunately, the report was filed away for several months until resurrected during a fact-finding mission by the Commis-

sion in December 1999. It was clear that the report provided a very good starting point from which to develop a SAPARD Agency and this view was made clear to the Bulgarian authorities.

At this point, the SIGMA Programme was asked to help ensure that management and audit arrangements appropriate to a SAPARD Agency were put in place. Given the failure of the Bulgarian authorities to act on the first report of the consultant, SIGMA took action to ensure that a similar situation did not arise. Accordingly, a condition of the Programme's continuing assistance was that once they had completed a review of the current situation and prepared a proposal on how to proceed, the key parties involved - namely the Ministries of Finance and Agriculture - would formally sign up to the approach. SIGMA carried out the first review of the Bulgarian SAPARD preparations.

This ensured the availability of both an agreed diagnosis and an agreed prescription of how to proceed towards "accreditation-readiness" of the SAPARD Agency.

It also enabled the Commission and others to follow progress against a clear timetable. Once the two ministries gave their written agreement, SIGMA conducted several missions to Sofia over the ensuing months to provide practical advice and follow up. The Programme engaged an expert who provided guidance on the strategic and organisational levels, as well as on the detail of implementation. Reports issued after each visit ensured that all parties were kept informed of progress and were alerted and then able to discuss any issues of concern. SIGMA thus made an important difference in the quality and timeliness of the work achieved by the Bulgarian authorities. ■

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International Internal Auditing Standards

by Nick Treen

“Internal auditing” activities in the EU candidate countries are performed in diverse legal and cultural environments. They are carried out within and by organisations that vary in purpose, size, and structure, using persons within or outside the auditing organisation. These differences affect the practice of internal auditing within each country. Nevertheless, many EC Regulations require internal audit to comply with internationally accepted auditing standards. Thus, in order for internal auditors to meet their responsibilities under these Regulations, they need to know what standards are available to guide them in this area of work.

Today, there is only one set of internationally recognised internal auditing stan-

dards. These have been prepared by the Institute of Internal Auditors (IIA) for use both in the public and private sectors. Through its *Internal Auditing Standards*, the Institute aims to:

1. Delineate basic principles that represent the practice of internal auditing as it should be;
2. Provide a framework for performing and promoting a broad range of value-added internal auditing activities;
3. Establish the basis for the measurement of internal auditing performance; and
4. Foster improved organisational processes and operations.

The IIA's *Standards* are set out in the following box:



Nick Treen

The IIA is in the process of updating the *Internal Auditing Standards* and expect revised *Standards* to be approved within the coming weeks. The *Standards* will soon be accompanied by three complementary sets of standards: *Attribute Standards*, *Performance Standards*, and *Implementation Standards*.

Standards for the Professional Practice of Internal Auditing

- Foreword and Statement on Internal Auditing Standards (SIASS).
- Framework for the Standards for the Professional Practice of Internal Auditing.
- Summary of the General and Specific Standards for the Professional Practice of Internal Auditing.
- The Detailed Internal Auditing Standards, comprising:

<ul style="list-style-type: none"> 100 Independence <ul style="list-style-type: none"> 110 Organisational Status 120 Objectivity 200 Professional Proficiency <ul style="list-style-type: none"> The Internal Auditing Department 210 Staffing 220 Knowledge, Skills, and Disciplines 230 Supervision The Internal Auditor 240 Compliance with Standards of Conduct 250 Knowledge, Skills, and Disciplines 260 Human Relations and Communications 270 Continuing Education 280 Due Professional Care 300 Scope of Work <ul style="list-style-type: none"> 310 Reliability and Integrity of Information 320 Compliance with Policies, Plans, Procedures, Laws, Regulations, and Contracts 330 Safeguarding of Assets 	<ul style="list-style-type: none"> 340 Economical and Efficient Use of Resources 350 Accomplishment of Established Objectives and Goals for Operations or Programmes 400 Performance of Audit Work <ul style="list-style-type: none"> 410 Planning the Audit 420 Examining and Evaluation Information 430 Communicating Results 440 Following Up 500 Management of the Internal Auditing Department <ul style="list-style-type: none"> 510 Purpose, Authority, and Responsibility 520 Planning 530 Policies and Procedures 540 Personnel Management and Development 550 External Auditors 560 Quality Assurance
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- Statement of Responsibilities of Internal Auditing
- The Institute of Internal Auditors *Code of Ethics*

