



# FINAC

FINancial management,  
Accounting & Controlling  
in public administration

# FINAC PROJECT NEWSLETTER

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## CONTENT:

1. FINAC at International Conference SymOrg 2018
2. Selected interviews with SymOrg participants
3. FINAC project evaluation

## FINAC Project Newsletter

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## 1. FINAC AT INTERNATIONAL CONFERENCE SYMORG 2018

The FINAC consortia partners attended the 16th International Symposium SymOrg 2018 that was held in Ratko Mitrovic Congress Center. The International Symposium SymOrg of the Faculty of Organizational Sciences was founded in 1989. Since then, the Faculty of Organizational Sciences traditionally organizes it biannually with the aim of improving the theory and the practice of management and related disciplines.

The Symposium brings together members of national and international academic and research community public, representatives of corporate, public and non-governmental sector, and undergraduate, graduate and PhD students who participate in the discussion and analysis of relevant issues in the field of management by presenting their current results, knowledge and experiences. The central theme of the Symposium was "Doing Business in the Digital Age: Challenges, Approaches and Solutions",

with more than 200 participants, professors and students from our country and abroad. More than 200 participants, professors and students from our country and abroad participate in this year's Symposium.



Ana Langović, the State Secretary in the Ministry of Education, Science and Technological Development, wished the participants a successful conference.

Professor Milija Suknović, PhD, the Dean of the Faculty of Organizational Sciences (FOS), addressed the audience by saying that that "this is the 16<sup>th</sup> time that professors and students gather to share their experiences, good practices, knowledge and establish contacts, which implies that the Symposium proved its significance."

Professor Ivanka Popovic, PhD, the Vice-Rector of the University of Belgrade, said that the conference is a valuable opportunity for creating good labor market professionals, and for learning how to create ideal working environment with the use of digital technology.



"New time is looking for new educational models and new ways of communication. The Internet and social networks are rapidly progressing and it is a fact that some services have become truly addictive. This represents a major challenge both from the psychological and social point of view. These phenomena and changes are looking for new approaches and new solutions "- said Professor Nevenka Žarkić Joksimović, PhD, the President of the SymOrg 2018 Program Committee. Professor Sanja Marinković, PhD, the Vice-Dean for international cooperation and the President of Symorg 2018 Organizing Committee, believes that the conference is very useful for doing future business and for this reason it puts students in focus.

This is the first time that Symorg is hosting a students' case study competition SymOrg Case Study Hackathon the support of the Serbian Government, the Swiss Office for Development and Cooperation, National Alliance for Local Development NALED and the Tax Administration. In 30 hours, six teams will try to propose and program the best solution for flat-rate taxation system and the improvement of user interface for connecting tax administration and taxpayers.

The program continued with the following keynote speakers:

Branislav Vujović, the President of the New Frontier Group, Austria, said that we need to know how to create new values, because this is the basic issue of digitization. Business in the digital era is changing rapidly and we need to know how to share information in such a way to keep the client in the spotlight.

TAN, So Jiu, Nus Business School Singapore, represented Singapore as a multilingual, multiethnic and multicultural country and reminded of the importance of developing IT skills for both an individual and a company.

Katri Kerem, Estonia Business School, Estonia, spoke about digitization in Estonia, with a special focus on Estonian digitized health-care system and the application of digitization in the field of genetics. Estonia has a strategy for Internet use that encompasses all age groups. She also reminded the audience about the high scores that Estonian pupils earn on PISA tests (1st in Europe).

The second day of 16<sup>th</sup> International Symposium Symorg 2018 organized by the Faculty of Organizational Sciences hosted three roundtables focusing on digitalization.

The moderator of the first roundtable entitled *Current state and future*



prospects of Serbian digitalization was Branislav Vujović, New Frontier Group, Austria, while the panelists were Branko Ružić, the Serbian Minister of State Administration and Local Government, Milan Simic, Executive Director of IT and ICT Services at Telekom Srbija; Mihailo Jovanovic, PhD, Assistant Professor and Director of IT and e- Government Office and Nenad Paunovic, Director of IT and Entrepreneurship Team from the Cabinet of the Prime Minister.



