

#### institut alternativa









# PUBLIC FINANCES AND ACCOUNTABILITY OF ADMINISTRATION: WHAT DOES THE PROTECT?



# **Summary:**

The subject of the paper is the Protector of Property and Legal Interests of Montenegro. This institution became operational in 2010, and was tasked with representing public bodies in legal disputes and advising them on issues related to property and legal matters. This is precisely why the Protector's office ought to be at the forefront of the defence of public property and public finances, but also serve as one of the indicators of the effectiveness of public administration. The data, unfortunately, speaks against our administration: the state is far more often a defendant than a plaintiff. Out of the total number of cases completed in 2014 and 2015, the Protector defended state administration bodies in 6.194 cases, and sued other subjects on their behalf in only 27 cases.

The position of the Protector within the Montenegrin system is unclear. Though formally under the supervision of the Ministry of Finance, the Protector is not an organisational unit of this Ministry. The consequence is gap in the communication with the Ministry and the Government. For two years (2012 and 2013) the Government never even discussed the reports of this institution, though it is legally bound to do so.

The criteria for the appointment and dismissal of the Protector and his or hers 10 deputies are unclear. In 2015 each of them handled on average 1.406 disputes, which suggests very high workload. And yet, instead of seeking to avoid protracted court proceedings, according to the decisions published on the website of the Supreme Court, just in the first six months of 2016 the Protector made as many as 11 inadmissible revisions of prior verdicts before the Supreme Court. The Protector also rarely resorted to mediation, which would constitute one possible venue for relieving the burden on the institution. Nevertheless, 2016 saw some improvements in that regard, with a larger number of disputes being resolved before the Agency for peaceful resolution of labour disputes, on the Protector's initiative.

The Protector does not have own Internet presentation or a guide for free access to information. Reports on the Protector's work consist of a simple list of cases, without further information on the most valuable cases and the ways in which the disputes were resolved. There is no information whatsoever on the opinions the Protector provided on request of other bodies. On the other hand, state administration bodies lack initiative in cooperation and consultation with the representatives of the Protector's Office. With the exception of the Ministry of Finance, to whose jurisdiction it belongs, in the six years of its existence the Protector was asked to provide only 26 opinions to the state administration authorities.

The transparency of the Protector of property and legal interests must be improved, through more substantive and proactive reporting and the creation of an Internet presentation. The rules for appointment and dismissal of the Protector and the deputies should be improved through legal amendments mandating a public competition. The preventive role of the institution should be strengthened by providing the Protector with the authority to proactively offer legal advice and initiate requests for assessment of legal and constitutional compliance of important property-related and legal matters. The institutions' resources should be adjusted following an assessment of the employees' workload.



This paper has been produced with the assistance of the European Union within the project "Civil Society for Good Governance: To Act and Account", implemented by Institute Alternative, Bonum, Natura, New horizon and Centre for Investigative Journalism. The contents of this paper are the sole responsibility of the authors and can in no way be taken to reflect the views of the European Union.

#### Introduction

The mistakes of its administration cost Montenegro dearly. The "Tin can" case, in which the failure of two public bodies - the Police Directorate and the Ministry of Interior Affairs - to comply with the contractual obligations on the sale of land to the brother of the Prime Minister Milo Đukanović, cost the state over ten million euro, is just one example of the ways in which the obligations taken on by the state can have negative consequences for the public budget, and thus on for the citizens too. The scale of the problem is well illustrated by the data published by the State Audit Institution (SAI) in March 2016. In the period 2012-2015, the courts ruled that the state and its institutions should pay 71.305.707 euro in damages to various claimants.

Since 2010, state administration bodies are represented in legal and property disputes by the Protector of property and legal interests of Montenegro. However, the public has not had access to some of the key information on the work of this institution, whose work is of great importance for the protection of state property and public finances and, indirectly, for improving the accountability of public administration by preventing activities that could damage the public budget. The European Principles of Public Administration, in the chapter on the accountability of administration, stress the importance of holding administrative bodies accountable for mistakes and illegalities committed and of guaranteeing adequate compensation. Montenegro's main strategic documents for this area, the Public Finance Management Reform Programme and the Public Administration Reform Strategy until 2020 do not, however, recognise the problem of the high costs incurred by public bodies in lost disputes and the role of the Protector in this field.