The *Attribute Standards* will address the characteristics of organisations and individuals performing internal audit services. The *Performance Standards* will describe the nature of internal audit services and provide quality criteria against which the performance of these services can be measured. The *Attribute* and *Performance Standards* apply to internal audit services in general. The *Implementation Standards* will apply the other two new standards to specific types of internal audit work (for example, a systems audit, a compliance audit, a fraud investigation, or a control or risk self-assessment project). ■

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Defining Terms for Internal Control and Internal Audit

PMF Vol. V, No.6, 1999 offered some useful definitions for internal financial control. In the following box, the Institute of Internal Auditors now offers additional definitions that help put the issues of *internal control system* and *internal audit* into the context of the overall control environment.

Box A. Definition of the Internal Control System

An **internal control system** encompasses the policies, processes, tasks, behaviours and other aspects of a organisation that, taken together:

- Facilitate its effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the organisation's objectives. This includes the safeguarding of assets from inappropriate use or from loss and fraud, and ensuring that liabilities are identified and managed.
- Help ensure the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the organisation.
- Help ensure compliance with applicable laws and regulations, and also with internal policies with respect to the conduct of its activities and business.

An organisation's system of internal control will reflect its control environment, which encompasses its organisational structure. The system will include:

- Control activities.
- Information and communications processes.
- Processes for monitoring the continuing effectiveness of the system of internal control.

The IIA has recently adopted a new definition of internal auditing which is set out in Box B. This is a world-wide definition that has been approved and adopted by all of the national institutes and chapters of the Institute of Internal Auditors (IIA), and is considered applicable to both the public and private sectors. Many of the EU candidate countries have either IIA national institutes or chapters. The development of a strong professional body in all of these countries would support the use of sound internal control.

Box B. Definition of Internal Audit

Internal Audit is an objective assurance and consulting activity that is independently managed within an organisation and guided by a philosophy of adding value to improve the operations of the organisation.

It assists an organisation in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's risk management, control and governance processes.

The Overall Control Environment

Although important, the best financial controls in the world are no match for ineffective management. In the view of the Institute of Internal Auditors, countries need to support a healthy internal control environment – including financial audit and internal control – in order to promote sound financial management. See Box C.

The Institute of Internal Auditors (IIA) is an international professional body with chapters now in many of the EU candidate countries. It produces the only internationally recognised standards for internal auditing. More information on internal audit matters and standards is available on the IIA website for Ireland and the United Kingdom: <http://www.iaa.org.uk>.

Box C. Key Requirements for a Strong Overall Control Environment

- Clear strategies for dealing with the significant risks that have been identified together with a policy for managing these risks.
- A culture, code and other systems that support the overall objectives and risk management and internal control system.
- Demonstration of the necessary commitment to competence, integrity and fostering a climate of trust.
- Clear definitions of authority, responsibility and accountability such that decisions are made and actions taken by the appropriate people.
- Communication to all relevant people of what is expected of them and the scope of their freedom to act.
- The knowledge, skills and tools to manage effectively the risks within the organisation.
- Adjustment of the processes and controls to reflect new or changing risks or operational deficiencies.

Head of Czech Audit Office Sees Common Challenges to Candidate Country SAIs



Lubomir Volenik

The President of the Czech Supreme Audit Office, Lubomir Volenik, has actively contributed to co-operation among the supreme audit institutions (SAIs) of Central and Eastern Europe. In an exclusive interview with PMF, he cites the shared needs of the region's SAIs, and describes his institution's efforts to prepare for the Czech Republic's eventual membership in the European Union.

PMF: *What do you see as the primary role and mission of the Czech Supreme Audit Office (SAO)?*

Volenik: The primary role and mission of the SAO is basically very similar to the supreme audit institutions of EU countries, i.e. to provide Parliament and the Government with competent information about the management of the state budget and state property. This information should be of highest quality and unequivocal in order to enable both branches of the state power to make the right decisions on how public funds are collected and spent. I also think that it is very important for the SAO to further strengthen its independence and

the reputation it has gained in the seven years of its existence, with regard to those audited and the public as well.

