



**TOGETHER**

Human Resources, Ethics and Gender for SAIs

APPROVED:  
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(signature)

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(date)

The Court of Accounts of the Republic of Moldova

## HUMAN RESOURCE MANAGEMENT INTEGRATED REVIEW

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## Executive summary

The Court of Accounts of the Republic of Moldova has wanted to continuously improve all aspects of its activity. Over the years, the path of reform from a control structure to a Supreme Audit Institution continues, through the development of institutional capacities, the implementation of international standards and practices in the field of external public audit, through the training and professional training of staff, etc.

### Identified strengths:

- The SAI does emphasize the importance of HRM matters, having a separate strategic objective dedicated to them in the Development Strategy of the CoARM 2021-2025 and a separate objective dedicated to promoting ethical values and strengthening internal communication in the Communication Strategy for 2022-2025
- The CoARM has approved major documents with strategic impact over HR such as: the Competency framework, the HR Strategy, the Policy on recruitment, selection and employment and has institutional understanding for their need and implementation process
- CoARM is free to choose the timeliness of the recruitment process once certain vacancies arise, and is only constraint by budgetary constraints and procedural norms established for civil servants in the Republic of Moldova
- There is a functioning performance assessment system, based on the evaluation criteria, in order to stimulate the individual staff to achieve optimal results in the activity, but with little space for financial motivation decisions
- The CoARM does focus on employee welfare and is taking active steps in assessing their level of satisfaction at work and in ensuring its improvement

### Main challenges/weaknesses

1. Institutional (organizational) independence and limitations in setting own salaries and potential bonuses
2. Onboarding process exists only for debutant civil servants
3. Competency framework developed without clear mechanisms for monitoring its implementation
4. Professional development addressing on theoretical and less of practical aspects
5. Lack of policies for staff retention

As mentioned in the Report and many other assessments carried out regarding the status of the CoARM, the main constraints identified address the lack of sufficient freedom in managing the financial resources and hierarchy of staff units. However, managing this constrain is outside the area of competence of the SAI.

**By analyzing all assessed maturity levels of the HRM dimensions, we can state the overall HRM system at being level 3 – managed**, with room for improvement mainly determined by the intentions of implementing important newly approved documents related to HR such as: the HR Strategy for 2023-2027, the Policy on recruitment, selection and employment, as well as the new Guide on the quality management system within the Court of Accounts.

## Chapter 1: Introduction and methodology

The integrated HRM Review has been carried out by an internal review team trained within the IDI TOGETHER INITIATIVE, with the full support of the top-management of the Court of Accounts of the Republic of Moldova. The Terms of Reference have been coordinated and endorsed by the SAI leadership in January 2023.

Mainly, the areas subjected to the review have referred to:

- the extent to which the SAI has control and/or influence over human resources matters;
- positioning, configuration and role played by the human resources unit;
- SAI approach to the field of human resources at a strategic level and their integration as necessary in the various tasks and subdivisions of the institution.
- practices, based on the level of autonomy of the SAI, in the attraction, selection and integration of candidates/recruits.
- approach to determining the different skill sets needed by SAI, building pathways for professional development and monitoring and evaluating skills.
- SAI practices for setting, monitoring and evaluating performance expectations and objectives and for building appropriate responses to satisfactory and unsatisfactory performance.
- Staff wellness, motivation and retention
- SAI practices in setting an ethical tone at the top, documenting and promoting appropriate ethical principles, and monitoring and tracking cases.
- Approach for the integration of diversity and gender inclusion aspects in the institution.

The review covered the period of 2021 and 2022, which represent the first implementation phase of the CoARM Development Strategy, while taking into account the approval of documents, with impact over the HR field, at the stage of initiating the review process and did not cover draft documents. The assessment process will be an objective and evidence based review, following the methodology provided by the IDI TOGETHER INITIATIVE. The findings and explanations regarding to each HR dimensioned reviewed are detailed in the Review matrix, completed by the review team.

As main methods for collecting evidence, used for the assessment have been: document review and interviews with units involved in specific HRM processes. All staff interviewed during the review have proven open to communication and acknowledging the need to strengthen the activities connected to HRM values and processes within the SAI.

The review team have also based their assessment on established findings from internal and external assessments such as: peer-review findings, in areas related to the HR value cycle, staff survey carried out 2022.

## Chapter 2: SAI Background information

The Court of Accounts is the supreme audit institution of the Republic of Moldova charged with conducting independent external audit of public resources, established in the Constitution of the Republic of Moldova, and by Law No. 260 on the organization and functioning of the Court of Accounts of the Republic of Moldova adopted in December 2017<sup>1</sup>.

The mission of the CoA, as set out in the national legal framework is to:

- assess legality, regularity, compliance, economy, efficiency, effectiveness of the management of public financial resources and public property;
- promote internationally recognized standards on transparency and accountability in public finance management;
- ensure transparency by informing responsible public authorities and the public about its strategic and annual plans, its findings and recommendations

The current organizational structure of the Apparatus of the Court of Accounts as well as the staff limit of 160 units has been approved by the Decision of the Court of Accounts no. 13 of March 21, 2019. At the time of the review, there are the following units within the SAI: 5 General Audit Departments, General Department of Methodology, Planning and Reporting, Quality Control Service, Internal Audit Service, Legal Division, Administration, Budget and Finance Division, Human Resources and Documentation Division, External Relations and Communication Section, IT and Internal Security Division. According to the number of approved units, the SAI staff is as follows: 7 positions of public dignity; 2 senior management positions, 35 management positions, 114 execution positions and 2 technical service positions.