In this paper, our goal is to further clarify the role and effectiveness of this relatively new institution. Our analysis focused on the legal framework as well as on the analysis of the Protector's performance. In addition to the publicly available reports and regulations, we collected the necessary information via requests for free access to information. We also conducted in-depth interviews with representatives of SAI, Protector and the Centre for Mediation. The first part of the paper focuses on the legal regulation, the position and resources of the Protector, while the second part stresses different aspects of the functioning of this institution. The third part of the paper provides guidelines for the improvement of the functioning and position of the Protector.

# Unclear position of the Protector in the public administration system

The work of the Protector of legal and property interests of Montenegro (hereinafter: Protector) is regulated by the Law on State Property.<sup>2</sup> One of the key responsibilities of the Protector is to represent Montenegro, its bodies and public services founded by the state that do not have the status of a legal person, in courts and before other authorities. In addition to this, this institution ought to provide the bodies whose property and legal interests it represents legal opinions, upon their request, on the planned contracts and other property-related

Although formally under the supervision of the Ministry of Finance, the Protector is not an organisational unit of this Ministry. The consequence of this is a gap in the communication with the Ministry and the Government.

legal issues. The Protector does not represent or protect the property and legal interests of local administrations: this task is assigned to a local body by the municipality.<sup>3</sup>

<sup>1</sup> Principles of Public Administration, SIGMA (joint initiative of the European Commission and OECD), 2014. Available at: <a href="http://www.ujn.gov.me/wp-content/uploads/2014/12/Principi-javne-uprave.pdf">http://www.ujn.gov.me/wp-content/uploads/2014/12/Principi-javne-uprave.pdf</a> (MNE)

<sup>2</sup> Law on state property, "Official Journal of Montenegro" no. 40/2011

<sup>3</sup> According to the findings of Institute Alternative, these are usually authorized individuals from directorates for property and legal issues within the municipalities, or independent lawyers contracted by the municipalities.

The institution of the Protector was introduced into the Montenegrin system in 2009, and it became operational in 2010<sup>4</sup>. However, its position is ambivalent. Although the Protector is nominated by the Minister of Finance, appointed by the Government, and overseen by the Ministry of Finance, this *sui generis* institution has a significant amount of procedural independence of the Ministry of Finance. In other words, the Protector is a budgetary, but not an organisational unit in the Ministry of Finance. It has its own Rules on internal organisation that is not part of the Ministry's Rulebook. The work of the Protector is accounted for in a separate report, which is not included in the report on the work of the Ministry.

At the same time, the decision-making process in this institution is to a large extent constrained by the opinions of the Government. The Law on state property stipulates that in property disputes of special importance or those concerning property and other items of the market value exceeding 30.000 euro the Protector must act in accordance with the Government's decision on the dispute proceedings. Thus, the work of this institution is heavily constrained by the power of the Government to take the final decision in cases of the greatest importance to the state, even without taking into account the information or advice received from the Protector. The 30.000 euro threshold prescribed by law institutes the Government as the supreme decision-maker in all important cases.

Similar to the state attorneys and prosecutors in other countries of former Yugoslavia, the institution of the Protector in Montenegro has three main functions: representation, prevention, and consultation. However, as detailed in the following sections, all three functions are insufficiently developed.

# Flawed appointment and dismissal procedures

The legal framework governing the procedures for appointment and dismissal of the Protector and his or her deputies is imprecise. The Protector is appointed and dismissed by the Government upon the proposal of the Minister of Finance, and the deputies are appointed and dismissed by the Government on the proposal of the Protector. However, the law does not specify the nomination procedure that would ensure competitive selection of the Protector and his or her deputies. Apart from general conditions (a degree in Law, state exam and eight years of "relevant" work experience) the Law provides no guidelines for appointments and dismissals.

The Law on state property vaguely states that the rules on civil servants and state employees will apply to "other labour-related rights of the Protector and deputies". However, it should be borne in mind that employment regulations have not been set uniformly for all categories of civil servants. For instance, different regulations apply to civil servant classified as senior managerial staff, with a limited mandate, than to the servants of lower categories. The Law on state property, however, does not take these differences into account and does not specify the way in which regulations on the employment of civil servants should apply to the Protector's office, which makes the legal framework in this area very confusing and practically inapplicable.