PMF: *What are the major challenges confronted by the Supreme Audit Office as the Czech Republic moves "from transition to accession"?*

Volenik: In my opinion, the major challenges the SAO is facing are common to all the SAIs of central and eastern European countries. You know, it is really difficult to explain to our EU colleagues our experience of living in a totalitarian system for several decades. The communist regime used to control everything and everyone — after the collapse of the communist system in 1989, people were naturally quite reluctant to continue with this form of totalitarian control. Unfortunately, one extreme was replaced by another, and control mechanisms almost disappeared. As a result, control systems in the executive branch were for several years almost non-existent and even today the internal control system does not work properly. SAIs of Central and Eastern Europe therefore can't rely on internal control units in central authorities. Instead of simply supervising their activities, they have to actually do their work.

PMF: *What do you perceive to be the main training needs for your staff and for those working in the Czech public administration?*

Volenik: I believe this is also an issue common to all the central and eastern European SAIs and to all public administration employees. The Iron Curtain had created not only a language barrier between our countries and those of the EU, but essentially made impossible an open exchange of professional information. As we all know, lack of information is a tragedy for every profession. This handicap of public sector employees can be overcome only by intensive training programmes. For SAI staff, it means primarily to implement the latest audit methodology. I don't really think there is a big difference between the quality of the work of our staff and that of our EU colleagues. But we have to make sure that our

audit methodology meets the INTOSAI auditing standards and EU implementing guidelines, and we have to identify our weak points and rectify them gradually by an intensive training of our staff. In this task we are basically on our own.

PMF: *You have taken an active role among the network of presidents of the SAIs in EU candidate countries. Drawing upon your experience, what do you think central/eastern European audit institutions can learn from one another?*

Volenik: As I have already mentioned before, the situation in all central and eastern European countries is very similar. The SAIs of EU countries have a long tradition and differ quite a lot. In comparison, the SAIs of this region have a relative advantage, since all of them have been newly established in the past decade and under similar circumstances. Our experiences are very similar, and so are the challenges that lie ahead of us. As a result, we understand each other very well and our co-operation is excellent. By the time our countries are ready for EU accession, candidate countries control systems might be (despite some differences due to national and constitutional traditions) more compatible than those of EU Member States.

PMF: *What role has international technical assistance played in helping central/eastern European SAIs to raise their standards and strengthen external audit?*

Volenik: I have already talked about the information barrier created by the Iron Curtain and about the need to accelerate professional training of our staff. And I have also said that in this task it is mainly up to us to help ourselves. Nevertheless, we still need a helping hand. Without the international technical assistance from colleagues from the SAIs of EU Member States, the European Court of Auditors and SIGMA, it would have been much more difficult for us to get acquainted with the latest audit trends, especially as far as practical implementation of modern audit methodology and techniques is concerned.

Continued on page 12 ►

How French Agricultural Boards Met EAGGF Accreditation Standards

by Claude Bernet

Like other EU Members, France must verify that the public agencies that pay out Common Agricultural Policy funds meet accreditation criteria established by the European Council Regulation 1663/1995. The following article examines the accreditation review of French agricultural boards, and highlights issues that arose when enforcing accreditation standards.

Since the introduction of the Common Agricultural Policy (CAP), France has entrusted the responsibility for paying out CAP support to its *Offices agricoles* (agricultural boards), spe-

cialised government bodies accredited as paying agencies. These boards have substantial experience with managing support to the agriculture and agro-food industry in particular sectors of the market (grain, oilseed, sugar, meat, milk, fruit and vegetables, wines and spirits, farm structures, etc.). The role of these boards has indeed always been to regulate agricultural markets and promote modernisation, in some cases well before the introduction of the CAP. The first agricultural board to be established was the *Office national interprofessionnel des céréales* (ONIC), the cereals board set up in 1936 to prevent speculation in wheat. The other boards were established in the 1960s, or between 1975 and 1982.

The agricultural boards are autonomous entities, distinct from the State, with a legal personality and budget autonomy. However, they report to the government,

which appoints their directors, and they derive most of their operating resources from the public purse. The boards come under the joint supervision of the Ministry of Agriculture and the Ministry of Finance. As public bodies, they are subject to the public accounting rules and standards.

Accreditation Review of the Agricultural Boards


During summer 1995, when EC Regulation 1663/95 was published, the most pressing task was to verify that each agricultural board responsible for making various European Agricultural Guidance and Guarantee Fund (EAGGF-Guarantee) payments complied with the specific accreditation criteria provided by the new regulation.