Personnel authorized to conduct public audit, specialists and technical personnel carry out the activities of the CoA. Staff authorized to conduct public audit and specialists are subject to the Law on Public Service and the Status of Civil Servants No.158/2008<sup>2</sup>. The Labor Code regulates the rights and responsibilities of technical personnel<sup>3</sup>.

The Law on Public Service and the Status of Public Servants regulates the general regime of the public service, the status of public officials, the mutual hierarchy of positions, as well as stipulating that the management of the public service and public officials is a matter of the Government's competence. Each public authority must submit to the Government all information relevant to the fulfilment of the requirements of this Law. All departments of the CoA Apparatus are also subject to the requirements of this Law. In addition, the Law on the approval of the Single Classifier of Public Positions

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<sup>1</sup> Law No. 260 from 07 December 2017 on the organisation and functioning of the Court of Accounts of the Republic of Moldova // [https://www.legis.md/cautare/getResults?doc\\_id=126160&lang=ro](https://www.legis.md/cautare/getResults?doc_id=126160&lang=ro)

<sup>2</sup> Law on Public Service and the Status of Civil Servants No.158 from 04 July 2008 // [https://www.legis.md/cautare/getResults?doc\\_id=120077&lang=ro](https://www.legis.md/cautare/getResults?doc_id=120077&lang=ro)

<sup>3</sup> Labor Code No.153 from 28 March 2003 // [https://www.legis.md/cautare/getResults?doc\\_id=113032&lang=ro](https://www.legis.md/cautare/getResults?doc_id=113032&lang=ro)

No.155/2011<sup>4</sup> regulates the positions, responsibilities and the minimum requirements for staffing public authorities with the status of civil servants.

Subsequently to the mentioned laws, requirements related to HR management are set out by the Government Decision No. 201 from 11 March 2009 regarding the implementation of the provisions of Law no. 158-XVI of July 4, 2008 regarding the public service and the status of public servants<sup>5</sup>. The mentioned Government decision regulated the following HR processes: occupying the public office by competition; the trial period for the debutant civil servant; job description model and components; the performance of cumulative work by the civil servant; the standard form of the staff list and the Methodology regarding the completion and approval of the staff list; the way of drawing up the civil servant's written commitment regarding the activity in the public service after completing the professional development forms; Disciplinary Commission; evaluation of the professional performance of the civil servant; Framework regulation of the human resources subdivision of the public authority; continuous professional development of civil servants; the instruction regarding the management of the civil servant's personal file.

All rules related to the remuneration of CoARM staff falls under the Law on the Unified Salary System in the Budgetary Sector<sup>6</sup>, which includes principles, rules and procedures for setting salaries for the public sector. The Law regulates the formation of salaries, and remuneration with the levels, classes and coefficients of remuneration established in the annexes to this Law.

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<sup>4</sup> *Law on the approval of the Single Classifier of Public Positions No.155 from 21 July 2011//*  
[https://www.legis.md/cautare/getResults?doc\\_id=115200&lang=ro](https://www.legis.md/cautare/getResults?doc_id=115200&lang=ro)

<sup>5</sup> *Government Decision No. 201 from 11 March 2009 regarding the implementation of the provisions of Law no. 158-XVI of July 4, 2008 regarding the public function and the status of civil servants //*  
[https://www.legis.md/cautare/getResults?doc\\_id=115403&lang=ro](https://www.legis.md/cautare/getResults?doc_id=115403&lang=ro)

<sup>6</sup> *Law on the Unified Salary System in the Budgetary Sector No. 270 from 23 November 2018 //*  
[https://www.legis.md/cautare/getResults?doc\\_id=119781&lang=ro](https://www.legis.md/cautare/getResults?doc_id=119781&lang=ro)

## Chapter 3: Integrated Review of HRM

### Dimension 1 – SAI Organizational Autonomy in HRM

The Law on Public Service and the Status of Public Servants regulates the general regime of the public service, the status of public servants, the mutual hierarchy of positions, as well as stipulating that the management of the public service and public servants is a matter of the Government's competence. Being a budgetary institution the CoARM is financed from the state budget, and thus all expenditures related to staffing and financial motivation are coordinated with the Ministry of Finance during the yearly budgetary process. All limitations to SAI autonomy in managing staff are mainly financially determined

Law no. 270/2018<sup>7</sup> explicitly prescribes all aspects and limitations applicable for the salaries of staff and potential bonuses on the unitary pay system in the budget sector. The provisions of the Annex 3 of this Law regulate the job code and title, pay grade and the related pay ratio for CoARM Members (including the Head of SAI) and CoARM employees who are civil servants (for example, Main Public Auditor, Senior Public Auditor, Public Auditor, Main Consultant, Senior Consultant). The Head of SAI does not have the power to set specific salaries or bonuses for staff, based on institutional criteria (such as: number of audit missions carries out, role of team leader or engagement partner etc.). Bonuses can be issued only based on the threshold established by art. 11 of Law No. 270/2018, according to which the annual amount of the increases included in the variable part of the monthly salary shall not exceed: 20% of the annual amount of the basic salaries established at the level of public authority.