Nor does the law regulate the issue of the renewal of the Protector's tenure or specify what happens to the Protector and the deputies once their term in office expires. The functioning of the Montenegrin Protector is thus less regulated than, for instance, that of the state attorneys in Slovenia and Serbia. State attorneys are, broadly speaking, institutions of the judiciary. However, those in Slovenia and Serbia are comparable to the Montenegrin Protector as their work there is also overseen by an instance of the executive government - the Ministry of Justice. Special laws on state attorneys that regulate the work of these institutions in the two countries allow for renewal

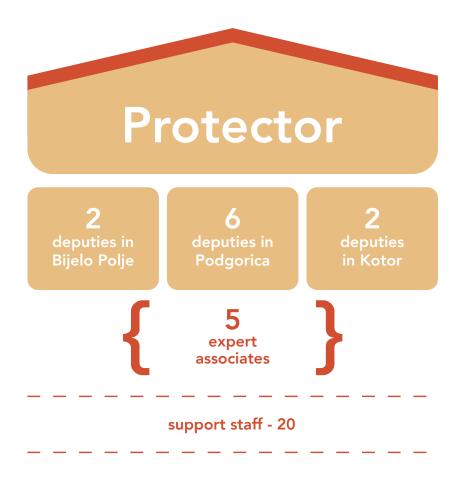
<sup>4</sup> The amendment was justified by the adoption of the Constitution of Montenegro in 2007, which limited the responsibilities of the state prosecutor to prosecution of crimes and other punishable offences that are prosecuted ex officio. Although the Protector was appointed already in late 2009, the office was fully staffed only in 2010.

<sup>5</sup> Dr Dina Šago and Rozana Domić, The role of the State Attorney in legal disputes, Proceedings of the Department of Law in Split, 1/2013, p.199-222.

of mandates of the state attorneys and their deputies.<sup>6</sup> In Serbia, the continuity of the office is further guaranteed by a provision that allows the state attorney, whose term is not renewed, to be appointed as one of the deputies, whereas a deputy can also be appointed attorney's assistant.

# Lack of resources - lack of institutional memory

The Protector's Office has three organisational units: the offices in Podgorica, Kotor, and Bijelo Polje. There are 36 employees in total. However, less than a half of the staff is responsible for expert tasks of representation and advising. The Protector has 10 deputies, six of them in the office in Podgorica, who are appointed for a five-year term. There are only five expert associates in all three offices together, and the reports on the work of the Protector stress that this is insufficient. The Protector has 20 more staff.



If we consider that this institution handled altogether 15.468 disputes in 2015, this means that the Protector and the deputies, as legal representatives of state administration, had each 1.406 cases. This indicates extremely high workload for the institution.<sup>10</sup>

<sup>6</sup> Law on State attorney. "Official Gazette of the Republic of Slovenia", no. 94/07 - Official compiled issue, 77/09, 46/13 and 95/14 - ZUPPJS15; Law on State attorney. "Official Gazette of the Republic of Serbia" no. 55/2014

<sup>7</sup> Interview with Dragana Đuranović, Protector of legal and property interests, in November 2016.

<sup>8</sup> Annual report of the Protector of property and legal interests of Montenegro, Government of Montenegro, July 2016. Available at <a href="http://www.gov.me/sjednice\_vlade/166">http://www.gov.me/sjednice\_vlade/166</a>, point 16.

<sup>9</sup> Interview with Dragana Đuranović, Protector of legal and property interests, in November 2016.

<sup>10</sup> The office in Podgorica had 9.319 cases, Bijelo Polje 4.658, and office in Kotor 1.491.

The small expert support unit and the limited term in office of the Protector and the deputies in this institution have negative repercussions on the overall institutional memory and continuity of operations. This is also clear from the fact that the appointment of the current Protector in 2014 was used in the annual report to justify the incompleteness and limited scope of this same document.<sup>11</sup> Similarly, the 2015 report notes that the functioning of the Protector's office was aggravated and that it was impossible to ensure personal presence of its representatives in all disputes due to the expiry of several deputies' terms.