Important issues regarding digital economy and the changes that it brings to clients, companies, administrations, and the society as a whole were discussed during this roundtable. The focus was on the values brought about by the digital economy, and the ways of recognizing and defining them. The panelists tried to provide answers to the questions concerning Serbian chances and directions regarding digital transformation, the advantages and disadvantages of a faster digitization progress, and other issues.

"Digitization is a priority of this Government. New registers are needed in order to introduce digitization, so that citizens and users will be at the center of attention, and the State is providing citizen services "- said Minister Ruzic.

Another roundtable entitled *When E-procurement did (not) mean better procurement* was moderated by Predrag Jovanovic, the Director of the Public Procurement Office in the Government of the Republic of Serbia, while the panelists were Sašo Matas, the head of Division for the development of public procurement systems, Ministry of Administration, Government of the Republic of Slovenia; Miloš Jović, the Head of division for development of public procurement systems, Public procurement office, Serbia, Dean Firkelj, a consultant from Croatia, and Sandra Damijan, PhD, Research Center of the Faculty of Economics in Ljubljana, Slovenia.

The third roundtable gathered former students of the Faculty of Organizational Sciences who now occupy leading positions in some of the major companies in Serbia. Mladen Čudanov, PhD, Associate Professor opened the topic of *Redefining knowledge and skills in the digital environment*, and the panelists were some distinguished representatives of the academic community: Ivanka Popović, PhD, Professor, Vice- Dean of the University of Belgrade, Miladin Kostić, PhD, Professor, the Dean of University of Novi Pazar, Mihailo Vesović, the counselor of the president of the Chamber of Commerce, and Dušan Vujović, assistant, University Union. The same role of panelists was also occupied by the representatives of the corporate sector: Maša Lalić, Head of Human Resources, Generali Osiguranje, Gorana Golubović Vuksanović, Head of Corporate Communications, MK Group, Suzana



Marović, Head of Development Sector, Telekom Srbija, Jovana Dačković, HR Business Partner and Talent Development Expert, Coca Cola Hellenic, and Dragana Stojanović, People Processes Manager, Air Serbia.



One of the questions raised was the one regarding formal and informal education. The representatives of the academic community pointed that many University programs wish to maintain their exclusivity and that we have become intolerant to multidisciplinary programs. This is why it is necessary to redefine them. The representatives of companies, on the other hand, spoke about knowledge and skills that are expected, but hardly ever present with graduates with a degree in IT and management. They all agreed that the practical knowledge gained throughout studies is very important for their future careers. „We do not have enough time to sleep and we are still too traditional. Rapid progress asks for more investment by the state“ - said Ivanka Popović, PhD, the Vice-Dean of the University of Belgrade.

On the third day of the Symposium, a Steering Committee was dedicated to project activities within Erasmus + project FINAC (*Financial management, Accounting and Controlling curricula development for capacity building of public administration*). After the introductory words of the project coordinator Slađana Benković, PhD, the participants presented the results achieved so far and agreed on future activities with the aim of sharing the experiences of all the participants from the region.

Participants of FINAC project had a section dedicated to Digitalization of Public Administration where was presented current situation regarding level of digitalization in partner countries of FINAC project. The section is highly rated and visited, and the participants had the opportunity to learn more about importance of digitalization of public administration in order increasing quality of financial management and control.



