



CHAPTER 4

DELIVERING AN EFFECTIVE AND ACCOUNTABLE ORGANIZATION



ACCOUNTABILITY

In order to create a culture of learning within an organization, a strong sense of accountability is essential. This in turn leads to high-quality and sustainable operational processes, and an optimal allocation of resources.

AMRO is accountable to its shareholders, consisting of 27 member authorities in 13 countries across the ASEAN+3 region. Despite being a young organization, AMRO has established an organizational Performance Evaluation Framework (PEF) since 2017 to work toward a results-oriented international organization, benchmarking the best practices of its peers.

The reason for this is two-fold. Firstly, to generate consistent performance information for organizational learning and strategic management. And secondly, to demonstrate stronger accountability to its shareholders.

After a successful PEF pilot in 2018, AMRO's EC, composed of 27 Finance and Central Bank Deputies, adopted AMRO's PEF on January 1, 2019.

The PEF, which comprises a results framework and a set of indicators, aligns with AMRO's organizational strategy and establishes a link between the result statements and annual work program. It also sets out clear logic chains to demonstrate how AMRO can achieve the designated outputs and desired outcomes through its three core functions—Surveillance, CMIM support, and TA—thereby delivering on its mandate of contributing to the macroeconomic and financial stability of the region.

Today, the PEF serves as an integral part of AMRO's results-based management cycle of "Plan-Implement-Monitor-Analyze-Learn". It is implemented in a systematic way to generate results data, analysis, and learning, which inform organizational decision-making and strategic planning.

After conducting the PEF, AMRO gathers feedback on its core operations through multiple channels, including annual surveys with its member authorities and TA participants, and periodic operational progress tracking. AMRO also uses a media monitoring platform to track and measure its media coverage.

The information and data are analyzed, then discussed among operational groups to derive the key lessons, takeaways and recommendations for institutional improvement.

For accountability to its shareholders, AMRO issues its performance results and lessons learnt in its Annual Results Reports. It also adopts any constructive suggestions in its annual work program and MTIP.

AMRO's 2022 PEF survey garnered a high participation rate and received encouraging feedback from members, who were satisfied with AMRO's products and services.

Results-based management is an iterative approach that requires fine-tuning through regular reviews and updating frameworks to ensure continued effectiveness. This is done in accordance with its organizational strategy. The EC endorsed AMRO's latest refinement of the PEF in 2020, which came into effect in January 2021. Following the approval of its SD2030, AMRO will hone its PEF to effectively capture and track its operational priorities, and support the implementation of its organizational strategy and work program.

HUMAN RESOURCES (HR)

AMRO conducted its first holistic review of the staff compensation and benefits package, one indication of the organizational development of a maturing IO. Through this holistic review, AMRO aims to put in place a clearly structured and reasonably competitive compensation and benefits package to attract and motivate staff to contribute to AMRO's growth in a way that is aligned to its strategic direction. The review also aims to improve the cost-effectiveness and transparency of organizational reward management, and ultimately to enhance AMRO's competitiveness with peer IOs.

The year 2022 also witnessed the smooth transition of AMRO senior management teams. Through an open, transparent, and merit-based recruitment process, the new AMRO senior management team—a [Director](#), a Chief Economist (CE) and two Deputy Directors (DDs)—has been selected to lead AMRO's growth in the coming years. In total, 21 new staff³ joined in 2022, bringing with them a broad range of experiences in the public, private and international multilateral sectors. These additions have further enhanced staff diversity. Meanwhile, as part of the recruitment process, an internal search to fill vacant positions also encouraged staff mobility.

To promote a more engaged and productive workforce, AMRO is committed to enhancing its work environment by offering staff flexible work arrangements, such as a hybrid working arrangement and the option to work from their home country. Furthermore, it provides a supportive work environment to meet organizational objectives, while balancing professional and personal needs, such as staff well-being during the pandemic. Several efforts were also carried out to enhance the efficiency and professionalism of AMRO's HR management. This includes introducing an e-leave system (live from January 2022), streamlining the onboarding process, and improving the structure of the benefits management process.

BUDGET AND FINANCIAL MANAGEMENT

The 2022 Manpower Related Budget of US\$24.7 million was approved in 2021. AMRO's budgetary management seeks to ensure transparency and accountability, while striking a balance between budget requests, prudent spending, and effective budget implementation. The implementation of FY2022 was 85.3 percent due to pandemic-forced reductions in spending, like on travel, seminars, and conferences, with an uptrend in ACVs during the year. As at December 31, 2022, AMRO's reserves had grown to US\$16.6 million, ensuring financial resilience as part of its business continuity. AMRO continues to ensure that its endowed resources are carefully utilized.

³ This includes professional staff, corporate staff, contract staff and exchange staff.



In 2022, the organization utilized 66.4 percent of its US\$7.2 million Office Related Budget. [AMRO's 14th floor office in the Monetary Authority of Singapore \(MAS\) Building was opened during the year](#), which the host country had approved as part of AMRO's office-related budget, enabling AMRO to continue its growth.