Another limiting factor is the lack of use of information technologies in the Protector's office. These technologies could, to some extent, compensate for the lack of human resources. However, all cases referred to the Office are still registered by hand, which constitutes additional burden in the everyday work of the relatively few employees of this institution. The lack of electronic records also makes it impossible to monitor the performance of the institution and its employees that would not only facilitate analysis of the cases initiated against the Montenegrin state, but also the possibility of learning from prior mistakes.

# Too much work, too little information

The total amount paid to other parties based on the decisions taken in 2014 and 2015 in the cases in which the Protector represented various bodies of the Montenegrin state was over 14.5 million euro.<sup>12</sup> The available reports of the Protector are, unfortunately, too sparse, and typically contain just a list of

For two years (2012 and 2013), the Government never even discussed the reports of the Protector, though it is legally bound to do so.

parties and the value of cases, without further details on the proceedings. There is no information on the way the dispute was conducted (in or outside of court), and no record whatsoever of the opinions provided by the Protector to other public bodies, or any analysis of or further information about the most valuable cases. In 2012 and 2013, the Government did not even consider the report of the Protector's office.<sup>13</sup>

The Protector does not have own Internet presentation, and in the six years of the existence of this institution its representatives never issued a single press release. Except for the sparse annual reports, the only way to learn about the work of this institution is via "contact" section of the Ministry of Finance. The Protector's office does not have its own guide for access to information.

Lack of transparency of the Protector was confirmed by the experience of the Institute Alternative during its attempts to collect information on the office's work. Out of the total of six requests for information two were rejected as incomplete, because they were missing the exact reference of the requested documents.<sup>14</sup> Such practice places the applicants in a paradoxical situation where they are expected to already know the details of the documents they are requesting. This attitude is also in contravention of the Law on free access to information, which stipulates that access to information includes the right to request and receive information regardless of the purpose and information contained within.<sup>15</sup>

<sup>11</sup> The report only contains the legal framework, employment structure and responsibilities and a list of cases.

<sup>12</sup> The total amount paid on grounds of claims raised in disputes in which the Protector represented public bodies was 9.126.186,38 euro in 2015 and 5.460.897,18 euro.

<sup>13</sup> Institute Alternative requested from the Protector access to the reports for these two years. Decision no. 511/16 of the Protector rejected the request stating that the office does not have the report as the document has allegedly been submitted to the Government. However, the General Secretariat of the Government responded in its decision no. 152/2-16 that it is not in possession of the said reports.

<sup>14</sup> Decisions of the Protector of property and legal interest on IA's requests for access to information no. 131/16 and 358/16.

<sup>15</sup> Law on free access to information, "Official Journal of Montenegro" no. 44/2012

# Procedural delays beyond the legal limit

One of the key reasons behind the high costs paid by the state for the mistakes committed by its institutions are the delays in the initiation and conclusion of court proceedings, even in the cases when it is fairly clear that the case cannot be won. <sup>16</sup> Consequently, over 70 million euro paid out in disputes between the state and its institutions and various other parties between 2012 and 2015, about 45% concerned the costs related to the process itself (the costs of the court proceedings, interest, and the costs of enforcement). <sup>17</sup>

Instead of trying to prevent escalation of the expenses of the court proceedings, the Protector of property and legal interests has even requested revisions before the Supreme Court in cases where such requests were entirely irregular. Almost 65% of the revisions of final verdicts requested by the Protector have been refused or rejected by the Supreme Court as contrary to the law. As a reminder, revision is an exceptional procedure that can be requested against a second-degree final verdict. The Law on court proceedings, which regulates revisions, stipulates that revisions are not allowed in property-related disputes if the value of the case declared by the plaintiff does not exceed 10.000 euro. Despite this stipulation, employees of the office of the Protector of property and legal interests of Montenegro requested 11 such revisions.<sup>18</sup>

# Lack of mediation: another reason behind the high costs of trials

Institutions in charge of protecting the interests of the state in other countries are typically bound to attempt peaceful resolution of disputes. <sup>19</sup> In Montenegro, the institution of the Protector only has

2016 saw some improvements
– a larger number of disputes
for allowances of public sector
employees has been resolved
before the Agency for peaceful
resolution of labour disputes, on
the Protector's initiative.

the possibility, but not the obligation, to attempt mediation. Two institutions for alternative dispute resolution have been created within the Montenegrin system to relieve the courts and limit trial-related expenses: Centre for Mediation and Agency for Peaceful Resolution of Labour Disputes.