The fourth roundtable, *Blockchain technologies for better business*, was moderated by Miroslav Minović, PhD, an Associate Professor, and Mladen Đurić, PhD, Assistant Professor, both from the Faculty of Organizational Sciences, while the panelists were Radojko Miladinović, PhD, IT Director of the Belgrade Stock Exchange, and Matija Stanić, Product Specialist, Societe General Bank, and Novica Ninić, Production Manager, IBM Cloud. The roundtable dealt with one of the burning topics - *blockchain technology*, with a special focus on the implementation of this technology in business. The panelists discussed the main advantages and disadvantages of blockchain technology, and the possible use of private blockchains for the improvement of business operations in various fields, e.g. quality control, banking, fintech, agriculture, health services, etc. The participants had the opportunity to learn more about the functioning of blockchain technologies, and the panelists were eager to answer the many questions of the audience. All the participants agreed that blockchain will soon become an integral part of everyday business, both on its own and in combination with traditional technologies.

The XVI International Symposium SymOrg 2018 was closed on June 10, 2018 in "Ratko Mitrović" in Zlatibor. More than 250 participants took part in the Symposium with as many as 92 scientific papers. The President of the Program Committee, Nevenka Žarkić Joksimović, PhD, and the Head of the Organizing Committee, Sanja Marinković, PhD, spoke about the results of the Symposium and expressed their gratitude to the participants, partners, companies and institutions that supported SymOrg 2018.

## 2. INTERVIEWS WITH LECTURERS



Branko Ružić

Minister of Public Administration and Local Self-Government

Government of the Republic of Serbia

### **Directions in the development of digital governance in the Republic of Serbia and examples of good practice**

*First of all, directions in the development of the Republic of Serbia are clearly stated in its strategy. As far as digital governance is concerned, I would say that it is primarily important for all of us to understand that digitization is not only a technical and technological process. It is a process which has a great impact on society as well. Furthermore, implementation of digitization strategy is carried out by people, and therefore, it is perhaps necessary to slightly*

*alter people's mindset and make them less resistant to the change in order to be able to introduce digital governance.*

*I think that we took big steps toward the implementation of digital governance. We have put into practice various services, like the e-Baby. This service helps that a happy life event is truly happy. Parents can finish all the baby related paperwork in the place where this happy event took place. I think that this service represents one of the best examples of a good digital governance practice. We expect to be successful with the introduction of digital technologies into the governance, given that we have introduced the Law on General Administrative Procedure in 2016, also the Law on Inspection Supervision, and of course the most important infrastructure law that was adopted this year e-Government Act, which has eight bylaws that further specify the application.*

*The expectation to digitize everything is unrealistic and it is important to ease digital tension among citizens. Electronic communication will be performed between the administrative offices, and now, the law clearly states that the exchange of documents is performed in the electronic form. I think that the fact that more than 145 local self-government units, that is, municipalities and cities in the Republic of Serbia have joined information system called e-zup, supports the thesis that digitalization has become a part of everyday life in our country. All local self-government units will become a part of e-zup till the end of this year, and this is not only because they are binding by the e-Government Act. This information system will make the communication between administrative personnel easier, and above all it will simplify the procedures for the citizens of the Republic of Serbia and therefore increase their satisfaction.*

### **Public administration capacity building through development of staff competencies**

*The most important matter related to the public administration capacity building is adoption of the Law on the National Academy for Public Administration. The primary purpose of this National academy will be the education of the public administration staff on all levels, including the local self-government units' level. The academy will enable staff to gain relevant knowledge and skills, both theoretical and practical. So far, at the state level, we had the Human resource management service, which was and is doing a great job, but this new National academy will have a much broader scope of operations since it will be concerned with the education of the staff on the local self-government level as well. On this level there are hundreds of thousands of employees. The intent is that through gaining theoretical and practical, knowledge and skills, state administrators will be able to apply some individual laws or provisions in a same manner in different municipalities, like Čajetina, Apatin, Kuršumljija or Mali Zvornik. Until now we had a situation that the same law was applied in a different way by state administrators in different municipalities, and that is unacceptable. Therefore, National Academy represents a major step towards harmonization of public administration knowledge and skills, and the implementation of laws. The preparation period for launching the National Academy was fifteen years and it will begin to work in full capacity starting from the September 1<sup>st</sup>. This Academy already finished education about 1,000 of public administration employees, like registrars, tax officers, and inspection officers. Therefore, we are talking about public administration capacity building, making it more operational and putting it into citizens' service. Intention of the Government of the Republic of Serbia is to make the public administration less demanding and time consuming for its citizens.*

