AFRICA POPULATION INSTITUTE
(API)

PUBLIC ADMINISTRATION & MANAGEMENT
TERM FOUR STUDENT’S MODULES
(PAM)

Contents

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Course Name: Public Sector Accounting

Course description

The Course deals with different modes of accounting in the public sector, basis of accounting and financial reporting, international public sector accounting standards, understanding the role of financial statements both in the private and public sectors as well as concepts of capital and capital maintenance. It also looks at performance driven funding mechanisms in public services, privatization, globalization and liberalization in an economy and the respective governance systems.

Course objectives

With this Course, students are able to evaluate the effectiveness of management accounting innovations in the public sector, they are able to grasp the knowledge of how budgeting and budgetary control are implemented in the public sector. The students experience the relevance of accounting to the more effective and efficient management of public sector organizations and to the study of governance systems.

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Mode of delivery Face to face lectures
Assessment
Coursework 40%
Exams 60%

Total marks 100%

Definitions

Practice and body of knowledge concerned primarily with (1) methods for recording transactions, (2) keeping financial records, (3) performing internal audits, (4) reporting and analyzing financial information to the management, and (5) advising on taxation matters. It is a systematic process of identifying, recording, measuring, classifying, verifying, summarizing, interpreting and communicating financial information. It reveals profit or loss for a given period, and the value and nature of a firm's assets, liabilities and owners' equity. Accounting provides information on the (1) resources available to a firm, (2) the means employed to finance those resources, and (3) the results achieved through their use.

What is a difference between public and private accounting

Public accounting includes any accounting work that a company performs for another company. Examples would be audits, tax compliance, consulting, etc. The "Big 4" (KPMG, Deloitte & Touche, PriceWaterhouseCoopers, and Ernst & Young) are the dominant firms that provide public accounting services.

Private accounting is accounting work that is done for your own company. Every company has some form of an internal accounting department and those employees would be considered private accountants.

Fiscal policy

In economics and political science, **fiscal policy** is the use of government revenue collection (taxation) and expenditure (spending) to influence the economy.[1] The two main instruments of fiscal policy are government taxation and expenditure. Changes in the level and composition of taxation and government spending can impact the following variables in the economy:

- Aggregate demand and the level of economic activity;
- The pattern of resource allocation;
- The distribution of income.

Fiscal policy refers to the use of the government budget to influence economic activity.

Stances of fiscal policy

The three main stances of fiscal policy are:

- Neutral fiscal policy is usually undertaken when an economy is in equilibrium. Government spending is fully funded by tax revenue and overall the budget outcome has a neutral effect on the level of economic activity.

- Expansionary fiscal policy involves government spending exceeding tax revenue, and is usually undertaken during recessions.

- Contractionary fiscal policy occurs when government spending is lower than tax revenue, and is usually undertaken to pay down government debt.

However, these definitions can be misleading because, even with no changes in spending or tax laws at all, cyclic fluctuations of the economy cause cyclic fluctuations of tax revenues and of some types of government spending, altering the deficit situation; these are not considered to be policy changes. Therefore, for purposes of the above definitions, "government spending" and "tax revenue" are normally replaced by "cyclically adjusted government spending" and "cyclically adjusted tax revenue". Thus, for example, a government budget that is balanced over the course of the business cycle is considered to represent a neutral fiscal policy stance.

Methods of funding

Governments spend money on a wide variety of things, from the military and police to services like education and healthcare, as well as transfer payments such as welfare benefits. This expenditure can be funded in a number of different ways:

- Taxation
- Seigniorage, the benefit from printing money
- Borrowing money from the population or from abroad
- Consumption of fiscal reserves
- Sale of fixed assets (e.g., land)

Borrowing

A fiscal deficit is often funded by issuing bonds, like treasury bills or consols and gilt-edged securities. These pay interest, either for a fixed period or indefinitely. If the interest and capital requirements are too large, a nation may default on its debts, usually to foreign creditors. Public debt or borrowing : it refers to the government borrowing from the public.

Consuming prior surpluses

A fiscal surplus is often saved for future use, and may be invested in either local currency or any financial instrument that may be traded later once resources are needed; notice, additional debt is not needed. For this to happen, the marginal propensity to save needs to be strictly positive.