The complete data on the performance of these institutions in 2015 confirms the findings drawn by the State Audit Institution. Out-of-court dispute resolution is not used frequently enough

in the proceedings against public bodies. Of the 1.114 cases of mediation initiated in 2015, there were 226 cases in which the state appeared as one of the parties. Only one case ended in agreement, and the parties rejected mediation in as many as 105 cases. Meanwhile, only four settlement proposals suggested by the Protector have been discussed by the previous Government, of a total value of 934.807 euro.<sup>20</sup>

The rate of employment-related cases that have been successfully resolved before the Agency for Peaceful Resolution of Labour Disputes is also low. Between 1 January 2015 and 1 October 2016 only 9% of 651 labour disputes referred to the agency have been settled.<sup>21</sup> Recently, however, there

<sup>16</sup> Audit Report on the success of settlements: Payments from the budget of Montenegro for the claims ensuing from labour-related disputes, State Audit Institution, Podgorica, March 2016

<sup>17</sup> Idem

<sup>18</sup> Out of 94 revisions requested by the Protector, nearly a half - 43 - have been rejected as unfounded, and 11 as inadmissible. Only 28 or 35% of revisions have been admitted, out of which 15 cases were returned to the first-instance court for retrial, and in another 13 cases decisions the Supreme Court changed the decision of the lower courts. This information was collected through analysis of decisions on requests for revision of final verdicts submitted by the defendant - Protector, on behalf of the State of Montenegro, published on the website of the Supreme Court.

<sup>19</sup> See: Tatar, Boštjan, General State Attorney of the Republic of Slovenia. The place and role of the State Attorney in the judiciary system of the republic of Slovenia, available at: Dina Šago and Rozana Domić, The role of the State Attorney in legal disputes, Proceedings of the Department of Law in Split, 1/2013, p.199-222.

<sup>20</sup> Our review of the documents from the Government meetings from 5.12.2012 to 3.11.2016 showed that these proposals refer to settlements with other parties: for the works on the development project Pržno II (230.007 eura); implementation of the contract on the sale of real estate to "Terna Montenegro ltd." (58.300 euro); laying of the underwater connection cable between the electricity networks of Montenegro and Italy; and two cases under the purview of the Law on restitution of property rights and compensation (worth respectively 252.000 euro and 394.500 euro).

<sup>21</sup> In 2015 Agency for Peaceful resolution of labour disputes received 533 requests for peaceful resolution of labour disputes concerning state bodies, out of which 9.77% were settled. Between 1 January and 1 October 2016 the Agency received 98 requests in disputes concerning state bodies, of which 9.19% were settled. We received this information from the Agency in response to the IA's request for free access to information.

have been improvements in peaceful resolution of labour disputes. On the initiative of the Protector, in May 2016 the Government of Montenegro concluded an Agreement with the representative trade unions of Montenegro concerning the claims of some 35.000 employees of the public sector for unpaid meal and holiday allowances dating from 2008. Since the Agreement was signed, until November 2016, the Agency heard 4.156 cases falling under the purview of the agreement, and all of them were settled.<sup>22</sup> The Government estimates that the cost of resolving these cases through courts would have cost the public coffers an additional 17.5 million.<sup>23</sup>

# State authorities pay little heed to the Protector

The state is far more often a defendant than a plaintiff: out of the total number of cases completed in 2014 and 2015, the Protector defended state administration bodies in 6.194 cases, and sued other subjects on their behalf in only 27 cases.