As per the time of the assessment, most budgetary frameworks and budget limits are decided upon by the Ministry of Finance as the main responsible body for managing the state budget constrict decisions within SAI staffing. As such, any adjustments argued and requested by the SAI, including those referring to adjusting the staff units, are usually cut by the Ministry of Finance (which is an audited entity by the SAI during the Annual state budget audit mission). During 2021 and 2022, the SAI has held discussions to obtain the possibility to enlarge its staffing, taking into account the increasing scope of audits set out in the SAI legal mandate. Most of these discussions have ended without any gains in staffing for the CoA. Thus, although the law states the independence of the SAI, it is limited by existing budgetary procedures and decisions of the Ministry of Finance.

**The maturity level of this dimension is assessed at level 3 (established), given that the CoARM is free to decide on the timeliness of recruitment and the appointment of staff, while being limited in setting promotions, salaries and staff units by budgetary process regulators.** The review team would like to mention that this is one of the main areas for improvement showcased by the peer-review team

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<sup>7</sup> Law on the Unified Salary System in the Budgetary Sector No. 270 from 23 November 2018 // [https://www.legis.md/cautare/getResults?doc\\_id=119781&lang=ro](https://www.legis.md/cautare/getResults?doc_id=119781&lang=ro)

through the Peer-review Report issued during 2022, and 8 recommendations have been already issued as to address the findings<sup>8</sup>.

## Dimension 2 – Human Resource Function

By the Decision of the Court of Accounts no. 13 of March 21, 2019, the current organizational structure of the Apparatus of the Court of Accounts and the staff limit of 160 units were approved. According to the organizational structure of the SAI, two structural units are involved in processes related to the HRM Values: the HR and Documentation unit (4 staff units solely dedicated to all HR management) and the Professional Training division within the General department of Methodology, Planning and Reporting (further on text – training unit), consisting of 5 staff units dedicated to ensuring the overall management of professional development activities of the staff. Based on the assessment carried out, the review team can state that all employees involved in aspects related to the HRM Value Cycle have the skills and experience necessary to fulfill their duties.

The HR Division contributes to the achievement of the strategic objectives of the Court by promoting and implementing an effective management of human resources in the institution. Among the tasks of the HR Division, we mention the following: implementation of personnel policies regarding planning, recruitment, selection, hiring, individual and quarterly performance evaluation, employee career development; records of data and documents regarding staff; providing informational and methodological assistance in the field of HR management; ensuring the security and work discipline of employees within the Court of Accounts. Accordingly, the training unit has tasks involving: analyzing and consolidating the annual professional training needs of the employees of the Court of Accounts, including by examining the proposals of the heads of General Directorates, the results of "cold" reviews and the generalizations regarding the professional development needs of employees following individual evaluations. In practice this activity is usually carried out with the support of the HR unit, which collects the annual individual evaluations of staff.

The development, approval and implementation of the annual training plan is carried out by the Training unit, which implies setting and matching the timeliness of training activities. Also, the training unit carries out all training organizational tasks, including record keeping of training activities.

It is to be mentioned that, according to the new HR Strategy approved by the CoARM on the 24th of February 2023, most activities related to the implementation of the Strategy fall under the functional competence of the HR Unit (with the support of, mainly, the training unit, as well as all employees with managerial tasks). At the same time, the review team would like to add that functional responsibilities regarding the management of the competency system within the CoARM are not assigned to any structural subdivision.

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<sup>8</sup> See Recommendations on Chapter 2, Paragraph 2.5 of the Peer-review Report // [https://ccrm.md/en/upload/633be1c8806f7/92518/attached\\_files](https://ccrm.md/en/upload/633be1c8806f7/92518/attached_files)

The review team can attest that the HR function within the SAI is at maturity level 3 (establish) and can conclude that there is need to formally designate tasks in managing the competency system of the SAI (established by the Professional Competences Framework, approved in December, 2022) to one unit of the SAI.

Also, the review team stated, that, even there is no non-compliance with assessment criteria in establishing the HR Function within the SAI, centralizing HRM tasks within one single structural unit of the SAI, consisting of sufficient staff units as to ensure all HR related tasks, will increase the efficiency and ensuring proper coordination of all matters related to HR Values.

Without impact of the current assessment, the review team would like to mention that on February 24th, 2023, the CoA has approved, for testing, a new Guide on the Quality management system (under ISSAI 140). The Guide has provisions that requires the 4th Element of the system (dedicated to HR) to be coordinated by one person of top management level as to ensure the ISSAI requirements related to SAI staff and human resource management (ISSAI 150 included) are upheld.

### Dimension 3 – Human Resource Management Strategy

The Development Strategy of the Court of Accounts for 2021-2025, under Pillar 2 (Sustainable development of the Court of Accounts to ensure high quality audits) has a separate objective dedicated exclusively to all matters related to HR. According to it, in order to promote the public auditor's status, the CoARM will analyze the factors that influence the level of staff satisfaction, ensure the effective management of motivational risks, and identify methods of financial and non-financial motivation. At the same time, the SAI will focus our efforts on improving the mechanisms for developing the public auditor's professional competencies and translating them into an efficient process of annual and multiannual planning of the audit activity. The Development Strategy of the CoA for 2021-2025, as well as its Implementing procedures<sup>9</sup> - state a separate target indicator by the end of the strategic period - to ensure staff turnover rate under 7%. The legal constraints mentioned previously do not allow the SAI room for maneuver when it comes to number and type of staff needed during a certain strategic period.