External audit

PricewaterhouseCoopers LLP, the independent auditor appointed by the EC, conducted an 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 IFRS, which gives a true and fair view of AMRO's state of affairs and the Trust Funds as at December 31, 2022.

Internal audit

Deloitte and Touche LLP, the independent auditor appointed by the EC, conducted a thorough audit on Procurement and Payments, Budget Management, Fund Management, Reserves Management and Data Management, 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. The system will continue to be tested and improved in 2023.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

AMRO will continue to offer flexible work arrangements while improving the cyber security, resilience, and service quality levels of its Information and Communications Technology (ICT) systems.

Through careful implementation of security protocols and infrastructure upgrading, AMRO's ICT team provided reliable and seamless support to its core functions, as well as the ASEAN+3 financial cooperation process, amid the pandemic.

AMRO engaged an external consultant to ensure ICT service satisfaction. It also upgraded the throughput of Wi-Fi 6 and enhanced the WorkspaceONE Mobile Device Management system.

The upgraded virtual private network further enhanced the remote-working user experience. And by using a Remote Access Point facility, staff were able to access organizational resources as if they were in the office.

AMRO's resilience and availability was fortified by enhancing on-site security and deploying an ICT disaster recovery plan at a certified disaster recovery site.

AMRO ICT continues to improve and harness the functionality of numerous platforms and applications, including workflow with Microsoft Office 365 and SharePoint. Finally, through newly setup meeting rooms, like the media room, staff were able to conduct virtual press briefings and high-profile virtual meetings, such as those with G20 and member authorities, smoothly.

LEGAL

To further strengthen the management of risks associated with contractual transactions, AMRO issued additional internal guidelines to improve the efficiency of the contract review process. It also launched the [AMRO Procurement webpage](#), to guide prospective vendors to the organization's procurement policies and terms and conditions.

For new staff, the Legal team organized legal and ethics training, aimed at contributing to operational efficiency and reducing AMRO's legal and reputational risks. This is also part of a broader effort to build a common foundation of legal knowledge, as well as to promote a strong and shared ethical organizational culture.

These initiatives seek to strengthen corporate governance and promote transparency, thereby contributing to Enhancing Administrative Capacity. 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.



HOLISTIC REVIEW OF AMRO STAFF COMPENSATION AND BENEFITS PACKAGE

AMRO's highly professional and engaged staff have been central to its success. Since 2011, AMRO's headcount has grown almost eight-fold to 95 employees. It expects this to increase to 119 by 2025.

Still, as a relatively young and steadily growing IO, AMRO's competitiveness in the talent market remains a core challenge. With that in mind, AMRO embarked on its first holistic review of its compensation and benefits package in 2020, with the aim of establishing a clearly structured and reasonably competitive package. It aims to enable AMRO to attract, motivate and retain high-caliber talent, support the organization's growth momentum, improve its competitiveness and accomplish these goals in a financially prudent manner.

During the review process, ASEAN+3 members have provided valuable guidance and suggestions to AMRO, which have been duly considered in formulating the review proposals.

Establish AMRO's reward guiding principles

AMRO, through this review, will establish a clear set of reward guiding principles to express and convey the organization's reward philosophy, which serves as the foundation for its reward policy design and provides overall guidance for its reward management.

Adjust staff grading system

After conducting a rigorous job evaluation exercise, AMRO will be adding two more levels to the existing grade system, to accommodate the organizational evolution and changing workforce. This creates a more granular grading system for its professional and corporate staff, and provides more opportunities for career progression. The updated system aims to:

- Establish an accurate and coherent hierarchy of jobs within the organization;
- Facilitate career planning and support effective career management;

- Provide a clear structure for reward management; and
- Be more comparable with peer IOs (for professional staff) and the local market (for corporate staff).

Establish staff salary range

For the first time, AMRO will adopt a staff salary range based on appropriate comparators and reasonable market positioning, as a reflection of AMRO's competitiveness in the specific talent market. Three key points were taken into account in establishing the salary range:

- Relevance – to reflect AMRO's organizational strategic direction, core functions and its related talent requirements;
- Comparability – to enable AMRO to attract and retain high-caliber talent in competition with the comparator groups; and
- Moderateness – to reflect AMRO's current development stage and address members' concerns on budget prudence.

Benefits package

Benefits play an important role in attracting and retaining talent, enhancing staff engagement, and forming the employee value proposition. With market circumstances around benefits having changed significantly and employee expectations evolving, AMRO has proposed to adjust its staff benefits package to ensure its appropriateness and cost-effectiveness, without imposing an additional budget burden or future liabilities for members.

Budget implications

Bearing in mind that AMRO remains a budget-based organization, budgetary prudence and the desire for no future unforeseen liabilities are two key considerations. The holistic review resulted in a more moderate budgetary growth in the medium term.