The latest annual report of the Protector's office stresses bad communication with the state authorities, none of which has a contact person in charge of delivering the information necessary for the timely resolution of disputes.<sup>24</sup> Though all public bodies are obliged to submit all the requested information and documents to the Protector, they frequently fail to do so. One of the reasons is the lack of procedural or material responsibility for failure to deliver information. In Serbia, for instance, the person who is found responsible for failing to deliver information to the

state attorney in a timely manner has to pay any resulting damages to the state or other subjects represented by the State attorney.<sup>25</sup>

In Montenegro, such a provision exists within the Law on civil servants and state employees, but can only be used by the public institutions towards their own employees, and not by the Protector. In other words, a public body can approach the courts in case an employee fails to pay damages he or she caused through action or negligence. According to the available information, this possibility is rarely used: in the past three years, in the cases handled by the Protector the state usually appears as the defendant, not as a plaintiff. According to our review of archived cases from 2014 and 2015, the Protector represented public bodies as defendants in 6.194 cases, and as plaintiffs in only 27.

Public administration bodies also rarely request the Protector's opinion on the contracts they conclude or on other property-related and legal issues. With the exception of the Ministry of Finance, which requested 16 opinions on such matters since the establishment of the Protector's office, other state authorities approached the Protector for advice 26 times in total. All of this indicates that the advisory role of the Protector is underdeveloped.<sup>26</sup>

According to the Law on state property, the contracts concluded for acquisition and use of real estate and other property and goods of greater value should be submitted to the Protector, the Public Prosecutor of Montenegro and the State Audit Institution within 15 dates of their confirmation. In practice, however, the clause that requires all contracts of greater value to be submitted to the Protector, without specifying what "greater value" means, will result in haphazard delivery of contracts and information. This is confirmed by the cases in which the Protector had no knowledge of debt restructuring contracts signed between the Ministry of Finance and a number of municipalities to help them pay back the tax arrears.<sup>27</sup> Moreover, the Law does not give the Protector the possibility to review the contracts on own initiative, which makes the role of this institution even more ambiguous.

<sup>22</sup> Information received from the Agency for Peaceful resolution of labour disputes in response to the Institute Alternative's request for free access to

<sup>23</sup> Information on the claims of employees for unpaid portion of meal and holiday allowances in 2008. Government of Montenegro, 21 April 2016.

<sup>24</sup> Annual Report of the Protector of property and legal interests of Montenegro, Government of Montenegro, July 2016.

<sup>25</sup> Law on State attorney, "Official Gazette of the Republic of Slovenia" no. 55/2014

<sup>26</sup> Since the start of its work, the Protector issued 75 opinions in total, but a large number of them (31) concern opinions to banks on the validity of guarantees. Information collected by Institute Alternative through requests for free access to information - Decision no. 536/16.

<sup>27</sup> Interview with Blažo Savković, Jadranka Delibašić i Radenko Davidović, auditors of the State Audit Institution in October 2016.

# Instead of conclusion: For a Protector who protects

The position of the Protector in the Montenegrin system is unclear and not befitting the burden of representing state authorities in numerous disputes. Generally speaking, the Protector's performance in defending the state authorities is low, and further marred by its accumulation of court expenses and interests on delayed payments, best illustrated by requests for legally impossible revisions of court decisions before the Supreme Court. The counterpart to this problem is the failure to make use of the mechanisms of out-of-court dispute resolution. One positive example of proactive initiative on the part of the Protector is the recent proposal for peaceful resolution of disputes over reduced payments of wage supplements to a large number of public sector employees in 2008.

At the same time, the advisory role of the Protector is underdeveloped. In the six years of its existence the Protector issued only 26 opinions to state administration authorities outside of its home institution, the Ministry of Finance. The Protector's office, in other words, is only called on once the potential damage to the public budget had already been made. The office has little space for own initiative, despite the nominal duty of all state authorities to submit "concluded contracts on acquisition and use of real estate and other property of greater value that is in public ownership".

The institution of the Protector lacks in transparency, as evidenced by the fact that it has no internet presentation or communication with the public. The biggest concern in this regard is the fact that in two years the Protector's office did not even publish the annual report on its work, nor submitted them to the Government, which means that the Government itself does not have enough information for effective oversight and assessment of its performance.

Although the latest annual report recognised the need for additional expert support, the Prosecutor's office, which is responsible for its own staffing plans, considered it sufficient to employ just seven experts for all three offices, located in three different cities. The consequence of this approach is an institution in which the majority of those carrying out the essential tasks for the institutions are employed on fixed five-year terms, and only a few have open-ended contracts. In practice, this leads not only to insufficient human resources relative to the amount of work at hand, but also to the lack of institutional memory and continuity of work.