Economic effects of fiscal policy

Governments use fiscal policy to influence the level of aggregate demand in the economy, in an effort to achieve economic objectives of price stability, full employment, and economic growth. Keynesian economics suggests that increasing government spending and decreasing tax rates are the best ways to stimulate aggregate demand, and decreasing spending & increasing taxes after the economic boom begins. Keynesians argue this method be used in times of recession or low economic activity as an essential tool for building the framework for strong economic growth and working towards full employment. In theory, the resulting deficits would be paid for by an expanded economy during the boom that would follow; this was the reasoning behind the New Deal.

Governments can use a budget surplus to do two things: to slow the pace of strong economic growth, and to stabilize prices when inflation is too high. Keynesian theory posits that removing spending from the economy will reduce levels of aggregate demand and contract the economy, thus stabilizing prices. Austrian Economics theory, the main rival of Keynesian theory, believes that government deficits do not grow the economy but that Debt/Deficits weigh down economic output. Austrian Theory suggests that government deficits have adverse effects on growth, and proposes a combination of Spending cuts & Tax cuts, arguing that government spending in the public sector does not create higher production, but that investment in the private sector does. Austrians contend that "hiring one group to dig a hole, and hiring another to fill it up again" does not increase production or development, Austrians see Keynesian theory as simply a "Boom-Bust" model, that does not create sustainable economic growth, but only short turn economic bubbles, such as the sub-prime mortgage crisis which Austrians blame in part on the excess availability of credit due to low interest rates from the Federal Reserve.

Economists debate the effectiveness of fiscal stimulus. The argument mostly centers on crowding out, a phenomenon where government borrowing leads to higher interest rates that offset the stimulative impact of spending. When the government runs a budget deficit, funds will need to come from public borrowing (the issue of government bonds), overseas borrowing, or monetizing the debt. When governments fund a deficit with the issuing of government bonds, interest rates can increase across the market, because government borrowing creates higher demand for credit in the financial markets. This causes a lower aggregate demand for goods and services, contrary to the objective of a fiscal stimulus. Neoclassical economists generally emphasize crowding out while Keynesians argue that fiscal policy can still be effective especially in a liquidity trap where, they argue, crowding out is minimal, while Austrians argue against almost any government distortion in the market.

Some classical and neoclassical economists argue that crowding out completely negates any fiscal stimulus; this is known as the Treasury View[*citation needed*], which Keynesian economics rejects. The Treasury View refers to the theoretical positions of classical economists in the British Treasury, who opposed Keynes' call in the 1930s for fiscal stimulus. The same general argument has been repeated by some neoclassical economists up to the present. Austrians say that Fiscal Stimulus such as investing in roads, bridges, does not create economic growth or recovery, pointing to the case that unemployment rates don't decrease because of fiscal stimulus spending, and that it only puts more debt burden on the economy, Many times pointing to the American Recovery and Reinvestment Act of 2009 as an example.

In the classical view, the expansionary fiscal policy also decreases net exports, which has a mitigating effect on national output and income. When government borrowing increases interest rates it attracts foreign capital from foreign investors. This is because, all other things being equal, the bonds issued from a country executing expansionary fiscal policy now offer a higher rate of return. In other words, companies wanting to finance projects must compete with their government for capital so they offer higher rates of return. To purchase bonds originating from a certain country, foreign investors must obtain that country's currency. Therefore, when foreign capital flows into the country undergoing fiscal expansion, demand for that country's currency increases. The increased demand causes that country's currency to appreciate. Once the currency appreciates, goods originating from that country now cost more to foreigners than they did before and foreign goods now cost less than they did before. Consequently, exports decrease and imports increase.[2]

Other possible problems with fiscal stimulus include the time lag between the implementation of the policy and detectable effects in the economy, and inflationary effects driven by increased demand. In theory, fiscal stimulus does not cause inflation when it uses resources that would have otherwise been idle. For instance, if a fiscal stimulus employs a worker who otherwise would have been unemployed, there is no inflationary effect; however, if the stimulus employs a worker who otherwise would have had a job, the stimulus is increasing labor demand while labor supply remains fixed, leading to wage inflation and therefore price inflation.

