

2016 Work Priorities

# Delivering an Effective and Accountable Organization



*Lean budgeting coupled with tightened expenditure control enabled AMRO to achieve an implementation rate within both the Manpower Related Budget and the Office Related Budget. The use of an assessment template in the annual evaluation of the performance of the Director of AMRO also strengthened AMRO's accountability to its members.*

# Budget and Financial Management

AMRO aims to ensure transparency and accountability while maintaining a good balance between relevant budget requests, prudent spending and effective budget implementation. AMRO strives to achieve this through timely and complete data collection and analysis.

The 2016 Manpower Related Budget amounted to USD 12.8 million with an implementation rate of 98%. Lean budgeting coupled with close reflection of historical expenditure trends and tightened operations – the introduction of a stricter travel policy – enabled AMRO to achieve an implementation rate within budget.

The Office Related Budget amounted to USD 5.9 million with an implementation rate of 98%, mainly attributed to capital purchases relating to Phase 2 renovation of the

AMRO office as well as the implementation of IT security and capacity enhancements.

AMRO's reserves amounted to USD 7.2 million as at December 31, 2016. AMRO is positioned to be more accountable and transparent in managing its reserves after the new Reserves Usage Guidelines were approved by the EC in December 2016, which permitted AMRO to retain net surplus up to the approved amount of USD 7.5 million for 2017 for contingent use, and instructed AMRO to manage the reserve in a safe and liquid account.

AMRO will continue to ensure relevance in budgeting, prudence in spending, and efficiency in reserves management with proper policy implementation, thereby fulfilling member authorities' expectations of transparency and accountability.



## Audit

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

It opined that the financial statements of the organization had been drawn up in accordance with the International Financial Reporting Standards (IFRS) to give a true and fair view of the state of affairs of AMRO and the Trust Funds as at December 31, 2016.

## Human Resource Management

In 2016, AMRO continued to recruit staff from diverse backgrounds and as wide a regional geographical base as possible, on a merit basis through an open, transparent and accountable recruitment process. The objective of which was to ensure that AMRO has the ability to strengthen its capacity and improve its competencies to better serve its members.

In the first quarter of 2016, AMRO started a recruitment campaign for new senior management staff. This was successfully completed with the recruitment and appointment of the Director and Chief Economist in the second quarter, followed by the Deputy Director (Administration) and Deputy Director (CMIM, Strategy & Coordination) in the third quarter. Concurrently, AMRO also recruited other management staff, including a Group Head for Budget, Human Resource (HR) and Support Services, and a Senior Coordination Officer.

To support its growth, AMRO received approval for a higher headcount to strengthen its human resources while improving on the recruitment system and staff retention framework to align with international best practices and ensure competitive remuneration package. AMRO also established a secondment program with its members to facilitate the mutual transfer of knowledge and experience.

To further enhance the core competencies of staff, AMRO organized training programs. External professional consultants and trainers were engaged to administer enrichment workshops for all levels of staff. Moving forward, AMRO will continue to explore new AMRO staff development opportunities, focusing on growing their career progression and personal achievements.

## Legal Affairs

Upon the entry into force of the AMRO Agreement on February 9, 2016, AMRO took over the operations of AMRO Ltd. This involved the transfer of all assets, liabilities and staff of AMRO Ltd to AMRO. AMRO will initiate the dissolution of AMRO Ltd upon completion of the ratification process of the AMRO Agreement.

In the spirit of anticipating and defusing conflict wherever possible and providing channels for conflict resolution

and development of mutual trust between AMRO and its staff, AMRO formally adopted staff relations and dispute resolution policies. Formal procedures, which include consultations with staff members, formal administrative review, and conciliation by an external conciliator, have been established. AMRO has also submitted an application to the International Labor Organization Administrative Tribunal to hear and decide on employment-related disputes between AMRO and its staff members.



## IT Infrastructure

Designed as a flat network with a small business server environment, AMRO IT Infrastructure maintenance and enhancement was last made two years ago. In 2016, AMRO identified external and internal risks such as cybersecurity attacks and the internet data or transaction loss as critical areas to be addressed.

AMRO's efforts in IT enhancement and improvements made significant progress with the revamp of existing infrastructure and enhancement of data backup. The progress made in 2016 set the foundation for further IT enhancements, including the establishment of a database system. For which, AMRO is in discussion with ADB to explore the feasibility of a macroeconomic surveillance database system.

## Accountability

In May 2012, AMRO's EC agreed to establish a performance evaluation system for AMRO at the organizational level. In November 2012, the EC approved the broad evaluation criteria for AMRO's self-evaluation. Subsequently, AMRO has been submitting its self-evaluation on an annual basis.

In order to further strengthen AMRO's accountability to its members, the EC endorsed an assessment template to be used for the annual evaluation of the performance of the Director of AMRO at its meeting in December 2015.

At its meeting in December 2016, the EC encouraged AMRO to continue to strengthen its accountability framework to enhance its credibility and ensure relevance, commensurating with its status as an international organization. To this end, AMRO is committed to strengthening its performance evaluation mechanism and accelerating efforts in defining its results management framework.

## Office Management

Phase 2 of the office renovation project was completed on schedule. The new office is compliant with the "Green Building" and fire security requirements.