#### **RECOMMENDATIONS:**

# Improve the transparency of the Protector's work

- through regular reports to the Government and the public on its cases. The reports should
  contain, in addition to the overview of parties and subjects, additional information on the
  highest-value cases, the pace of their resolution and the key challenges, as well as data on the
  implementation of advisory and preventive functions of the Protector through information
  on the number and content of opinions issued to other state authorities;
- by adopting a Guide for free access to information;
- by creating a separate Internet page for the Protector, in line with the <u>Guidelines for</u> <u>development and management of Internet presentations of state bodies, public administration</u> <u>bodies and local self-governments</u><sup>28</sup> issued by the Ministry for Information Society and Telecommunications in March 2016.

<sup>28</sup> Guidelines for development and management of Internet presentations of state bodies, public administration bodies and local government bodies.

Ministry for information society and telecommunications, March 2016, available at: <a href="http://www.mid.gov.me/vijesti/158306/SAOPsTENJE-Smjernice-za-razvoj-i-upravljanje-Internet-prezentacijama-drzavnih-organa-organa-drzavne-uprave-i-organa-lokalne-samo.html">http://www.mid.gov.me/vijesti/158306/SAOPsTENJE-Smjernice-za-razvoj-i-upravljanje-Internet-prezentacijama-drzavnih-organa-organa-drzavne-uprave-i-organa-lokalne-samo.html</a>.

#### • Improve the Protector's resources

- by amending the Rules on internal organisation of the Protector's office in line with the assessment of the workload carried out by the employees of the institution;
- by complying with the SAI's recommendation to introduce electronic registers.

#### Improve cooperation between the Protector and other institutions and citizens

• by organising regular meetings with representatives of the bodies that are the target of the largest number of disputes, as well as with the representatives of the State Prosecutor and SAI to ensure timely analysis of the cases and identify the most efficient way to resolve them.

### Improve the position and competences of the Protector through legal amendments

- that would specify the conditions for appointment and dismissal of the Protector and his
  or her deputies, in a way that would include obligatory and open competition between
  candidates, as well as an objective testing;
- that would specify the conditions for the renewal of the Protector's and deputies' terms in office;
- that would enable the Protector to issue legal advice and initiate assessments of legality and constitutionality of the contracts submitted to it in line with the Law on state property;
- that would introduce the procedural and material responsibility of public bodies for the failure to submit to the Protector information necessary for preparing adequate defence in court and out-of-court disputes.

#### Sources:

- Information on the employee's demands for payment of the outstanding amounts of wage supplements from 2008, Government of Montenegro, 21 April 2016.
- Annual Report of the Protector of Property and Legal Interests of Montenegro for 2015, Government of Montenegro, July 2016.
- Annual Report of the Protector of Property and Legal Interests of Montenegro for 2015, Podgorica, April 2015.
- Audit Report on the success of settlements: Payments from the budget of Montenegro for the claims ensuing from labour-related disputes, State Audit Institution, Podgorica, March 2016.
- Pažin, Zoran, Đuranović, Dragana, Lutovac, Marina, Božović, Ranka, Martinović, Nikola, Handbook for the training of mediators - intermediaries, Montenegrin Centre for Mediation, Podgorica 2009.
- Administrative rules of the State Prosecutor, "Official Gazette of the Republic of Serbia", no. 71 of 20 August 2016.
- Principles of public administration SIGMA (joint initiative of the European Commission and OECD, 2014. Available at: <a href="http://www.ujn.gov.me/wp-content/uploads/2014/12/Principi-iavne-uprave.pdf">http://www.ujn.gov.me/wp-content/uploads/2014/12/Principi-iavne-uprave.pdf</a>