Fiscal Straitjacket

The concept of a fiscal straitjacket is a general economic principle that suggests strict constraints on government spending and public sector borrowing, to limit or regulate the budget deficit over a time period. The term probably originated from the definition of straitjacket: anything that severely confines, constricts, or hinders.[3] Various states in the United States have various forms of self-imposed fiscal straitjackets.

Fund Accounting

Fund accounting is an accounting system emphasizing *accountability* rather than *profitability*, used by non-profit organizations and governments. In this system, a *fund* is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.[1]

The label, *fund accounting*, has also been applied to investment accounting, portfolio accounting or securities accounting – all synonyms describing the process of accounting for a portfolio of investments such as securities, commodities and/or real estate held in an investment fund such as a mutual fund or hedge fund.[2][3] Investment accounting, however, is a different system, unrelated to government and nonprofit fund accounting.

Overview

Nonprofit organizations and government agencies have special requirements to show, in financial statements and reports, how money is spent, rather than how much profit was earned. Unlike profit oriented businesses, which use a single set of self-balancing accounts (or general ledger), nonprofits can have more than one general ledger (or fund), depending on their financial reporting requirements.[4] An accountant for such an entity must be able to produce reports detailing the expenditures and revenues for each of the organization's individual funds, and reports that summarize the organization's financial activities across all of its funds.[5][6]

A school system, for example, receives a grant from the state to support a new special education initiative, another grant from the federal government for a school lunch program, and an annuity to award teachers working on research projects. At periodic intervals, the school system issues a report to the state about the special education program, a report to a federal agency about the school lunch program, and a report to another authority about the research program. Each of these programs has its own unique reporting requirements, so the school system needs a method to separately identify the related revenues and expenditures. This is done by establishing separate funds, each with its own chart of accounts.

State and local government funds

State and local governments use three broad categories of funds: *governmental* funds, *proprietary* funds and *fiduciary* funds.[1][6]

Governmental funds include the following.[7][8]

- *General* fund. This fund is used to account for general operations and activities not requiring the use of other funds.
- *Special revenue* funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses.
- *Capital projects* funds are used to account for the construction or acquisition of fixed assets[9], such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project.[10] Fixed assets acquired and long-term debts incurred by a capital project are assigned to the government's *General Fixed Assets* and *Long-Term Debts*.
- *Debt service* funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment. The debts of special assessment and proprietary funds are serviced within those funds, rather than by a separate debt service fund.[11]
- *Special assessment* funds account for public infrastructure improvements financed by special levies against property holders. Sidewalk and alley repairs often rely on special assessments.

Proprietary funds include the following.[7]

- *Internal service* funds are used for operations serving other funds or departments within a government on a cost-reimbursement basis. A printing shop, which takes orders for booklets and forms from other offices and is reimbursed for the cost of each order, would be a suitable application for an internal service fund.[12]
- *Enterprise* funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise.[13] Water and sewage utilities are common examples of government enterprises.[14]

Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities.[15] The employee pension fund, created by the State of Maryland to provide retirement benefits for its employees, is an example of a fiduciary fund.[13] Financial statements may further distinguish fiduciary funds as either *trust* or *agency* funds; a trust fund generally exists for a longer period of time than an agency fund.[16]

Fixed assets and long-term debts

State and local governments have two other groups of self-balancing accounts which are not considered funds: *general fixed assets* and *general long-term debts*. These assets and liabilities belong to the government entity as a whole, rather than any specific fund.[17] Although general fixed assets would be part of government-wide financial statements (reporting the entity as a whole), they are not reported in governmental fund statements.[18] Fixed assets and long-term liabilities assigned to a specific enterprise fund are referred to as *fund fixed assets* and *fund long-term liabilities*.[19]

Basis of accounting

The accrual basis of accounting used by most businesses requires revenue to be recognized when it is earned and expenses to be recognized when the related benefit is received. Revenues may actually be received during a later period, while expenses may be paid during an earlier or later period. (Cash basis accounting, used by some small businesses, recognizes revenue when received and expenses when paid.)

