

Chapter 32 - Financial Control

Positions from the meeting

Working groups of the National Convention on the European Union
and the Central Harmonization Unit

March 2021

This document was prepared as a presentation of the views from the meeting of the Working Group of the National Convention on the European Union for Chapter 32-Financial Supervision and the Central Harmonization Unit, which was held on March 11, 2021.

We thank the Central Harmonization Unit for the extremely useful meeting and the members of the working group who participated in the meeting and contributed to the work of this Working Group. We look forward to future cooperation

Positions from the meeting

During the meeting between the National Convention on the EU's Working Group for Chapter 32 – Financial control and Central Harmonisation Unit (CHU) held on 11th of March 2021, the following positions were put forward:

- On behalf of the Working Group, CEVES presented its conclusions on the status of internal financial control in the public sector.
- The CHU reflected on the Working Group's conclusions on the condition of internal financial control in the public sector and clarified certain questions.
- The CHU reported that intensive work was being done on the implementation of Financial Management and Control and the development of internal audit, but that the results were to come later than expected, primarily because of the scope of the ongoing reform, existing business culture and insufficient training of staff within the public sector.
- The CHU, recognizing its limited internal capacities, stated it was putting in the effort to maximise progress. Alongside slower advancement in perception of internal financial control in the public sector, the most significant limiting factors in terms of insufficient capacity (of both the Central Harmonization Unit and local stakeholders) are the current employment ban and inadequate wages for required skills and qualifications.
- The CHU stated that it was essential to promote managerial accountability of the executives (in the sense that executives are to be accountable for achieving objectives and not only for the legality of work). In addition, it was noted that certain measures under the Strategy on Public administration reform were underway, and so within a specific goal - Accountability and transparency. These measures are to focus on defining systematic solutions that would foster managerial accountability, with special focus on performances management.
- The CHU, regarding the implementation of recommendations given to other state bodies, stated that the mechanism introduced two years ago (requiring ministries and judicial bodies to implement recommendations by the Government conclusion) had yet to be materialised, but that it expected gradual progress in the implementation of the recommendations.
- Participants agreed that there was readiness for permanent communication and exchange of views and experiences.
- Working Group will work on improving methodology for monitoring activities regarding Chapter 32.

The meeting was attended by Spomenka Wurzburger, assistant of the Minister (Ministry of Finance) (CHU), Zoran Živojinović, (CHU), Ivana Zlatanović (CHU), Milan Bunčić, (CHU), Marijana Radovanović, CEVES (WG 32), Pavle Medić, CEVES, (WG 32), Lana Hadži-Niković, CEVES (WG 32), Vladan Malešev, Professional network for sustainable development (WG 32), Miloš Đinđić, CEP (WG 32), Jozefina Beke Trivunac, Association of Serbian internal auditors (WG 32).