For this purpose, the agricultural boards were audited by teams of inspectors from



Image: Bank/Alain Chabot

SIGMA Charts New Course

Continued from page 3 

With the agreement of the OECD, SIGMA's two programme heads will coordinate closely with the European Commission. To underpin this arrangement, we have put in place new reporting requirements and, most importantly, new project authorisation procedures. These will ensure that work conforms fully with the Commission's requirements and on the basis of a positive assessment of a project's probability of sustainable effective implementation. We have also been asked to continue our work on assessments for candidate countries in the context of the Commission's "Annual Progress Reports" and, for the non-candidates, in the context of aiding the Commission's programming.

This "re-invention" of the SIGMA Programme has not been easy and has been accompanied by a significant downsizing that has been painful for all concerned. Many staff who have contributed to SIGMA's effectiveness have left or are about to leave, and I take this opportunity, publicly, to thank them for their past efforts and wish them well in their new professional challenge. I believe that SIGMA is

now effectively recreated in such a way that it can continue to serve its beneficiary countries to the same high standard as before, while performing fully in accor-

dance with Commission objectives. We look forward to a new phase of collaboration with our partners in the Commission and the countries concerned. ■

Commission's Progress Reports Highlight Need for a Clean, Modern Administration

"Modernisation of **public administration** and strengthening the **judiciary** are of crucial importance in the implementation of the *acquis* and the transition process [in the candidate countries of Central and Eastern Europe]. Considerable efforts have been made to train civil servants and judges and to reinforce the independence, professionalism and effectiveness of public administration and the civil service. This needs to be sustained."

"Last year's [Annual Progress] Reports identified **corruption** as a serious problem 'exacerbated by low salaries in the public sector and extensive use of bureaucratic controls in the economy'. This assessment remains valid. Corruption, fraud and economic crime are widespread in most candidate countries, leading to a lack of confidence by the citizens and discrediting the reforms. Anti-corruption programmes have been undertaken and some progress made, including accession to international instruments in this area, but corruption remains a matter of serious concern."

Source: Enlargement Strategy Paper, 8 November 2000,
Europa website: <http://europa.eu.int/comm/enlargement>.

Head of Czech Audit Office Sees Common Challenges to Candidate Country SAIs

Continued from page 10 

PMF: *As you know, the European Union and OECD are preparing to extend SIGMA's mandate through 2002. One of the areas in which the Programme will concentrate its efforts is external audit. What do you believe to be SIGMA's value added in this field, and what role do you see for "twinning" and other forms of technical assistance?*

Voleník: I am very happy to hear that SIGMA will be able to continue its work.

The Supreme Audit Office of the Czech Republic together with other institutions in our country have received invaluable professional assistance from SIGMA in the past. SIGMA experts have a great insight into problems our public administration is facing. In my opinion, SIGMA should continue to help countries of Central and Eastern Europe with expertise in the field of external audit and internal control, including providing information on the latest trends in public

finance auditing. And I certainly hope that the co-operation between the SAO and SIGMA in the coming years will be at least as good as it has been up until now. ■

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How French Agricultural Boards Met EAGGF Accreditation Standards

Continued from page 11 

the two Ministries in charge, Agriculture and Finance (four inspectors from the Ministry of Finance, and eight general inspectors and general engineers from the Ministry of Agriculture and Fisheries). Each French ministry has its own Inspectorate-General, usually comprising senior civil servants with considerable experience. In addition, some Inspectorates-General, notably in the Ministry of Finance, can call on young professionals recruited through a rigorous selection process (similar to that used by major private auditing firms). Their work is largely comparable to internal audit units, although it may be somewhat broader in scope. Inspectorates-General enjoy full functional and personal independence. The audits took place between December 1995 and March 1996, and produced assessments of individual agencies, including recommendations on compliance and a proposed timeframe for their implementation. The auditors concluded that all but two boards should be accredited.

Before proceeding with the formal accreditation, a second audit was carried out on request of the "Competent Authority" (i.e. the Ministries of Finance and Agriculture) in order to check the compliance with the most urgent requirements. The boards were accredited by inter-ministerial order on 15 October 1996 with the exception of the last two that received their accreditation in 1998, after substantial work to ensure compliance. A third general review was carried out in 1999, three years after the first accreditation, to ascertain the sustainability of compliance and check the progress made by the boards.