Governmental funds, which are not concerned about profitability, usually rely on a *modified accrual* basis. This involves recognizing revenue when it becomes both available and measurable, rather than when it is earned. *Expenditures*, a term preferred over *expenses* for modified accrual accounting, are recognized when the related liability is incurred.[20][21]

Proprietary funds, used for business-like activities, usually operate on an accrual basis.[22] Governmental accountants sometimes refer to the accrual basis as "full accrual" to distinguish it from *modified* accrual basis accounting.[23]

The accounting basis applied to fiduciary funds depends upon the needs of a specific fund. If the trust involves a business-like operation, accrual basis accounting would be appropriate to show the fund's profitability. Accrual basis is also appropriate for trust funds using interest and dividends from invested principle amounts to pay for supported programs, because the profitability of those investments would be important.[24]

Financial reporting

State and local governments report the results of their annual operations in a comprehensive annual financial report (CAFR), the equivalent of a business's financial statements. A CAFR includes a single set of government-wide statements, for the government entity as a whole, and individual fund statements. The Governmental Accounting Standards Board establishes standards for CAFR preparation.[6]

Governments do not use the terms *profit* and *loss* to describe the net results of their operations. The difference between revenues and expenditures during a year is either a *surplus* or a *deficit*. Since making a profit is not the purpose of a government, a significant surplus generally means a choice between tax cuts or spending increases. A significant deficit will result in spending cuts or borrowing. Ideally, surpluses and deficits should be small.[25][26][6]

Federal government funds

Federal government accounting uses two broad groups of funds: the *federal funds group* and the *trust funds group*.[27]

Federal funds group

- *General fund*. Technically, there is just one general fund, under the control of the United States Treasury Department. However, each federal agency maintains its own self-balancing set of accounts. The general fund is used to account for receipts and payments that do not belong to another fund.[28]
- *Special funds* are similar to the *special revenue funds* used by state and local governments, earmarked for a specific purpose (other than business-like activities).[29]
- *Revolving funds* are similar to the *Proprietary* funds used by state and local governments for business-like activities. The term, *revolving*, means that it conducts a continuing cycle of activity. There are two types of revolving funds in the Federal Funds Group: *public enterprise* funds and *intragovernmental revolving* funds.[30]
    - *Public enterprise funds* are similar to the *enterprise* funds used by state and local governments for business-like activities conducted primarily with the public.[29] The Postal Service Fund is an example of a public enterprise fund.[31]

- *Intragovernmental revolving funds* are similar to the *internal service* funds used by state and local governments for business-like activities conducted within the federal government.[29]

Trust funds group

- *Trust funds* are earmarked for specific programs and purposes in accordance with a statute that designates the fund as a *trust*. Its statutory designation distinguishes the fund as a *trust* rather than a *special* fund. The Highway Trust Fund is an example of trust funds.[32]
- *Trust Revolving Funds* are business-like activities, designated by statute as *trust* funds. They are, otherwise, identical to public enterprise revolving funds.[32]
- *Deposit funds* are similar to the *agency funds* used by state and local governments for assets belonging to individuals and other entities, held temporarily by the government. State income taxes withheld from a federal government employee's pay, not yet paid to the state, are an example of deposit funds.[33]

Accounting basis and financial reporting

The United States government uses accrual basis accounting for all of its funds. Its consolidated annual financial report uses two indicators to measure financial health: *unified budget deficit* and *net operating (cost)/revenue*.[34]

The unified budget deficit, a cash-basis measurement, is the equivalent of a checkbook balance. This indicator does not consider long-term consequences, but has historically been the focus of budget reporting by the media. Except for the unified budget deficit, the federal government's financial statements rely on accrual basis accounting.[34]

Net operating (cost)/revenue, an accrual basis measurement, is calculated in the "Statements of Operations and Changes in Net Position" by comparing revenues with costs.[35] The federal government's *net operating (cost)/revenue* is comparable with the *net income/(loss)* reported on an income statement by a business, or the *surplus/(deficit)* reported by state and local governments.