### **What are the benefits and possible improvements offered by projects like ERASMUS's FINAC project?**

*Finance and audit assume a high level of responsibilities. Projects like FINAC increase knowledge and skills base, and they have a broad impact and serve for the society as a whole. The whole range of possibilities open for those*



ones involved in such projects and therefore, projects like FINAC deserve not only a full support but a respect as well.



**Mr Dražen Maravić**

Director of National Academy of Public Administration

Republic of Serbia

### **Jurisdiction of the National Academy for Public Administration**

*The National Academy for Public Administration is the central institution for the professional development of the employees in the public administration. There is an opportunity to digitize the National Academy since it is a newly established institution, which will start with its operations at full capacity this year. Therefore, there is a tendency to establish the National Academy as an institution that is digital by design. This means that certain activities of the National Academy would be performed electronically, like application to trainings and communication with lecturers. Also, certificates would be electronically generated, signed, and delivered to the attendees'. There is a notion, to enable as many trainings as possible to be in the form of distance learning or e-learning, which will be accessible through a certain platform. In this way, competency building could have a much larger scope since public administrators on the local self-government level could be included. Such a digital experience would be a novelty to a certain extent to the attendees, and it could make them more prone to introduce the principals of the digitization into their own areas of expertise.*

*Digitization will be an integral part of the trainings related to the development and management of the public policies. So, I think that projects like FINAC are extremely important since they enable connection between the University and practice. Hence, they facilitate that science and research are used for creating useful knowledge for the public policy formulation. Therefore, knowledge to policy function needs to be established. Also, Symposiums' like Symorg represent an example of a good practice how this connection can be made. To manage knowledge is not an easy task. Therefore, it is important to keep in mind the present state of the art scientific research results related to a certain field, when trying to determine state of development of that field or when trying to create a certain policy. It is difficult to stress just one area that urgently needs to digitize, they all need to undergo through this process. Firstly, we need to digitize processes within public administration and then process of communication between public administration and citizens should be established. Also, certain fields that do not expect to be suitable for digitization should become digital. One of such fields is for example agriculture, where electronic data gathering and processing can substantially increase efficiency. In addition to the lectures as an existing form of human resource development, the National Academy will enrich competency building with conferences, case studies, workshops and mentoring. I think, that University professors, which are experts in certain fields of study can take a role of mentors to the public administrative staff and guide them to overcome challenges and solve practical problems that they encounter. The National Academy will establish strategic cooperation with Faculty of Organizational Sciences and other interested Faculties and Institutes in order to make possible for science to meet practice in relation to the public administration. The special focus of public administration staff should be on policy*



*to knowledge, or what comes after policy is established. Strategies are based on a policy, also, laws are in effect and that should become part of staff's everyday life and routine. Actually, public administrative staff should conduct all the activities in a way they are projected to be executed.*

*Symposium's or conferences like this one present a good opportunity for the exchange of knowledge, experience and practice. The government can gain insight into scientific accomplishments in relation to public administration, and academics can familiarize with everyday challenges that government faces. All this is done in order to increase satisfaction of the citizens of the Republic of Serbia, which is one of the main goals of the National Academy. I think that the future work of the National Academy can serve as a good example how one government institution can be digitized.*

### **How can FINAC project contribute to the improvement of the public administration?**

*Public financial management is of ad most importance when we talk about an overall reform of the public administration. Public administration reform represents one of the three main pillars of the European integration and the reform of the public financial management is its integral component. The special challenge in this respect presents financial management for nonfinancial managers. A significant number of the employees in the public administration must learn and master financial theory and concepts, to be able to understand all the costs and benefits related to the investments and processes for which they are in charge. I think that participation of the government representatives in this type of projects, like FINAC, is very important because they are able to precisely define what the needs of the potential trainees, so that graduate courses could benefit them and increase their competencies capacity. A potential problem in this respect could be the fact that there is no special incentive or remuneration for the employees in public administration that have master or doctoral degrees. But I think this is undergoing some alterations and that it already started to change.*