The SAI has two approved documents (Decision of the Court of Accounts No.5 from February 24, 2023) with strategic impact and overview in regard to HR matters:

- HR strategy for the period 2023-2027, and
- Recruitment, selection and employment policy of staff in the Court of Accounts of the Republic of Moldova.

Given that mentioned strategic HR documents has been approved during the integrated HR review, the team cannot fully assess its level of implementation. The mentioned documents contain provisions and strategic directions regarding recruitment, retention, performance management and appraisal,

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<sup>9</sup> Approved by CoARM Decision No. 37 from July 16th, 2021

professional development. The HRM Strategy has been aligned with the overall SAI strategic objectives, and has been developed taking into account the existing gaps and potential improvements need in the field of HRM. The Strategy is focused on main 5 sectorial strategic objectives in the field of HR, such as:

- Consolidation of the human resources planning process and the career path
- Recruitment based on identified institutional needs
- Streamlining the process of training and developing the professional skills of employees
- Individual performance management and staff evaluation
- Ensuring the ethical institutional climate, oriented towards the well-being of the employee

It is considered that the HR Strategy will be revised according to the institutional needs and any other changes that may arise, without stating a "set in stone" cycle of review during the set strategic period.

The HR strategy 2023-2027, under objective 1 aim to develop the institutional capacities for a more detailed HR planning process. As such, an essential part of human resource planning is the strategic approach to the human capital needs of the institution, by establishing and maintaining the balance between the institutional needs and the availability of skills inside or outside the institution, determining the steps to take to meet the current needs and future staff. Under the new HR Strategy, one of the main goals is to ensure and develop institutional capacities for HR planning and prognosis as to have a clear view and understanding of all baseline indicators in HR.

**Taking into account all of the above mentioned, the maturity level for this dimension is assessed at level 3 (established). As such, the SAI should ensure the constant monitoring and implementation of the newly approved HR Strategy as to maintain the focus of the institution on all matters related to HR.**

#### Dimension 4 – Recruitment and onboarding

At institutional level, the recruitment procedure is regulated by the Internal Regulation on HR management, approved by Decision of the Court of Accounts No.41 from 27 June 2018. It follows the general legal provisions set out for all public servants. The SAI did not establish any specific procedural steps which deviate from the national procedures in place. Qualifications for staff are set out in the Law no. 158/2008, which set out the minimum conditions to be a public servant, as well as in the Law No. 155 of 21.07.2011 for the approval of the Single Classifier of public positions, which sets out minimum qualifications needed for each public function, including all functions of the SAI staff.

The open competition for filling vacant or temporarily vacant public positions is based on the principles of open competition, transparency, competence and professional merit, as well as the principle of equal access to public positions for every citizen. The principle of equal access to public positions means ensuring access to public office for any person who meets the conditions established by law, without discrimination based on sex, age, race, ethnicity, religion, political choice, etc..

Also, all job advertisements contain the minimum qualifications required for the job, including education level and field, prior experience, other technical skills as well as some behavioral characteristics.

There is no particular process or program to cover onboarding of new employees. The onboarding process for new employees of the SAI is carried out mainly by their direct managers. Given that the organizational structure of the SAI focuses on the separation of audit units based on the audited field (domain), it has been considered that a proper induction of new employees should be done taking into account the specifics of the work to be carried out by them. As set out in the Competency Framework, approved at the end of 2022, the CoA has to establish a onboarding training program which will cover part of the core competencies set out. Subsequently, the review team would like to mention that there is an existing and functioning onboarding process for debutant civil servants, where targets as well and mentoring activities are set out.

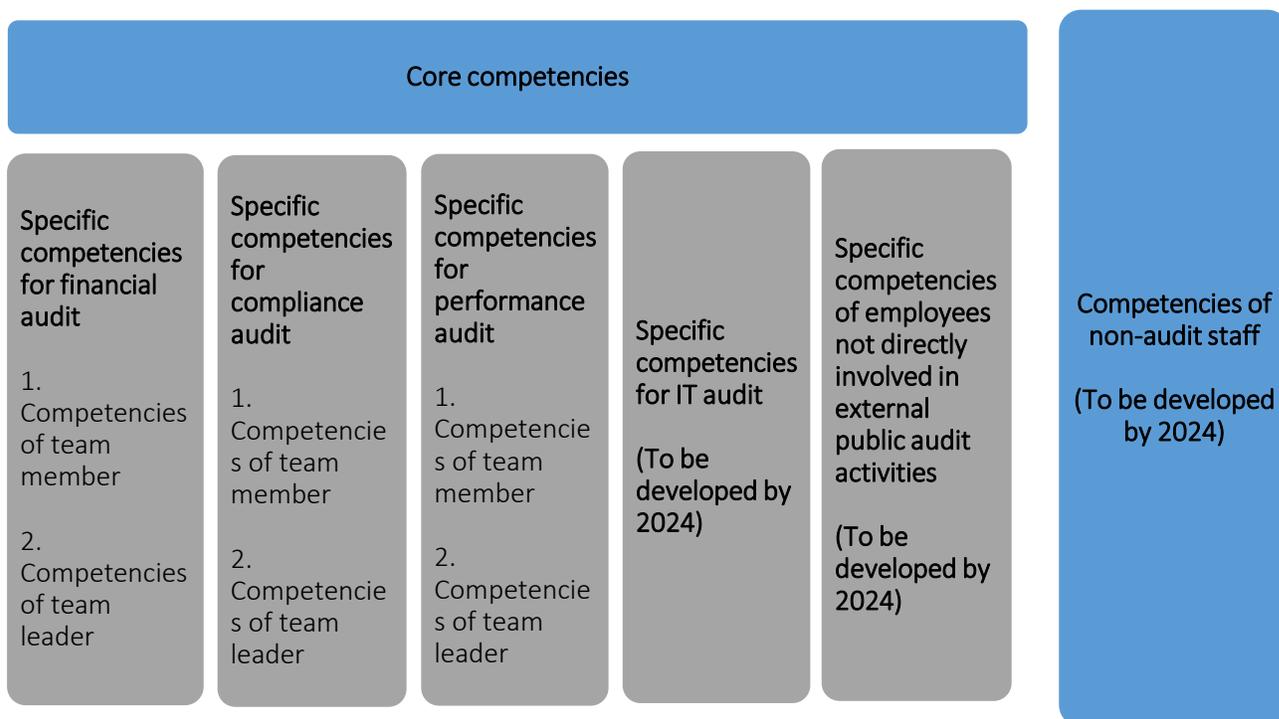
It is to be mentioned that the CoA has approved a Policy on recruitment, selection and employment, by Decision No. 5 from February 24th, 2023. According to the mentioned policy, for high-quality recruitment, a list of technical and qualification requirements set out in the Professional Competence Framework will be developed for each position. These documents are applied to the recruitment of staff for vacant positions and are updated periodically so as to ensure the principle of continuity for future planning and recruitment processes.