Nonprofit organizations

Nonprofit organizations generally use the following five categories of funds.[36]

- *Current fund – unrestricted*. This fund is used to account for current assets that can be used at the discretion of the organization's governing board.
- *Current funds – restricted* use current assets subject to restrictions assigned by donors or grantors.
- *Land, building and equipment fund.* Cash and investments reserved specifically to acquire these assets, and related liabilities, should also be recorded in this fund.
- *Endowment funds* are used to account for the principal amount of gifts the organization is required, by agreement with the donor, to maintain intact in perpetuity or until a specific future date or event.
- *Custodian funds* are held and disbursed according to the donor's instructions.

Basis of accounting and financial reporting

The *Report of Consolidated Financial Statements*, used for annual financial reporting by nonprofit organizations, is similar to the CAFR used by state and local governments. However, nonprofit organizations use accrual basis accounting for their funds.[37] A nonprofit's financial statements generally include the following.

- *Statement of financial position* or balance sheet. Similar to the balance sheet of a business, this statement lists the value of assets held and debts owed by the organization at the end of the reporting period.[38]
- *Statement of activities* or *statement of support, revenue and expenses*. This statement resembles the income statement of a business, but uses the terms *excess* or *deficit* rather than *profit* or *loss*. It shows the net results, by each fund, of the organization's activities during the fiscal year reported. The excess or deficit is applied as a change in fund balances, rather than an increase or decrease in owner's equity.[39]
- *Statement of functional expenses* distributes each expense of the organization into amounts related to the organization's various functions. These functions are segregated into two broad categories: *program* services and *supporting* services. Program services are the mission-related activities performed by the organization. Non-program supporting services include the costs of fund-raising events, management and general administration.[40]
- *Statement of Cash Flows* identifies the sources of cash flowing into the organization and the uses of cash flowing out during the reported fiscal year.[41]

Standards for nonprofit financial statements are set by the Financial Accounting Standards Board.

Fund accounting fiscal cycle (fictitious example)

The following is a simplified example of the fiscal cycle for the general fund of the City of Tuscany, a fictitious city government.

Opening entries

The fiscal cycle begins with the approval of a budget[42] by the mayor and city council of the City of Tuscany. For Fiscal Year 2009, which began on July 1, 2008, the Mayor's Office estimated general fund revenues of $35 million from property taxes, state grants, parking fines and other sources. The estimate was recorded in the fund's general ledger with a debit to *Estimated Revenues* and a credit to *Fund Balance*.[43]

	Ledger Account	Debit	Credit
1	Estimated revenues	$35,000,000	
	Fund balance		$35,000,000

An appropriation was approved by the city council, authorizing the city to spend $34 million from the general fund. The appropriation was recorded in fund's general ledger with a debit to *Fund Balance* and a credit to *Appropriations*.[43]

	Ledger Account	Debit	Credit

2	Fund balance	$34,000,000	
	Appropriations		$34,000,000

In subsidiary ledgers, the appropriation would be divided into smaller amounts authorized for various departments and programs,[44] such as:

Fire department	$5,000,000
Police department	$5,000,000
Schools	$10,000,000
Public works	$6,000,000
Transportation	$4,000,000
Mayor's office	$4,000,000

The complexity of an appropriation depends upon the city council's preferences; real-world appropriations can list hundreds of line item amounts. An appropriation is the legal authority for spending[45] given by the city council to the various agencies of the city government. In the example above, the city can spend as much as $34 million, but smaller appropriation limits have also been established for individual programs and departments.

Recording revenues

During Fiscal Year 2009, the city assessed property owners a total of $37 million for property taxes. However, the Mayor's Office expects $1 million of this assessment to be difficult or impossible to collect. Revenues of $36 million were recognized, because this portion of the assessment was *available and measurable*[20][21] within the current period.

