

CHAPTER 4

**DELIVERING AN
EFFECTIVE AND
ACCOUNTABLE
ORGANIZATION**



ACCOUNTABILITY

Instilling a strong sense of accountability is fundamental to creating a culture of learning within an organization, which in turn leads to high-quality and sustainable operational processes, as well as an optimal allocation of resources.

AMRO is accountable to its shareholders: the 27 member authorities in 13 countries across the ASEAN+3 region. As a young, 10-year-old organization, AMRO has already made significant progress in establishing and further strengthening its own organizational Performance Evaluation Framework (PEF).

Since 2017, AMRO has been working on incorporating results-based management (RBM) by developing an institutional PEF, which comprises a results framework, a set of indicators, and a staff handbook. The PEF serves as an integral part of the RBM cycle of “Plan-Implement-

Monitor-Analyze-Learn”. Following the conclusion of the PEF pilot in 2018, the EC agreed to formally adopt the PEF effective January 1, 2019.

Following the PEF, AMRO has been conducting annual surveys on its three core functions—surveillance, CMIM support, and TA—with its member authorities and TA participants, and has been using a media monitoring platform to track and measure media coverage. PEF survey results and operational data collected are regularly analyzed and reported by AMRO in annual results reports, alongside recommendations for institutional improvement. The constructive feedback from members through the surveys and follow-up processes is also channeled into the planning of AMRO’s annual work program and MTIP.

As part of this process, different groups within AMRO conduct intensive internal deliberations about the members’ comments. These ultimately inform

the development of concrete follow-up plans. The awareness and understanding among AMRO staff of PEF and RBM have gradually improved over the years. In 2021, AMRO conducted PEF and RBM training for its member authorities to further promote understanding and support, thereby also strengthening AMRO's accountability to its shareholders.

Still, RBM is an iterative approach that requires fine-tuning through regular reviews and updating of frameworks to ensure its continued effectiveness. As the building block of RBM, the PEF also requires constant refinement along with the institutional development of AMRO.

To ensure that the PEF effectively captures AMRO's operational progress and supports the implementation of the MTIP 2020-2024 with updated strategic priorities and key initiatives, AMRO has further refined the results framework and set of results indicators. This update was endorsed by the EC in December 2020 and came into effect in January 2021. Since 2020, AMRO has also initiated an Integrated Evaluation Cycle to strengthen linkages between its PEF, budget, work program, and staff evaluation processes.

Building on these past achievements, AMRO will continue to study international best practices and further enhance its PEF with the aim of consistently enabling a results-oriented organization.

HUMAN RESOURCES

In the 10 years since AMRO was established in Singapore, as a company limited by guarantee, it has developed into a young IO. Over that period, total approved headcount has increased 525 percent from 12 to 75. AMRO's human resources (HR) team, which has grown from one employee in 2011 to three in 2021, has effectively supported the rapid organizational growth and developed full-fledged HR functions along the way, with improved professionalism, a talent-centered mentality, and innovation capabilities.

In 2021, AMRO had tried to achieve the ambitious organizational development objectives set forth in the MTIP 2021-2025 while contending with the prolonged challenges associated with the COVID-19 pandemic. In order to do so, AMRO's HR function had to raise its performance in terms of its resilience, innovation, and appreciation for talent.

As a result, AMRO achieved unprecedented success in its recruitment efforts. More than 30 staff joined AMRO from the US, the UK and the ASEAN+3 region, bringing with them valuable experience from working in prestigious multilateral institutions like the IMF and the World Bank, as well as in central banks, finance ministries, and the private sector. AMRO achieved a 94.6 percent fulfilment rate, while progressively working toward increasing workplace diversity—its male-to-female gender ratio currently stands at 60:40.

AMRO also saw its regular staff exchange with the IMF expanded to cover more departments and higher levels, including the first-ever Division Chief from the IMF, who arrived to lead AMRO's regional surveillance group. Moving in the other direction was an AMRO Senior Economist, who joined the IMF's capacity development cohort.

In terms of training, in January 2021, AMRO provided staff with full access to LinkedIn Learning, a robust online learning portal available anytime through both a web-based platform and a mobile app. AMRO also organized a seminar for managers on team performance management, and provided year-long in-house group trainings for employees. It also supported specific business priorities and individual staff development needs by sponsoring external trainings.

AMRO also continued its longstanding efforts to foster a more conducive workplace environment, as part of a larger goal of establishing itself as an employer of choice. It commenced a holistic review of its staff compensation and benefits package with Willis Towers Watson, a HR consultancy firm, in order to remain competitive in the industry.

Meanwhile, to facilitate the effective on-boarding of new staff amid the pandemic, AMRO's HR team created an online office orientation video, and organized the first-ever joint orientation program for new staff by the HR, finance, and ICT teams. It also expedited the payment of appointment benefits and offered short-term loans to support new staff during their relocation to Singapore. Finally, as the "workplace environment" today necessarily implies some degree of work from home, AMRO strengthened its support to hybrid work arrangements wherever necessary (see box).

HIGHLY FLEXIBLE WORK ARRANGEMENTS DURING THE PROLONGED COVID-19 PERIOD

AMRO actively supported staff who wished to work from home throughout the year. It provided a Work from Home supplement to enable a conducive work environment.