Practical Issues Raised When Enforcing Accreditation Standards

- The basic criteria related to the establishment of paying agencies by amendment of law, the existence of a technical control services, sufficient verification procedures (*ex ante* and on-the-spot checking) and, separation of authorisation and payment functions did not pose any difficulties. These criteria were already inherent in the set-up of the existing boards.
- The same goes for the accounting requirements relating to the identifica-

tion of beneficiaries, the payment of advances, income, and the sound keeping of accounts on support payments. They were consistent with the accounting legislation, standards and practices prevailing in France.

- Data-processing control standards were generally met in the existing set-up of the boards. Ensuring compliance with Regulation 1663/95, however, led to useful reviews of data-processing practices.
- Staff management criteria were generally met. The Regulation became a useful "back-up" for human resource services during internal and external negotiations on training plans and funding, and with regard to policy on staff mobility.
- Most boards, however, had to set up their own internal audit services, which did not previously exist, and draw up a procedures manual.

The new internal audit services were based in the inspectorates already established in the larger agencies. In smaller agencies, an audit service was set up from scratch, usually by selecting one or more experienced managers who received specific training.

Manuals were usually based on guidelines that officials had drawn up for internal use, and were drafted within a few months. However, the requirement of an official accreditation of the manuals changed fundamentally the status of these guidelines. This phase was in fact a period of in-depth reflection on the efficiency of investigation and control processes relating to claims for support.

Co-ordination and Certification Bodies

Article 2 of Regulation 1663/95 provides for the designation of a single representative, the so-called "co-ordinating body" in each Member State for all questions relating to the EAGGF Guarantee Section, and more specifically that this representative is to hold a full record of all accounting information required. Here, the French Government confirmed the role already played by ACOFA (*Agence centrale des organismes d'intervention dans le secteur agricole*), a central agency set up in 1983 for co-ordinating and monitoring public institutions involved in the agricultural sector.

Article 3 of Regulation 1663/95 introduced the yearly certification procedure of the financial statements of the paying agencies. The certifying body entrusted with this task must be independent of the paying and co-ordinating agencies. In order to ensure this, the French authorities set up a *Commission de certification des comptes des organismes payeurs* or CCCOP (certifying commission for paying agency accounts). The CCCOP is a collegiate, operating under the umbrella of the French Supreme Audit Institution, the *Cour des Comptes* (Court of Audit), but distinct from it. Clear linkage exists between the Court of Audit and the CCCOP as the Chair and Rapporteur-General of the latter must be members of the Court.

This CCCOP in its capacity as certifying body performs the annual financial audit of each agricultural board. A crucial part of this mandate is to check the compliance with accreditation criteria by reviewing and auditing the internal control systems and procedures. In addition to the formal attestation of the financial statements, CCCOP's findings are reflected in its annual report to the EAGGF. The agricultural boards regard such monitoring as extremely beneficial since it provides them regularly and at close intervals with an external appraisal of their compliance with the accreditation criteria.

Conclusion

With the legislation enacted and the organisational set-up and procedures described above, the French government successfully implemented Council Regulation 1663/1995. The requirements of the regulation to accredit paying agencies and certify EU accounts are similar to those that are now being addressed to governments of candidate countries for their management of funds from SAPARD. These specific requirements for accreditation of SAPARD agencies are now laid out in Council Regulation 2222/2000. ■

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The Global Move Towards Decentralisation of Public Services

Management Reforms in Government: A Review of International Practices and Strategies – An Outsider's Inside View, 2000, edited by Mohan Kaul.

This joint publication of the Commonwealth Association for Public Administration Management and the International Institute of Administrative Sciences shares experiences and good practices of both developed and developing countries. It aims to assist both practitioners and academics in moving forward the debate on government management reforms as part of overall national economic and social reform strategies.

Much of the material is drawn from the annual conferences of the International Association of Schools and Institutes of Administration (IASIA). The text highlights that for both developed and developing countries there has been a marked move away from public services being provided by a centrally regulated bureaucracy, to the use of diverse providers – arms-length agencies, commercial contractors, local government, community groups and national or international voluntary agencies.

The publication concludes that government reforms which have made management reforms an integral part of economic and social reforms are coping better with the challenges of globalisation, which demands stronger policy capacity and better public service delivery.

Management Reforms in Government: A Review of International Practices and Strategies – An Outsider's Inside View, Mohan Kaul, ed., 2000, 283 pages.
To order: IIAS, 1 rue Defacqz, box 11, 1000 Brussels, Belgium. Tel: (32.2) 537.97.02.