	Ledger Account	**Debit**	**Credit**
3	Taxes receivable	$37,000,000	
	Estimated uncollectible taxes		$1,000,000
	Revenues		$36,000,000

Payroll expenditures

The city spent a total of $30 million on its employee payroll, including various taxes, benefits and employee withholding. A portion of the payroll taxes will be paid in the next fiscal period, but modified accrual accounting requires the expenditure to be recorded during the period the liability was incurred.[20][21]

	Ledger Account	**Debit**	**Credit**
4	Expenditures	$30,000,000	
	Wages payable		$20,000,000
	Taxes payable		$5,000,000
	Benefits payable		$5,000,000

Other expenditures

The Public Works Department spent $1 million on supplies and services for maintaining city streets.[46]

	Ledger Account	Debit	Credit
5	Expenditures	$1,000,000	
	Vouchers payable		$1,000,000

Closing entries

At the end of the fiscal year, the actual revenues of $36 million were compared with the estimate of $35 million. The $1 million difference was recorded as a credit to the fund balance.[47]

	Ledger Account	Debit	Credit
6	Revenues	$36,000,000	
	Estimated revenues		$35,000,000
	Fund balance		$1,000,000

The city spent $31 million of its $34 million appropriation. A credit of $3 million was applied to the fund balance for the unspent amount.[47]

	Ledger Account	Debit	Credit
7	Appropriations	$34,000,000	
	Expenditures		$31,000,000
	Fund balance		$3,000,000

When the current fiscal period ended, its appropriation expired. The balance remaining in the general fund at that time is considered *unexpended*. City government agencies are not allowed to spend the unexpended balance, even if their expenditures during the now-ended fiscal period were less than their share of the expired appropriation. A new appropriation is necessary to authorize spending in the next fiscal period. (Liabilities incurred at the end of the fiscal period for goods and services ordered, but not yet received, are usually considered *expended*, allowing payment at a later date under the current appropriation. Some jurisdictions, however, require the amounts to be included in the following period's budget.)[48]

Instead of re-applying the unspent balance from the general fund to the same programs, the city council may choose to spend the money on other programs. Alternatively, they may use the balance to cut taxes or pay off a long-term debt. With a large surplus, reducing the tax burden will normally be the preferred choice.[6]

International Public Sector Accounting Standards

International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements. These standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Objective

IPSAS aims to improve the quality of general purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability.

Scope

IPSAS are accounting standards for application by national governments, regional (e.g., state, provincial, territorial) governments, local (e.g., city, town) governments and related governmental entities (e.g., agencies, boards and commissions). IPSAS standards are widely used by intergovernmental organizations. IPSAS do not apply to government business enterprises.

Due process

IPSAS are issued by IPSASB (International Public Sector Accounting Standards Board), an independent organ of IFAC (International Federation of Accountants). The IPSASB adopts a due process for the development of IPSAS that provides the opportunity for comment by interested parties including auditors, preparers (including finance ministries), standard setters, and individuals. IPSASB meetings to discuss the development and to approve the issuance of IPSAS or other papers are open to the public. Agenda papers, including the minutes of the meetings of the IPSASB, are published on the IPSASB's website: www.ipsasb.org. Observers on the IPSASB meetings include ADB, EU, IASB, IMF, INTOSAI, OECD, UN, UNDP and the World Bank.

Convergence of IPSAS with IFRS

IPSAS are based on the International Financial Reporting Standards (IFRS), formerly known as IAS. IFRS are issued by the International Accounting Standards Board (IASB). IPSASB adapts IFRS to a public sector context when appropriate. In undertaking that process, the IPSASB attempts, wherever possible, to maintain the accounting treatment and original text of the IFRS unless there is a significant public sector issue which warrants a departure.

Language of IPSAS

The approved text of IPSAS standards is that published by the IPSASB in the English language. The IPSASB Handbook has been translated from English into a number of languages, including French [1], Spanish [2], German, Russian and Chinese. The Arab Society of Certified Accountants (ASCA) of Jordan issued an Arabic [3] version of the IPSASB Handbook. In addition, Brazil is working on translation of IPSAS into Portuguese. See [4] for more information.

Features of IPSAS

There are 31 standards on the accrual basis of accounting and one standard on the cash basis of accounting (source: IPSAS Handbook published March 2011).

- When the accrual basis of accounting underlies the preparation of the financial statements, the financial statements will include:
    - the statement of financial position (IPSAS 1),
    - the statement of financial performance (IPSAS 1),
    - the cash flow statement (IPSAS 2),
    - the statement of changes in net assets/equity (IPSAS 1),
    - the notes to the financial statements, or annex (IPSAS 1).
- When the cash basis of accounting underlies the preparation of the financial statements, the primary financial statement is
    - the *statement of cash receipts and payments*.