**In regard to recruitment and onboarding, we can assess it at maturity level 3 (managed), with most actions to be directed towards onboarding of new staff and adjusting existing internal regulations and procedures to the provisions of the Policy on recruitment, selection and employment, and ensuring actions to lessen the constrains of public servant procedures.**

#### Dimension 5 – Competency Management

By, Decision No. 61 from December 13th, 2022, the CoARM has approved a Framework of professional competencies. The current contents of the Competency framework of the CoA sets out particular competencies (knowledge, skills and personal/behavioral traits) for all audit staff. It details and defines the competencies expected of an individual auditor for a specific task and for a specific position within an organization and is intended to contribute to the identification, development and evaluation of the professional competences of all CCRM employees.

The competency system within the SAI follows the T-shaped system purposed by ISSAI 150, being composed of core competencies and specific competencies for each type of audit. Also, specific competencies have been developed, based on the role within the audit team (engagement partner/team leader and team member). However, it is to be mentioned that the competency framework is a document with a continuous development process being followed by a list of complementary activities to be carried out during 2023 and 2024, until it ensures that the contents of the document cover all SAI staff.



Job descriptions contain additional information regarding personal qualities, as well as knowledge needed for the position in the SAI. With the approval of the Competency framework, at the end of 2022, the need to adjust the job descriptions has been made clear (with a particular action stated in the implementation course of the Framework). The mentioned changes are to be made during the next structural changes of the institution, which are planned to be made during 2023.

With the approval of the Competency framework, at the end of 2022, the need to develop competency profiles for non-audit staff, as well as staff offering support during the audit mission (such as methodological assistance, legal assistance etc.), has been established. These actions are stated in the implementation course of the Framework and are planned to be made during 2023.

During 2021 and 2022, the annual assessment of competencies has been carried out as part of the annual performance assessment, during which the assessors (direct managers) identify the training needs regarding knowledge, skills and personal development. The mentioned procedures have been established by the HR management regulation, and follow the requirements of the national legal framework for public servants. The SAI has procedures regarding the assessment of competencies, however, they need to be adjusted to the provisions of the Competency Framework approved at the end of 2022.

**The assessed maturity level is 3 (managed), with the need to further implement activities set out in the implementation course of the Competency framework, including adjusting job descriptions and other internal regulations accordingly.**

## Dimension 6 – Professional Development

According to the internal regulation on HR management, the professional training and development of staff is carried out based on an analysis carried out by direct managers during the annual performance assessment. Thus, heads of units annually evaluate the professional performances of subordinate personnel and identify their training and professional development needs. As a further step, the training unit collects information regarding the training and professional development needs of the institution's staff and examines the internal and external possibilities of professional development of the staff of the Court of Accounts and submits proposals regarding their participation. The annual training and professional development plans are linked with the overall strategic objectives as well as other institutional arrangements in place such as: hot review recommendations, cold review recommendations, institutional self-assessments etc.

The management of the units carries out the selection of staff for participating in all training activities. According to the internal regulation of HR management, head of units ensure the active participation of subordinate personnel in training activities organized internally and externally. As such, the training unit informs all managers regarding planned training or any ad-hoc possibilities for staff to participate in external trainings, the managers choose the employees from their own division for participation (if the number of participants is limited - the training unit analyses the proposals and identifies the most suited candidates). For external trainings, the final decision to participate in certain training activities is made by the top management of the SAI (Head of Apparatus).

The SAI does not have procedures in place to ensure the development and implementation of individual training plans for staff. The peer-review as also assessed this issues as an area, which needs improvement.

The training activities carried out during 2021 and 2022 have mainly focused on developing staff capacities in applying the methodological framework. Based upon existing discussions existing in the institution - given that the CoA is currently undergoing many methodological changes to its internal regulations, more practical trainings have been required. As such, the training unit has planned to establish a full-fledged Group of internal trainers during 2023, which would include auditors, as to ensure the proper and relevant dissemination of audit practice and use of internal frameworks for each audit type.