Inbox: A selection of recent articles and publications

Note: All publications below are available in English unless otherwise noted.

FROM SIGMA

SIGMA Paper No. 28, *A Comparison of the EC Procurement Directives and the UNCITRAL Model Law*, 2000, 20 pages.

SIGMA Paper No. 29, *Centralised and Decentralised Public Procurement*, 2000, 17 pages.

SIGMA Paper No. 30, *Public Procurement Review Procedures*, 2000, 31 pages.

SIGMA Paper No. 31, *Impact Assessment (draft title)*, forthcoming 2000.

SIGMA Paper No. 32, *Financial Management and Control of Public Agencies*, forthcoming 2000.

To order: SIGMA Publications, OECD, 2, rue André-Pascal, 75775 Paris Cedex 16, France. Also available at: <http://www.oecd.org/puma/sigmaweb>. Free of charge.

Managing Public Expenditure: A Reference Book for Transition Countries, SIGMA and OECD, forthcoming 2000. To order: OECD online bookshop: <http://www.oecd.org/bookshop>.

OTHER PUBLICATIONS AND ARTICLES

CALLHAN, Kathe. "The Challenge of Promoting and Sustaining Meaningful Citizen Participation", *International Review of Public Administration*, Vol. 4, No. 2, 1999, pp 23-32.

CARR, Fergus and MASSEY, Andres. *Public Policy in the New Europe: Eurogovernance in Theory and Practice*, 1999, 304 pages. To order: Marston Book

Services, Ltd., tel: (44.1235) 465.500; e-mail: directo.order@marston.co.uk.

CHANDLER, J.A., ed. *Comparative Public Administration*, 2000, 224 pages. To order: Routledge, 11 New Fetter Lane, London EC4P 4EE, UK; tel: (44.20) 75.83.98.55; fax: (44.20) 78.42.23.09; e-mail: info.politics@routledge.co.uk.

DE VRIES, Michael S. "The Bureaucratization of Participation", *International Review of Administrative Sciences*, Vol. 66, No. 2, September 2000, pp 325-348.

EUROPEAN COMMISSION (FORWARD STUDIES UNIT). *Democracy and Information Society in Europe*, 2000, 204 pages. To order: Palgrave, 175 5th Avenue, New York City, NY 10010, USA; tel: (1.212) 982.39.00; fax: (1.212) 777.63.59. \$35.00.

FARAZMAND, Ali. "Globalization and Public Administration", *Public Administration Review*, November/December 1999, Vol. 59, No. 6, pp 509-522.

HALACHMI Arie and Vickie L. Montgomery. "Best Value and Accountability: Issues and Observations," *International Review of Administrative Sciences*, Vol. 66, No. 3, 2000, pp 393-414.

HUBER, J.D. "Delegation to Civil Servants in Parliamentary Democracies," *European Journal of Political Research*, Vol. 37, No. 3, 2000, pp 397-414.

LANE, Jan-Erik. *New Public Management*, 2000. 256 pages. To order: Routledge, 11 New Fetter Lane, London EC4P 4EE, UK; tel: (44.20) 75.83.98.55; fax: (44.20) 78.42.23.09; e-mail: info.politics@routledge.co.uk.

O'BRIAN, Robert, Ann Marie GOETZ, Jan Aart SCHOLTE and Marc WILLIAMS. *Contesting Global Governance*, 2000, 260 pages. To order: Cambridge U. Press, The Edinburgh Building, Shaftesbury Rd., Cambridge CB2 2RU, United Kingdom. Tel: (44.1223) 312.2393; fax: (44.1223) 315.052.

PAPANGELI, Evangelia. "The Application of the EU's Works, Supplies and Services Directives to Commercial Entities," *Public Procurement Law Review*, No. 5, 2000, pp 201-225.

POTŮČEK, Martin. *Not Only the Market: the Role of the Market, Government and Civic Sector in the Development of Postcommunist Societies*, 1999, 146 pages. To order: Central European University Press, Október 6 u. 12, 1051 Budapest, Hungary; e-mail: ceupress@osi.hu.

ROBINSON, Neil, ed. *Institutions and Political Change in Russia*, 2000. To order: Palgrave, 175 5th Avenue, New York City, NY 10010, USA; tel: (1.212) 982.39.00; fax: (1.212) 777.63.59.