Funding

Multilateral development banks (World Bank, ADB) provide a substantial amount of funding for the work of IPSASB. Other sources of revenue for the development of IPSASs include funding from international, national and regional government entities. In addition, IFAC (International Federation of Accountants) and the CICA (Canadian Institute of Chartered Accountants) support the IPSASB activity.

The impact of the credit crisis on public sector accounting

The credit crisis has raised several public sector accounting issues. Governments have extended credit to banks, guaranteed the liabilities of banks, purchased impaired debt instruments and in some instances have assumed control of banks. The unique nature of the credit crisis and the unprecedented response by governments around the world has reinforced the importance of high-quality standards for financial reporting by governments. The credit crisis has increased the need for accountability in the public sector and for transparency in its financial dealings.

IPSAS Adoption by intergovernmental organizations

The following intergovernmental organizations have adopted IPSAS or are in the process of adopting IPSAS:

- Commonwealth Secretariat: Adopted IPSAS as the basis for financial reporting from 1 July 2008 i.e. Financial Year 2008-2009. Source: Commonwealth Secretariat Website 2008-09 Audited Financial Statements (Page 5 under Accounting Policies). http://www.thecommonwealth.org/document/181889/34293/39128/171664/234661/audited_accounts.htm
- CoE (Council of Europe): Issues IPSAS compliant financial statements since 2007.
- EC (European Communities): Issues IPSAS-similar financial statements since 2005.
- ESA (European Space Agency): Aims to be IPSAS compliant by January 1, 2010.
- EUMETSAT (European Organisation for the Exploitation of Meteorologial Satellites): Aims to be IPSAS compliant with the production of the annual accounts 2012, in March 2013.

- INTERPOL (International Criminal Police Organization): From 2007 onwards, financial statements are prepared in accordance with INTERPOL's Financial Regulations and in compliance with IPSAS. If there is a divergence between IPSAS and INTERPOL's Financial Regulations, the INTERPOL Financial Regulations have been applied. Divergences are not deemed to be significant.
- NATO (North Atlantic Treaty Organization): Issues IPSAS financial statements since 2008.
- OECD (Organisation for Economic Cooperation and Development): Issues IPSAS-compliant financial statements since 2000, the first body in the world to do so.

● United Nations System

UN (United Nations), Programmes and Funds (such as UNDP, UNICEF and UNHCR), Specialized Agencies (such as FAO, ICAO, ILO, UNIDO, UNESCO, UNOPS and WHO) and Related Organizations (such as IAEA, OPCW, the World Trade Organization, and the World Meteorological Organization) aim to be IPSAS compliant.

- **WFP (World Food Programme)**: WFP is the first United Nations agency to implement IPSAS. In its 2008 financial statements,[1] WFP adopted all standards issued by the IPSAS Board including several standards prior to their effective date.
- **PNUD**: Adoption in progress (2009/2012)[2]

International Financial Reporting Standards

International Financial Reporting Standards (**IFRS**) are principles-based standards, interpretations and the framework (1989)[1] adopted by the International Accounting Standards Board (IASB).

Many of the standards forming part of IFRS are known by the older name of **International Accounting Standards** (IAS). IAS were issued between 1973 and 2001 by the Board of the International Accounting Standards Committee (IASC). On April 1, 2001, the new IASB took over from the IASC the responsibility for setting International Accounting Standards. During its first meeting the new Board adopted existing IAS and Standing Interpretations Committee standards (SICs). The IASB has continued to develop standards calling the new standards IFRS.

Structure of IFRS

IFRS are considered a "principles based" set of standards in that they establish broad rules as well as dictating specific treatments.