**The assessed maturity level for professional development activities is level 3 – managed, with needed actions to be carried out regarding:**

- **creating Groups of trainers for relevant fields of knowledge, consisting of several auditors with sufficient theoretical/methodological knowledge as well as practical skills (who carry out audit missions on a daily basis):**
- **establishing and implementing internal procedures regarding individual training plans for each staff member based on their competency level and professional needs.**

## Dimension 7 – Performance and Reward Management

According to the general framework applicable to public servants in the Republic of Moldova, during 2021 and 2022, the individual performance assessment has taken place one a year (procedures are started by 15 December and ended by 15 February the following year). Starting from 01 January 2023, the procedure will be taken on a 6-month basis - aka twice a year.

The remuneration of SAI employees is not done taking into account individual performance assessment, but falls under the common grid set out in the law regarding the single salary system in the budgetary field. However, the decision regarding the performance bonus falls under the authority of the SAI and is done by the decision of the Head of SAI, based on the proposal of the direct managers (assessors). There are internal regulations which establish the general framework for the organization and evaluation of the individual professional performances of the staff of the Court of Accounts in relation to the requirements of the positions, based on the evaluation criteria, in order to stimulate the individual staff to achieve optimal results in the activity.

The HR Strategy approved on February 24th, 2023, has a separate objective related to performance assessment and performance management linked to promotions. According to the mentioned objective ensuring the necessary conditions for the efficiency of the evaluation and promotion mechanisms are imperative for the recognition of progress, merits and individual contributions, as well as for motivating staff to carry out their work more effectively. The implementation of institutional processes in this field offers the opportunity to identify areas of personal and professional development for those evaluated, as well as a solid and correct decision-making basis for decisions related to potential penalties or promotions.

As such, the expected results from actions during 2023 to 2027 under this objective are:

- Significantly improving the staff appraisal system to adequately identify high performers and under-performers
- Establishing a set of priority criteria for positions to justify career advancement decisions
- Encouraging employees with exceptional performance to participate in internal competitions that promote the occupation of a higher position, in conditions of transparency, openness and equality

**The maturity level, as attested by the review team is level 3 - while having in place good and working procedures for performance assessment, the SAI has very little room for reward decisions according to the existing constrains.** Bonuses can be offered according to the performance of employees, but salaries and potential promotions are possible only under the existing staffing grid and available vacancies.

## Dimension 8 – Staff Wellness, Motivation and Retention

On 18.05.2022 the Instructions on safety and health at work were approved, together with setting out employees responsible for ensuring the protection and prevention of occupational risks according to the minimum requirements regarding occupational health and safety.

The SAI has conducted **2 Employee Satisfaction Surveys** - 1st Survey - 4th Quarter of 2019, the 2nd Survey - on 2nd Quarter of 2022. The surveys as a tool for measuring the staff satisfaction are included in the actions for implementing the objectives of the Pillar II of the Development Strategy of the CoARM for 2021-2025, the objectives of the Communication Strategy for 2022-2025.

As a result of analyzing the Employee Survey 2019 an Action Plan was approved with middle term and long term actions. The actions were focused on such areas as Cooperation, Work Conditions (psychological conditions). As seen in the implementation Report for the results of the Employee survey (issues in 2021), a lot of activities have been fully implemented, while other are reported as being in progress.

The 2022 Employee Survey had an additional section of questions concerning the use of remote work in the activity of the SAI. The results have been taken into account and the Decision no. 34 of July 1, 2022 "Regarding the establishment of the combined work regime for employees of the Court of Accounts" was approved. The Decision was approved in order to ensure safety, health of the employees as well as work-life balance. It is to be mentioned, that starting from March 2023, all staff have been requested to return to office as a rule. At the same time, the possibility to request a "remote work" regime has been established.

Also, the CoARM has a system of institutional award as non-financial rewards and recognition, meant to serve as a appreciation of the exceptional results of staff. From a procedural point of view, direct managers are the ones who nominate staff for institutional awards. All nominations are analyzed and decided on by an internal Committee established by Order of the Head of SAI.

The Human Resources Strategy, approved in February 2023, includes an objective that covers the domain: "Ensuring the ethical institutional climate, oriented towards the welfare of the employee". This objective should be implemented by "development of a system of both financial and non-financial employee motivation, based on merit, values and respect".

**The analyzed aspects regarding employee wellness, retention and motivation is at maturity level 3 (established), given the still present high staff fluctuation rate. It is to be mentioned that the leadership of the SAI is concerned with the welfare of the staff, as seen in one of the objectives of the HR strategy, approved in February 2023. However, Action plans to remediate the findings of the staff employee survey from 2022 have to be approved and implemented with short to medium term solutions.**

## Dimension 9 – Gender, Diversity & Inclusion

The legal framework applicable to public service in the Republic of Moldova ensures criteria that are equal and free from any discrimination based on race, gender, religion etc. According to the statistics available in the HR unit, and presented in the annual activity report of the CoARM - the gender profile of the staff of the CoA is mostly female.

In 2021 the share of women was 67%, men constituting 33%, while in 2022 the percentage shifted to 68% women and 32% men. As such, the share of women is higher than that of men, both in the execution and management positions. In 2021, there were 21 women in the management positions and 13 men in the management positions. **(proportion - 62% to 38%)**. In 2022, there were 22 women in management positions and 11 men **(proportion 67% to 33%)**. This consistency in the gender profile of staff is visible for the last 4 years within the SAI.