ROWAN, Jones. "National Accounting, Government Budgeting and Accounting Discipline." *Financial Accountability & Management*, Vol. 16, No. 2, 2000, pp 101-116.

SAAFELD, T. "Members of Parliament and Governments in Western Europe: Agency Relations and Problems of Oversight", *European Journal of Political Research*, Vol. 37, No. 3, 2000, pp 353-396.

SHEPHERD, Andrew. "Governance, Good Government and Poverty Reduction", *International Review of Administrative Sciences*, Vol. 66, No. 2, 2000, pp 269-284.

Budgetary Reform in Central and Eastern Europe

by Richard Allen



Richard Allen

As I depart from SIGMA, it might be instructive to inform readers of my impressions of recent reforms in the area of budgeting and financial management. How far has the process gone and is it going in the right direction?

Shortly after my arrival in SIGMA, in late 1996, I wrote in the PMF that: "Not all central and eastern European countries have yet put in place the basic 'building blocks' of effective, modern budgetary systems. These foundations include organic budget laws defining the new roles and responsibilities of the main institutions involved in the budget process; a framework of government accounts based on standardised economic and functional classifications; and an effective cash-management system based on a single treasury account. Another key priority is to develop effective systems of internal and external financial control." I also stressed that ministries of finance in these countries needed to escape from their traditional role as "ministries of accounting" under the former soviet regime to become powerful central ministries with responsibilities in the closely related areas of policy making, budgeting, control, forecasting and international finance. Few ministries in the

region have achieved this transition (which requires a political consensus), but several are making progress in the right direction. In 1996, many countries in the region were facing huge stresses on their budgets. In the past four years, considerable progress has been made in bringing fiscal deficits under control, and introducing tighter budgetary procedures. Nevertheless, many problems remain. Measured against the "baselines" that SIGMA has developed in order to assess the progress of central and eastern European countries in the areas of budget management, financial control, public procurement and external audit, two or three countries have now broadly reached the minimum standard required for EU Membership. But most countries still lag behind:

- In many, but unfortunately not all countries, a legal basis (e.g. an organic budget law) has been put in place that is at least reasonably comparable to that found in EU Member States.
- In many countries, there remains a serious problem of budgetary fragmentation (e.g. large numbers of extra-budgetary funds and extra-budgetary accounts) and loosely regulated public agencies.
- Some countries have established a medium-term budget framework but the econometric modelling techniques supporting the framework are often weak and hampered by unreliable and incomplete statistical information.
- Institutional fragmentation often means that several ministries are responsible for preparing the medium-term budget, the Public Investment Programme and the National Development Plan, and for coordinating bilateral and multilateral financial aid. These activities should be located in the ministry of finance.
- Most candidate countries have essentially a bottom-up approach to budgeting and few set firm ceilings on spending early in the process. In many countries, the budget documents presented to parliament are of limited practical use and lack transparency.
- Budgeting for capital investment is not fully integrated with budgeting for current expenditure in any country of the region.
- Some countries have introduced modern systems of cash management through a

treasury single account. Others are less advanced.

- In some countries, EU budget funds are not yet fully integrated with the budget process. New systems of accounting and budget classification need to be developed that include EU budget flows in a transparent way.
- Several countries are unable to produce public sector accounts (or national accounts) conforming to ESA95.
- Financial control and internal audit procedures generally remain very weak. These need to include robust control and reporting procedures for managing EU pre-accession funds through the National Fund and the implementing agencies.

Countries need to improve their administrative capacity in these areas. Whether or not these are technically part of the EC's *acquis communautaire*, they are essential if government programmes are to be delivered as cost-effectively as possible. This will require substantial investment in staff development and training, supported in many cases by EC twinning projects and other technical assistance programmes. In addition, parliaments need to strengthen their capacity to analyse budgetary information, so that they can play a full role in balancing the power of the executive. This should include developing the role of parliamentary committees for budget and public accounts, and strengthening the capacity of the supreme audit institution and its links with the parliament. As noted before in these pages, we advocate a cautious approach by transition countries in embracing the ideas of the "New Public Management", such as the introduction of accrual budgeting and creation of independent agencies that, unless properly regulated, may subvert the requirements of sound financial management. Whatever the longer-term attractions of such developments, in the short term they are likely to divert attention from the much more pressing needs, for most countries, of managing flows of revenues and expenditures through the budget on a tightly controlled cash basis.