*Projects like FINAC which have participants from multiple countries can substantially contribute to the reform of the public administration, because they can pass on the experience, challenges, and practice of cross-border cooperation and management in addition to the knowledge of the various theories, concepts and tools. This experience can prove to be valuable for the coordination that the government carries out. Since our country is approaching to the European Union standards of public financial management are crucial for us. Therefore, it is important that graduate courses syllabus are created in that manner to be scientific and innovative, yet useful and applicable. It is essential for the employees, especially in the Ministries to thoroughly know and understand how public financial management system works and what the European standards in this respect are, because they are involved in the policy creation. Moreover, they need to transfer this knowledge and practices to others which will be involved in policy implementation. I think that it is important for us to keep track of the FINAC project results and outcomes, and to implement them into public administration and above all into the policies and practices of the Ministry of finance.*



**Professor Ivanka Popović, PhD.**

**Vice-rector for International Relations**

**University of Belgrade**

### **How do you see the future development of the University in relation to the digitization?**

*I hope that digitization is a general goal of all the Universities in the Republic of Serbia. Specifically, if we look at the University of Belgrade, we have several issues that we want to deal with. Firstly, we want to upgrade our information system in order to make the University relevant data gathering much easier. Secondly, it is necessary to harmonize our electronic and paper documentation due to the demands of government institutions. We are not far from the day when we will always have an up-to-date information, but there is still a lot of work.*

*The second aspect of the University digitization relates to the study programs. We need to determine how can we empower our students in the digital sense in accordance to their chosen profession. We should keep in mind that all the sectors of the economy will be digitized in one way or another and I think that we should help our students in this regard.*

### **Digitization of education and increasing the quality and quantity of study programs**

*There are certain limitations connected to the digitization of education. One aspect of digitization in education is related to the administration and services that the University provides to its students and employees. The second aspect relates to the blended learning. We need to help our students with the learning process, by the means of utilizing various IT tools and devices in the teaching process. We need to introduce different software packages in the classrooms, either in the form of commercial or open type of packages depending on the profession. In this way, students will be better prepared for the labor market. Final aspect is related to distance learning which is a resource that we haven't used much till now. This area of study has a huge potential because there is a large region, where people talk more or less in the same language and might be interested in this type of studies. However, in order to establish this type of studies professors need to put great efforts and our study programs need to be accommodated to this specific digital format. I am not sure what level of motivation and to what extent will teaching staff be prepared to accept this type of engagement.*

*As far as the increase in the number of study programs is concerned, or the increase in the number of students who can attend existing IT study programs there are certain limitations due to accreditation. Expansion is possible in the extent that infrastructure and human resources allow us to do so. As we speak, three of our faculties that have IT study programs – Faculty of Organizational Sciences, School of Electrical Engineering, and Faculty of Mathematics have serious limitations related to the space and teaching staff. Therefore, we will need a few years to increase the number of teaching staff. I think that for this purpose, it would be useful to utilize the University's Center for Lifelong Learning, where we could hold some seminars or trainings. We are already talking with Digital Serbia about this type of education. The topics of these trainings would have to be of interest to the ones who are already in the IT sector. Their outcomes would be related to the increase in IT competencies and attendees would receive a certificate issued by the University of Belgrade, which would serve as a proof of their qualification.*

### **Expanding the borders of the education in the Republic of Serbia**

*There are several aspects that we can consider when we talk about opening our education to the Europe and to the World. The first aspect is a promotional one. Through the website of the University of Belgrade, prospective students can get all the necessary information. It is not sufficient to have information written in Serbian and English language, yet we need to provide information on other world languages as well.*

