

**ADVANCING THE FINANCIAL  
AUTONOMY AND ACCOUNTABILITY  
AT THE UPZ**

**March 24, 2016**

## I. GENERAL INFORMATION

### (LEGAL BASIS OF UPZ)

Public University of Prizren was established under the decision of the Government of Republic of Kosovo no. 01/87, of October 9, 2009.

According to paragraph 2 of that decision, it was foreseen that MEST nominate the Governing Council who will be responsible for the implementation of the above decision.

According to paragraph 3 of the same decision, MEST was assigned to make "all necessary preparations to enroll first students in UPZ for the academic year 2010/2011".

Regarding the implementation of paragraph 2 of the decision, with the decision of the Minister of MEST no. 815/01-B, of March 1, 2010, the permanent secretary of UPZ was appointed.

From October 2010, as we are informed, MEST has nominated two founding directors of UPZ.

The above team, with staff engaged on contract work, has made all the preparations and procedures regarding student registration in the first academic year 2010-2011.

In early October 2010, came to work German Rector, Ronald Mönch, together with his associate, Mr. Martin Bourgeois.

Governing with UPZ in establishment, based on competencies that the provisional Statute of UPZ gave him, of August 4, 2010. Rector:

07.09.2010 has announced the job vacancy for the recruitment of civil staff and was recruited, among others, a Budget and Finance Officer.

According to the second job vacancy, 12.01.2011, were accepted:

- A Certifying Officer;
- A procurement officer.

According to the third job vacancy (20.09.2011) after German Rector left, besides others, there were accepted:

- An official of salary and expenses;
- An officer of property and assets;

According to the Statute mentioned above, UPZ has worked until July 1, 2011, when it was approved the Amendment of Provisional Statute of UPZ.

Based on the decision of the Minister of MEST, no. 01B / 0074, of May 6, 2011, there were appointed two Vice-Rectors, one of whom engaged On Finance and Infrastructure.

On May 30, 2013, the Statute of the University "Ukshin Hoti" in Prizren was approved, on the basis of which it works today.

In early 2014, Vice Rector for Finance of UPZ was appointed, who has performed that function for a very short time.

Earlier this year, Vice Rector for Finance and infrastructure of UPZ was appointed, which is also currently in this position.

UPZ has worked and still works as a sub-program of MEST.

## II. ADVANCING THE FINANCIAL AUTONOMY OF UPZ

To establish an institution that bears such great responsibility as the work of a University for management staff and labor is like the responsibility of parents to have children: Satisfaction of conception is very short and lasts for a few, but the responsibility to mature (raise) them is very big and long lasting.

Legal basis of the University's financial activities is the LAW OF PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTABILITY, law of PROCUREMENT AND STATUTE of UPZ.

Of course, financial autonomy of UPZ was gradually advanced.

## **a) MANAGEMENT OF STAFF WAGES**

Immediately at the beginning (2010), UPZ has been granted independence to manage salaries of academic staff and civil staff.

Within the budget and finance service, employment contracts were drafted for academic staff (because civil staff has long-term contracts) and all the relations were held with MPA, payroll service.

The key problem the service has faced at this time has been the ways of calculating the salaries of academic staff, which is the problem that follows even now.

Note:

According to the approved Law on the Budget, the approved budget for a specific year is limited only to that period of time.

At the same time, limited is also the number of workers for that year.

If this number is for eg. 130, it is not written anywhere that they do 130X 40h of civil service, which are  $(130 \times 40h \times 12 \text{ months}) = 62,400$  work hours which must be paid.

So, it is not simply an employee = a worker, because it can be a part-time employee (as it is about 70% of staff).



## **b) Management of Budget for goods and services**

At first, in the absence of a certified procurement officer, all supplies were performed based on the contracts of MEST, which could be done, as we are a subprogram of it.

The second independence granted by financial aspect is PROCUREMENT. After the employment of Procurement Officer all procedures were performed in UPZ, naturally in accordance with the relevant procurement law (requirements for procurement procedures; announcement; openings; Assessments etc.) and procedures for all the payments and responsibilities were done in UPZ, except the registrations in Free balance, for which we did not have the right to use and they were performed in MEST

(Commitment of funds, expenditure and certification and registration of assets).

Also, in UPZ all the payment procedures were performed by economic category of utilities, subsidies and transfers.

All procedures related to tendering and payments of funds from the category of Capitals were performed in UPZ.

Special challenge during this period was the cooperation with MEST respective services, who have also been assigned with the job of Universities that are soon going to be established, and has submitted "additional burden" for the staff of MEST.

Throughout this period, regular quarterly reports were made for the Interim Governing Board of UPZ and then for the Governing Council, and we have undergone regular audits once or twice a year.

## **c) CURRENT SITUATION**

The Law on Public Financial Management .... specifies that financial officers of budget organization, responsible for financial aspects of the B.O. are:

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

At the end of 2015, technical preparation related to financial autonomy of UPZ were made (access to the FREE-Balance was created).

Earlier this year two links for access to Free-balance were created and the officers are certified to work in this aspect:

- 1) Certifying Officer;
- 2) Expenses Officer;
- 3) The receiving of goods Officer;
- 4) Revenue Officer;
- 5) Officer of property and assets, and
- 6) The reporting officer.

Also, according to the Statute of UPZ, it's Governing Council, which is the "the main governing authority of the University ", " is responsible for all decisions related with financial matters (budget, staff, infrastructure) ...".

For the complete performance of duties dealing with finances, only the Officer for Commitment has not been certified yet, due to the organization of groups for training that MEF makes.

What remains common with MEST is the preparation and negotiation of Budgetary requirements (which MEST makes for UPZ) and that is an issue that must be solved as soon as possible.

Note:

UPZ has the internal auditor, who fails to perform his function in UPZ, for reasons that we do not know.

## Note:

The UPZ budget for year 2016 has not been signed (has not been received), which a formed commission from MEST makes, in which UPZ had no representatives.

For all the issues mentioned above (and other issues I could not summarize in this brief presentation) was discussed in workshops organized by the project (FAITH), which have helped many, so we can conclude that UPZ is fully prepared in terms of staff to perform its financial function independently.

**Thank you for your attention**