Richard Allen headed SIGMA's unit for Budgeting and Resource Allocation, 1997-2000. Beginning on 29 January 2001, he will serve as Senior Adviser on Governance at the Asian Development Bank in Manila, tel: (632) 632.44.44; fax: (632) 636.24.44.

SIGMA – Support for Improvement in Governance and Management in Central and Eastern European Countries – is a joint initiative of the OECD and the European Union. The initiative supports public administration reform efforts in thirteen countries in transition, and is principally financed by the EU Phare Programme. The Organisation for Economic Co-operation and Development is an intergovernmental organisation of 30 democracies with advanced market economies. Phare provides grant financing to support its partner countries in Central and Eastern Europe to the stage where they are ready to assume the obligations of membership of the European Union.

Phare and SIGMA serve the same countries: Albania, Bosnia-Herzegovina, Bulgaria, the Czech Republic, Estonia, the former Yugoslav Republic of Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

Established in 1992, SIGMA works within the OECD's Public Management Service, which provides information and expert analysis on public management to policy-makers and facilitates contact and exchange of experience amongst public sector managers. SIGMA offers beneficiary countries access to a network of experienced public administrators, comparative information, and technical knowledge connected with the Public Management Service.

SIGMA aims to:

- assist beneficiary countries in their search for good governance to improve administrative efficiency and promote adherence of public sector staff to democratic values, ethics and respect of the rule of law;
- help build up indigenous capacities at the central governmental level to face the challenges of internationalisation and of European Union integration plans; and
- support initiatives of the European Union and other donors to assist beneficiary countries in public administration reform and contribute to co-ordination of donor activities.

Throughout its work, the initiative places a high priority on facilitating co-operation among governments. This practice includes providing logistical support to the formation of networks of public administration practitioners in Central and Eastern Europe, and between these practitioners and their counterparts in other democracies.

SIGMA works in five technical areas: Public Administration Development Strategies; Policy-Making, Co-ordination and Regulation; Budgeting and Resource Allocation; Public Service Management; Financial Control and Audit. In addition, an Information Services Unit disseminates published and on-line materials on public management topics.

ON THE AGENDA



Upcoming Programmes

22-23 February 2001, Maastricht, The Netherlands. "Enlargement of the European Union: prerequisites for Successful Conclusion of the Accession Negotiations."

Contact: EIPA, POB 1229, NL-6201 BE Maastricht.
Tel: (31.43) 329.62.22; fax: (31.43) 329.62.96;
e-mail: eipa@eipa-nl.com; website: <http://www.eipa.nl>.
In English.

15-17 March 2001, Naples, Italy. Third Global Forum on Governance "Fostering Democracy and Development through E-Government."

Major international event for policy-makers, government officials, industry and civil society following on the success of previous meetings in Washington DC (1999) and Brasilia (2000). Contact: Department of Public Administration (Italy). Tel: (39.06) 68997176; Fax: (39.06) 6899 7175; e-mail: projectleader@globalforum.it; website: <http://www.globalforum.it>. In English.

9-11 April 2001, Barcelona, Spain. Fifth International Research Symposium on Public Management (IRSPM V) "Building Public-Private Partnerships: Theoretical and Empirical Developments."

Contact: Symposium organiser,
e-mail: grupcies@rete-mail.es. In English.

10-12 May 2001, Jurmala, Latvia. 9th NISPAcee Conference "Government, Market and the Civic Sector: The Search for a Productive Partnership" (in co-operation with the Latvian School of Public Administration).

Contact: Viera Wallnerova, NISPAcee, Hanulova 5/B, POB 163, 840 02 Bratislava 42, Slovak Republic. Tel: (421.7) 64.28.55.58; tel/fax: (421.7) 64.28.55.57; e-mail: viera@nispa.sk. In English.

7-11 October 2001, Prague, Czech Republic. 10th International Anti-Corruption Conference "Together Against Corruption - Designing Strategies, Assessing Impact, Reforming Corrupt Institutions" (hosted by the Government of the Czech Republic and Transparency International Czech Republic).

Contact: TI Czech Republic, Klimentaska 30, 110 15 Prague 1, Czech Republic. Tel: (420.2) 21.61.71.37-9; fax: (420.2) 23.14.284; e-mail: info@10iacc.org; website: <http://www.10iacc.org>. In English.

Please note that not all of the programmes included in this calendar are open to every public administration practitioner or the general public. Details are provided directly by the organiser, who may be contacted for further information.