**Given the overall gender profile of the SAI, the review team assesses this dimension of the HR Value Cycle at maturity level 4 (managed) – stating that all regulations (both internal and national) embody the principles of equality and equal access for both men and women in the activity of the SAI. However, the team would recommend the SAI to designate a gender focal point, as to ensure a more concentrated approach to this aspect.**

Without impact on the current assessment, it is to be mentioned that at the beginning of 2023, the Policy on recruitment, selection and employment has been approved by Decision of the Court of Accounts No. 5 from February 24th, 2023. One of the principle established in the Policy is "the principle of non-discrimination, by avoiding any form of direct or indirect discrimination, based on criteria of gender, sexual orientation, age, nationality, race, ethnicity, religion, political choice, social origin, disability, family situation or responsibility, belonging or trade union activity.

## Dimension 10 – Ethics Management

The Code of ethics of the Court of Accounts has been approved by Decision no. 19 from 05 April 2019, and has been developed by the unit responsible for the development of all SAI methodology, and followed ISSAI 130 and its implementation Guidelines. The Code is available on the internal portal of the SAI as well as on the official website of the SAI. It consists of a statement on ethics as well as details provision related to all ethical values presented in ISSAI 130, and is followed by ethical guidelines which showcase the institutional approach and procedures to tackle the mentioned values. The Code in itself does not regulate all ethic related procedures, but offers cross-reference to other existing internal regulations with tackle ethical dilemmas such as: reporting and declaring gifts, conflicts of interest, improper influences etc.

During the review period ( 2021-2022) all discussions regarding ethical culture have been carried out by top management during any internal meetings with staff and or managers.

The procedure for submitting and verifying warnings about illegalities committed within the Court of Accounts, as well as the application of protection measures against persons who voluntarily warn, with good faith and in the public interest, about the illegalities committed is established in the Regulation regarding integrity whistleblowers within the Court of Accounts. According to the abovementioned procedures all rules regarding confidentiality and due process are ensured.

Also, the new Guide on the quality management system within the Court of Accounts, approved by the Decision of the CoARM no.3 from February 24, 2023, regulates the distinct element dedicated to

Compliance with Ethical Requirements. The new Guide on the quality management system set out that the CoARM's ethical infrastructure corresponds to the good practices implemented by the supreme audit institutions and consists of 3 components: Ethical guidance (Policies); Ethical management; Ethical control. The Ethics Committee, is to be established during 2023 and has a proactive role in promoting values and standards of behavior, analyzing ethical dilemmas and solving them by offering training and professional consultations.

**For the dimension of ethical management, the review team can assess a level 3 of maturity, with place for improvement. Additionally, the review team can state that the implementation of procedures under the 2<sup>nd</sup> Element of the new Guide on the quality management system could embody the needed actions to fortify this dimension.**

## Chapter 4: Overall Performance in HRM and Recommendations

The CoARM is established in the Constitution of the Republic of Moldova, with its independence, mandate and organization provided for under Law No. 260 on the organization and functioning of the CoA of Republic of Moldova adopted in December 2017.

The Court of Accounts of the Republic of Moldova has wanted to continuously improve all aspects of its activity. Over the years, the path of reform from a control structure to a Supreme Audit Institution continues, through the development of institutional capacities, the implementation of international standards and practices in the field of external public audit, through the training and professional training of staff, etc. The SAI is going through a period of development and transformation, and the area of resource management, including human resources, has been identified as one necessary of improvement.

### Identified strengths:

- The SAI does emphasize the importance of HRM matters, having a separate strategic objective dedicated to them in the Development Strategy of the CoARM 2021-2025 and a separate objective dedicated to promoting ethical values and strengthening internal communication in the Communication Strategy for 2022-2025
- The CoARM has approved major documents with strategic impact over HR such as: the Competency framework, the HR Strategy, the Policy on recruitment, selection and employment and has institutional understanding for their need and implementation process
- CoARM is free to choose the timeliness of the recruitment process once certain vacancies arise, and is only constraint by budgetary constraints and procedural norms established for civil servants in the Republic of Moldova
- There is a functioning performance assessment system, based on the evaluation criteria, in order to stimulate the individual staff to achieve optimal results in the activity, but with little space for financial motivation decisions
- The CoARM does focus on employee welfare and is taking active steps in assessing their level of satisfaction at work and in ensuring its improvement

Main challenges/weaknesses	Identified causes
1. Institutional (organizational) independence and limitations in setting own salaries and potential bonuses	Lack of full financial independence in accordance to existing national legal framework, constraints related to the lack of or other priorities of budgetary funds
2. Onboarding process exists only for debutant civil servants	Not been considered a significant risk in onboarding new employees who already possess the status of civil servants, because the direct managers usually train them related to the audit work needed.

3. Competency framework developed without clear mechanisms for monitoring its implementation	Competency framework approved at the end of 2022, without the formal designation of a unit reasonable for its implementation
4. Professional development addressing on theoretical and less of practical aspects	Lack of designated tasks as trainers to audit staff, as well as, current risk of overworking auditors if requesting their involvement as trainers
5. Lack of policies for staff retention	SAI does not have control over the remuneration scheme and autonomous appraisals. More attractive salaries and benefits available in other organizations (both in public sector and in private sector) encourage staff to exit the organisation.