- Public Finance Management Programme, November 2015.
- Guidelines for development and management of Internet presentations of state bodies, public administration bodies and local government bodies. Ministry for information society and telecommunications, March 2016, available at: <a href="http://www.mid.gov.me/vijesti/158306/SAOPsTENJE-Smjernice-za-razvoj-i-upravljanje-Internet-prezentacijama-drzavnih-organaorgana-drzavne-uprave-i-organa-lokalne-samo.html">http://www.mid.gov.me/vijesti/158306/ SAOPsTENJE-Smjernice-za-razvoj-i-upravljanje-Internet-prezentacijama-drzavnih-organaorgana-drzavne-uprave-i-organa-lokalne-samo.html</a>
- Šago, Dina and Domić, Rozana. *The role of the State Attorney in legal disputes*, Proceedings of the Department of Law in Split, 1/2013.
- Tatar, Boštjan, General State Attorney of the Republic of Slovenia, The place and role of the State Attorney in the judiciary system of the republic of Slovenia. Available at: <a href="http://www.dp-rs.si/fileadmin/dp.gov.si/pageuploads/INTERVJUJI GOVORI/Mesto\_in\_vloga\_DP\_v\_sistemu\_pravosodia\_v\_RS-bos\_novo.pdf">http://www.dp-rs.si/fileadmin/dp.gov.si/pageuploads/INTERVJUJI GOVORI/Mesto\_in\_vloga\_DP\_v\_sistemu\_pravosodia\_v\_RS-bos\_novo.pdf</a>
- Law on state property. "Official Journal of Montenegro" no. 40/2011
- Law on public administration. "Official Journal of Montenegro" no. 54/2016
- Law on public servants and state employees, "Official Journal of Montenegro" no. 34/2014
- Law on State attorney. "Official Gazette of the Republic of Slovenia", no. 94/07 Official compiled issue, 77/09, 46/13 and 95/14 ZUPP|S15
- · Law on State attorney, "Official Gazette of the Republic of Serbia" no. 55/2014
- Law on Mediation, "Official Journal of Montenegro" no. 29/2012
- Law on Free access to information, "Official Journal of Montenegro" no. 44/2014

#### List of interviews:

- On 28 November 2016 in the offices of the Protector of Property and Legal Interests, interview with Dragana Đuranović, Protector of Property and Legal Interests
- On 26 October 2016 in the offices of the State Audit Institution, interview with Blažo Savković, head of Sector II in the State Audit Institution; state auditor Jadranka Delibašić, and state auditor Radenko Davidović;
- On 28 June 2016 in the offices of the Centre for Mediation, interview with Miroslav Knežević, Director of the Centre for Mediation;

#### Consulted websites:

- · Government of Montenegro, <a href="http://www.gov.me/naslovna">http://www.gov.me/naslovna</a>
- Ministry of Finance, <a href="http://www.mif.gov.me/ministarstvo">http://www.mif.gov.me/ministarstvo</a>
- Centre for Mediation, http://www.posredovanje.me/
- Supreme Court of Montenegro, <a href="http://www.sudovi.me/">http://www.sudovi.me/</a>

# Title of the publication: Public finances and accountability of administration: What does the Protector protect?

Publisher: Institute Alternative

Bulevar Džordža Vašingtona 57,

Podgorica, Crna Gora

Tel/fax: + 382 (0) 20 268 686

E-mail: info@institut-alternativa.org

For publisher: Stevo Muk, MA

Editor: Stevo Muk, MA

Author: Milena Milošević, MA

Research Associate: Aleksandra Vavić

Translation: Vera Šćepanović

Design: Ana Crnić

Podgorica, December 2016

#### **About Institute Alternative**

We function as a think tank or a research centre, focusing on the overarching areas of good governance, transparency and accountability. Our research and advocacy activities are structured within following programme strands: Public Administration, Accountable Public Finance, Parliamentary Programme, and Security and Defence. On the basis of our programmes, we monitor the process of accession negotiations with the EU, actively participating in working groups for chapters 23 and 32. Our flagship project is the Public Policy School, which is organised since 2012. Institute Alternative was granted with the licence to conduct research activities in the field of social sciences by the Ministry of Science in 2013.

The project "Civil Society for Good Governance: To Act and Account!" is financed by the European Union and implemented by Institute Alternative, Bonum, Natura, New Horizon and Center for Investigative Journalism. The objective of the project is to advance good governance practices in public administration of Montenegro.

#### institut alternativa

More about Institute Alternative available at:

www.institut-alternativa.org

www.mojgrad.me www.mojauprava.me www.mojnovac.me