*Secondly, we are negotiating with different Universities from various parts of the world to increase the number of dual diploma programs. These programs are cooperative programs of the two Universities and their launch would increase the quality of the programs offered by the University of Belgrade. Joint degree programs are much more challenging for establishment. Since we are all aware of this fact, it is more common to create dual diploma programs where both partner Universities issue their diploma. That is the initial step in networking with different Universities in the world, which will lead to the increase in the mobility of the students. At present, there are just a few students that use this possibility. Mobility assumes that students can spend a semester abroad, which can help them to enhance their knowledge and skills.*

### **What do you think how FINAC project can improve education process?**

*It is my impression that FINAC project is an example of a good practice, and not only on a domestic level, but it can also serve as an example on a European level. The outcome of this project is the creation of the Master program through the joint cooperation of the several Universities. This program is much needed in the Republic of Serbia and Albania, because public finance must be reinforced in both countries. Furthermore, work efficiency and readiness to truly make fundamental changes represent special traits of FINAC project. I truly think that project coordinator Professor Sladjana Benkovic has made maximum efforts to engage us all in the right way, so that we can all produce maximum results.*



**Professor Miladin Kostić, PhD.**

**Rector of State University of Novi Pazar**

### **Learning about digitization in public administration and education**

*I have to say that it is my pleasure to be a part of the Symposium organized by the Faculty of Organizational Sciences. Even more so because a topic of this Symposium is so contemporary and it will stay up-to-date during the whole XXI century. XXI century is a century of technological development and digitization, and each human being is using it regardless of their age. Everyone has a need to use IT technologies since they can make life much easier. Furthermore, if public administration is digital that will enable citizens to fulfill all their obligations efficiently and without losing any of their time. It's very fortunate that Faculty of Organizational Sciences is the holder and coordinator of the FINAC project which main goal is to build competencies capacity in the public administration. If there is a real tendency for the Republic of Serbia to become digital, certainly there is a room for improving and*

*strengthening the knowledge of the public administrative staff. Therefore, this was a good opportunity for the partners of the FINAC project to meet with the Symposium participants and to gain deeper insight and different perspectives on digitization. Also, to learn about the prospects of digitization of the public administration in the Republic of Serbia. In addition, participants are able to enrich their knowledge and experience and to gain vision about future directions for the development of the institutions they work for.*

*As far as the State University of Novi Pazar is concerned, the process of digitization will make our work much more efficient and communication with students will be much easier. Faculty management will have a clear picture about student performance and their interests, also about the quality of the study programs and teaching. Therefore, the future certainly lies within digitization.*

#### **How digitization can improve international cooperation?**

*The process of digitization will have an impact on international cooperation. It is going to simplify it and Universities are going to be able to make much firmer connections. Digitization assists students to choose the University where they can spend a semester or two and take part in the exchange on the grounds of the agreements or projects, like ERASMUS+. Students can choose modules that are compatible with their study programs and modules. So we can say that digitization, digitization, and digitization represent a future in the international cooperation as well.*

#### **What are networking outcomes of the FINAC project?**

*One of the special features and a significant benefit of the ERASMUS+ - FINAC project is that it enables a gathering and cooperation among partners, which up till now, had no opportunity to meet and interact. The State University of Novi Pazar, for the first time, has an opportunity to cooperate with the Universities of Tirana, but also, to strengthen the collaboration with the University of Split and other partnering Universities. The FINAC project will produce multiple benefits, besides strengthening public administration competencies capacity in the Republic of Serbia, it will surely establish good relations between partnering institutions.*

### **3. FINAC PROJECT EVALUATION**

After first 18 months of FINAC project implementation, the assessment of FINAC's Technical Implementation Report. It is our pleasure to inform you that Technical Implementation Report has been approved, altogether with positive evaluation of Quality of project team, project management and stakeholder involvement.



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**FINAC**  
FINancial management,  
Accounting & Controlling  
in public administration



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