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**BUDGETING PROCCES  
AND INTERNAL PROCEDURES  
OF UPZ REGARDING  
BUDGETING**

**Prill 2016**

## I. GENERAL INFORMATION REGARDING THE BUDGETING PROCCESS OF UPZ

Public University of Prizren was established in **the Decree of the Government of Republic of Kosovo no. 01/87, date October 9, 2009.**

On 30 May 2013 the Statute of the University "Hoti" in Prizren was approved, which is still

Earlier this year Vice Rector for Finance and Infrastructure of UpZ was appointed who is currently in the same position.

UPZ doesn' t has a Budget official, even though most other economic operators employ a special budget official.

**UPZ functioned and still functions as a sub-program of MEST.**

As a sub-program, UPZ has some limitations in budget procedures different from other operators that are independent programs.

The crucial limitation is that, as far as budgeting goes sub-programs do not keep direct relations with MEF but as the case of UPZ, they keep them in an indirect way through MEST.

Budgetary activities for the following year start from the end of March of the current year. So for the budget year 2017, the initial requests will be submitted in March 2016.

Usually, through our experience so far, the budgetary demands are required to be within the boundaries (limits) which are determined by MEST (for those who are independent-MEF), so that even today it is not clear whether the limits of UPZ- are limits determined by MEF or MEST.

I think that are limits determined by the last one

The new demands are required to be named as "additional demands", which usually are not considered and "approved" only those under the limits.

"Limits" set have one base and that is the BUDGET SPENDING done in the previous years. Such base has its arguments (" you do not need more money because you do not spend it ") but does not take into account the fact that the new operators ( such as UPz etc.) Have not yet reached a level of "stabilization" – growth, nor in terms of staff needs, nor as regards the demands for the supply of goods and services and there is constantly demand for new subsidies and transfers and Utilities—  
DUE TO THE GROWTH OF THE UNIVERSITY.

**Note:** It is logical to expect that the opening of new universities will reduce the number of students in UP (and will reduce the budget of UP and the number of staff there), and it is logical to expect that the number of students in new universities will increase (and the number of staff and budget for them).

## II. BUDGET APPROVED BY YEAR IN UPZ

| Economic Category | 2013  | 2014  | 2015  | 2016  | 2017  |
|-------------------|-------|-------|-------|-------|-------|
| Wages             | 1,470 | 1,550 | 1,509 | 1,619 | 1,822 |
| Subsidies         | 774   | 783   | 646   | 600   | 790   |
| Utilities         | 83    | 84    | 53    | 53    | 75    |
| Subvenc.          | 45    | 50    | 10    | 10    | 90    |
| Capital           | 1,300 | 500   | 85    | 500   | 800   |
| Nr. employees     | 130   | 130   | 139   | 139   | 150   |
| Total:            | 3,671 | 2,967 | 2,303 | 2,782 | 3,577 |

**Note:** there is a tendency to reduce the budget for Goods and Utilities, what can not be justified in any way.

In 2015 we did not have enough funds to pay electricity bills.

Also there is a tendency of insufficient budget allocation for subsidies and transfers.

\* The staff is taken by UP Professors PA BUDGET !

**Note:** The basic limit for 2017 budget is in Blue!

Logically we should wait for our budget requests to get "Negotiated", which usually does not happen.

Usually, MEST forms a committee, which is led by the S / P of MEST, who "allows the budget" for next year.

UPZ for the budget year 2016 has not signed (has not accepted) the approved budget, which was drafted from a commission from the MEST, in which there has been no UPZ representative.



### III. INTERNAL PROCEDURES THAT SHOULD BE FOLLOWED REGARDING BUDGETING

With the current Statute OFUPZ , the Governing Council is the main governing body of UPZ - responsible for finances.

Naturally, it is the primary responsibility of the management of UPZ (Rector, Vice-Rector for Finance, Finance Secretary and other officials)

With the Law on Public Financial Management and Accountability, the official accountable regarding the spending of the budget are:

- a) Chief Administrative Officer;
- b) Internal Auditor;
- c) Chief Financial Officer;
- d) Procurement Officer, and
- e) Certifying Officer

## IV. BUDGETING PROCEDURES REGARDING STAFF WAGES

Regarding budgeting staff salaries, key problems that arise are UPZ development plans in the coming years.

At this point there should be close cooperation between UPZ units (Deans, Secretaries of faculties) in order to draft faculty development plans, review them at UPZ bodies (Governance Council, Senate management) and notify the Financial services with those plans so they can compile the requirements for the number of employees and funds.

Other duties are routine to the financial services - which are carried out based on experience from previous years and based on results of the financial analysis (average salaries for academic staff, civilian staff, the monetary requirements based on development plans, etc.).

## V. BUDGETING PROCEDURES REGARDING GOODS AND SERVICES

The procedures associated with this economic category are simple: They can be made by service-based experience regarding Budget spending in previous years and services analysis.

Eventually, the cooperation of the faculties regarding demands Based on economic codes, like we tried to do in 2016

## VI. BUDGETING PROCEDURE REGARDING UTILITIES, SUBSIDIES AND TRANSFERS

For these two categories is sufficient to know economic experiences of the past years (more or less known are the costs for electricity, water, waste and phone) and the level of scholarship per academic year).

## VII. CAPITAL INVESTMENTS

For this economic category as a first priority is the participation of senior management since here PROGRAMS are funded (and, if available, Projects), for which UPZ management decides exclusively (constructions, reconstructions, vehicles, labs, etc.).

## VIII. CONCLUSIONS – CURRENT SITUATION IN UPZ

**The Law for Public Financial Management** specifies that financial O.B. officials are responsible for financial entrepreneurship of O.B. They are:

- ▶ Chief Administrative Officer;
- ▶ Internal Auditor;
- ▶ Chief Financial Officer;
- ▶ Procurement Officer, and
- ▶ Certifying Officer

Technical preparations finished regarding UPZ financial autonomy (the account is created for access in FREE-Balance), which has facilitated the work in Financial Service

Earlier this year created two account for access in Free-balance and were certified to work  
In this aspect:



- ▶ Certifying Officer;
- ▶ Commitment Officer;
- ▶ Expenses officer;
- ▶ Good Acceptance Officer;
- ▶ Revenue Officer;
- ▶ Property and Assets Official , and
- ▶ The reporting Officer

Of course, all these issues what were mentioned above (and others I couldn't summarize in this short presentation) was discussed on workshops organized by the project (FAITH), who helped much so we can ascertain that UPZ is fully prepared in terms of personnel to perform the function of financial autonomy

Thank You For Your Attention