As mentioned in the Report and many other assessments carried out regarding the status of the CoARM, the main constraints identified address the lack of sufficient freedom in managing the financial resources and hierarchy of staff units. However, managing this constrain is outside the area of competence of the SAI.

**By analyzing all assessed maturity levels of the HRM dimensions, we can state the overall HRM system at being level 3 – managed**, with room for improvement mainly determined by the intentions of implementing important newly approved documents related to HR such as: the HR Strategy for 2023-2027, the Policy on recruitment, selection and employment, as well as the new Guide on the quality management system within the Court of Accounts.

As such, the review team issues the following recommendations for the SAI, based on their priority:

#### High priority

- Ensure continuous communication with the Parliament, Ministry of Finance and State Chancellery in order to promote the need to undertake actions in ensuring the SAI financial independence and remove existing constraints in managing HR matters, including constraints related to appraisal and promotions based on performance assessment, in line with the principles of SAI independence, **(Dimension 1 – SAI Organizational Autonomy in HRM and Dimension 7 – Performance and Reward Management)**;
- Designate all HRM tasks, as well as tasks in managing the competency system of the SAI, to structural units, consisting of sufficient staff units with required competencies **(Dimension 2 – Human Resource Function and Dimension 5- Competency Management)**;
- Adjust and develop internal regulations according to the provisions of the 2nd Element of the new Guide on the quality management system, in setting up and maintaining the ethical framework of the SAI, as well as of the Policy on recruitment, selection and employment and Competency framework **(Dimension 10 – Ethics Management)**;

- Ensure the implementation of the newly approved HR Strategy as to maintain the focus of the institution on all matters related to HR, including developing institutional capacities in medium and long-term HR planning and prognosis. **(Dimension 3 – Human Resource Management Strategy)**

#### **Medium priority**

- Develop an onboarding program for new staff, of sufficient length and with sufficient scope (i.e. exposure to SAI main policies, processes, methodologies etc.) **(Dimension 4 – Recruitment and onboarding);**
- Create the Groups of internal trainers for relevant fields of knowledge, consisting of several employees with sufficient theoretical/methodological knowledge as well as practical skills **(Dimension 6 – Professional Development).**
- Establishing and implementing internal procedures regarding individual training plans for each staff member based on their competency level and professional development needs. **(Dimension 6 - Professional Development)**
- Approve and implement the Action plan to remediate the findings of the staff employee survey from 2022, focusing on short to medium term solutions under SAI control **(Dimension 8 – Staff Wellness, Motivation and Retention).**
- Designate an employee of the SAI a focal point, as to ensure a more concentrated approach to Gender, Diversity & Inclusion **(Dimension 9 – Gender, Diversity & Inclusion).**

## Chapter 5: Analysis of ongoing and Planned Reforms and developments in SAI HRM

At the time of the current HRM review, the CoARM is undergoing significant reforms in regard to its quality assurance and control system as well as internal procedures connected to the HR Value Cycle.

Thus, after approval of the CoARM's Professional Competence Framework (Decision no. 61 from 13.12.2022), there is a need for revising, updating, adjusting all the internal documents, templates, procedures concerning staff recruitment, onboarding, promoting, evaluation, professional development etc. for the audit staff. The next stage will be development of competency profiles for non-audit staff, as well as for staff offering support during the audits (such as methodological assistance, legal assistance etc.) The mentioned changes are planned to be made during 2023 and 2024, according to the implementation course of the framework.

The approval of the new Guide on the quality management system (CoARM's Decision no. 3 from 24.02.2023), sets out the need to adjust the internal procedures, regulations, processes etc. The Element 4: Human Resources of the Guide covers the policies and procedures governing the human resources management and its requirements assume arrange of actions to be implemented in accordance with the provisions of the national legislation, international standards ISSAI 130 "Code of Ethics", ISSAI 140 "Quality control", ISSAI 150 "Competence of the auditor" etc.

In regard to the organizational structure of the SAI, a Working Group was established by the President of the Court of Accounts (Order no. 44 from 29.08.2022), which was entitled to carrying out an analysis and evaluation of the current situation and the needed adjustments to fulfill our development objectives. The Concept of the structure of the CoARM was approved in March 2023. The analytical document intends to provide a clear vision of the existing reality from a functional and organizational point of view within the institution and to provide solutions to streamline and optimize operational activities in the short, medium and long term.

In order to ensure the independence of the Court of Accounts, including functional, operational and organizational independence, in the first quarter of 2023, the Court of Accounts initiated actions regarding the drafting of legislative initiatives and adjustment of the normative-legal framework in alignment with EU legislation. In the context of promoting the necessary adjustments to the normative-legal framework, the management of the Court of Accounts initiated, in March 2023, consultations and discussions with the Parliamentary Committees, the State Chancellery, the Ministry of Finance in order to promote the needed initiatives.

As such, the findings of the HRM review will be integrated in the ongoing reforms of the SAI, and have contributed to channeling strategic decisions in the HRM field which have culminated with the approval of the HR Strategy for 2023-2027 (by CoARM's Decision no. 5 from 24.02.2023).

## Chapter 6: SAI Leadership use of results of the Review

The management of the Court of Accounts has taken note of the results of the evaluation and agrees with the findings of the review team. The findings and recommendations of the HRM review will be integrated into the ongoing reforms within the SAI and will be taken into account in the context of the implementation of the approved strategic documents, including those in the HRM field, as well as in the context of establishing the processes related to the field.