The organization also continued the temporary increase of the ceiling for annual leave balance carry-overs to the following year, and allowed the extension of Home Country Travel benefits so that staff can visit their families when travel restrictions ease. It further expanded the work from home country arrangement, providing more flexibility for staff to work remotely.

AMRO also offered extra flexibility for new joiners to work remotely. It worked closely with host country authorities to facilitate visa applications and entry approvals throughout the year to support travel and relocation to Singapore for new staff and their families.

Conscious of the pandemic's potential impact on wellbeing, AMRO also increased the health coverage for staff mental wellness, raised staff awareness of the employee assistance program under the medical plan, and organized a series of wellness seminars in collaboration with external providers.



BUDGET AND FINANCIAL MANAGEMENT

The 2021 Manpower Related Budget of US\$21.8 million was approved in 2020 amid the pandemic. AMRO's budgetary management seeks to ensure transparency and accountability, while striking a good balance between budget requests, prudent spending, and effective budget implementation. The implementation of FY2021 was 86.6 percent as a result of pandemic-forced reductions in expenditures like travel, seminars, and conferences. AMRO continues to ensure that its endowed resources are carefully utilized.

The 2021 Office Related Budget of US\$6.0 million was utilized to 82.7 percent. One of the biggest items was the office renovation on the 14th floor of the MAS building in Singapore, which the host country approved as part of AMRO's office related budget, enabling AMRO to continue its growth.

The EC approved AMRO's request to continue accumulating reserves and to double the liquidity buffer under AMRO's Reserves Usage Guidelines. This significantly improves the financial resilience of AMRO, ensuring that services shall continue for much longer even in times of crisis. AMRO's reserves grew to US\$14.4 million as at December 31, 2021.

External Audit

PricewaterhouseCoopers LLP, the independent auditor appointed by the EC, conducted a thorough audit on the financial statements of AMRO, the China TA Trust Fund, the Japan Special Trust Fund, and the Korea TA Trust Fund.

The auditor concluded that the financial statements of the organization were drawn up in accordance with the International Financial Reporting Standards (IFRS), so as to give a true and fair view of the state of affairs of AMRO and the Trust Funds as at December 31, 2021.

Internal Audit

Deloitte and Touche LLP, the independent auditor selected through a competitive bidding process and appointed by the EC, conducted a thorough audit on Human Resources Management, Information Technology General Controls and the CMIM, and provided findings and recommendations for AMRO to consider.

Business Continuity Management System

To improve business continuity capabilities in a systematic manner, AMRO developed the Organizational Business Continuity Management System. Testing of and improvements to the system will continue in 2022.



With support from the host country (Singapore), AMRO expands its office space to the 14th floor of the MAS Building.



INFORMATION AND COMMUNICATIONS TECHNOLOGY

As online collaboration becomes the “new normal”, and with AMRO staff working from their home countries around the world more often in 2021, AMRO further improved the cyber security, resilience, and service quality level of its Information and Communications Technology (ICT) systems. Through careful implementation of security protocols and infrastructure upgrading, AMRO’s ICT team provided reliable and convenient support to its core functions as well as the ASEAN+3 financial cooperation process amid the pandemic.

AMRO was able to ensure user satisfaction, even when engaged in remote work, with the implementation of Wi-Fi 6 and the WorkspaceONE management system, as well as a 10 percent increase in bandwidth capacity. The rollout of advanced virtual private network (VPN) technology to cover all remote working sites boosted security while the deployment of an ICT disaster recovery plan at a certified disaster recovery site fortified AMRO’s resilience.

Through intensive, focused, hands-on training sessions, AMRO staff were able to fully harness the functionality of numerous platforms and applications, including Microsoft Office 365 and SharePoint. The use of Microsoft Teams, integrated with Cisco WebEx, enabled AMRO staff to conduct internal and external meetings that were easily and widely accessible.

Sound ICT infrastructure allowed for AMRO’s first remote participation at the ASEAN+3 Leaders’ Summit. AMRO,

meanwhile, provided ICT support to the ASEAN+3 AMRO Working Committee (AWC), EC, and ministers and governors’ meetings. AMRO also collaborated with external partners on key events such as the AMRO 10th anniversary celebration, the AREO launch, and the history book project.

LEGAL

In 2021, the legal team organized legal and ethics training for new staff. The training aims to contribute to operational efficiency and reduce AMRO’s legal and reputational risks. It also seeks to build a common foundation of legal knowledge and promote a shared organizational culture of ethics among AMRO staff.

AMRO also explored new approaches to further strengthen the management of risks associated with data protection and contractual transactions. In this regard, AMRO consulted with other IOs on their policies and practices on the legal review of data protection and procurement contracts. As a result of this, measures were proposed to further strengthen the review process.

These initiatives seek to strengthen corporate governance and promote transparency, which contribute to enhancing administrative capacity (in line with AMRO’s Strategic Direction). This is part of AMRO’s constant review of its rules and regulations to enhance its capacity to perform its functions consistent with the AMRO Agreement, public international law, and the practices of other IOs.