International Financial Reporting Standards comprise:

- *International Financial Reporting Standards (IFRS)*— standards issued after 2001
- *International Accounting Standards (IAS)*— standards issued before 2001

- *Standing Interpretations Committee (SIC)*— issued before 2001
- *Conceptual Framework for Financial Reporting (2010)*

IAS 8 Par. 11

"In making the judgement described in paragraph 10, management shall refer to, and consider the applicability of, the following sources in descending order:

(a) the requirements and guidance in Standards and Interpretations dealing with similar and related issues; and

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the ***Framework****."*

Framework

The Framework for the Preparation and Presentation of Financial Statements states basic principles for IFRS. (The framework provided in this link is a version issued by Australia, and is partly out-of-date.)

The IASB and FASB Frameworks are in the process of being updated and converged. The Joint Conceptual Framework project aims to update and refine the existing concepts to reflect the changes in markets, business practices and the economic environment that have occurred in the two or more decades since the concepts were first developed.

Role of framework

Deloitte states:

In the absence of a Standard or an Interpretation that specifically applies to a transaction, management must use its judgement in developing and applying an accounting policy that results in information that is relevant and reliable. In making that judgement, IAS 8.11 requires management to consider the definitions, recognition criteria, and measurement concepts for assets, liabilities, income, and expenses in the Framework. This elevation of the importance of the Framework was added in the 2003 revisions to IAS 8.[2]

Objective of financial statements

A financial statement should reflect true and fair view of the business affairs of the organization. As these statements are used by various constituents of the society / regulators, they need to reflect true view of the financial position of the organization. and it is very helpful to check the financial position of the business for a specific period.

IFRS authorize three basic accounting models:

I. Current Cost Accounting, under Physical Capital Maintenance at all levels of inflation and deflation under the Historical Cost paradigm as well as the Capital Maintenance in Units of Constant Purchasing Power paradigm. (See the Conceptual Framework, Par. 4.59 (b).)

II. Financial capital maintenance in nominal monetary units, i.e., globally implemented Historical cost accounting during low inflation and deflation only under the traditional Historical Cost paradigm.(See the original Framework (1989), Par 104 (a))[now Conceptual Framework (2010), Par. 4.59 (a)].

III. Financial capital maintenance in units of constant purchasing power, i.e., Constant Item Purchasing Power Accounting – CIPPA – in terms of a Daily Consumer Price Index or daily rate at all levels of inflation and deflation (see the original Framework (1989), Par 104 (a)) [now Conceptual Framework (2010), Par. 4.59 (a)] under the Capital Maintenance in Units of Constant Purchasing Power paradigm and Constant Purchasing Power Accounting – CPPA – (see IAS 29) during hyperinflation under the Historical Cost paradigm.

The following are the three underlying assumptions in IFRS:

- 1. **Going concern**: an entity will continue for the foreseeable future under the Historical Cost paradigm as well as under the Capital Maintenance in Units of Constant Purchasing Power paradigm. (See Conceptual Framework, Par. 4.1)
- 2. **Stable measuring unit assumption**: financial capital maintenance in nominal monetary units or traditional Historical cost accounting only under the traditional Historical Cost paradigm; i.e., accountants consider changes in the purchasing power of the functional currency up to but excluding 26% per annum for three years in a row (which would be 100% cumulative inflation over three years or hyperinflation as defined in IAS 29) as immaterial or not sufficiently important for them to choose Capital Maintenance in units of constant purchasing power in terms of a Daily Consumer Price Index or daily rate Constant Item Purchasing Power Accounting at all levels of inflation and deflation as authorized in IFRS in the original Framework(1989), Par 104 (a) [now Conceptual Framework (2010), Par. 4.59 (a)].

Accountants implementing the stable measuring unit assumption (traditional Historical Cost Accounting) during annual inflation of 25% for 3 years in a row would erode 100% of the real value of all constant real value non-monetary items not maintained constant under the Historical Cost paradigm.

- 3. **Units of constant purchasing power**: capital maintenance in units of constant purchasing power at all levels of inflation and deflation in terms of a Daily Consumer Price Index or daily rate (Constant Item Purchasing Power Accounting) only under the Capital Maintenance in Units of Constant Purchasing Power paradigm; i.e. the total rejection of the stable measuring unit assumption at all levels of inflation and deflation. See The Framework (1989), Paragraph 104 (a) [now Conceptual Framework (2010), Par. 4.59 (a)]. Capital maintenance in units of constant purchasing power under Constant Item Purchasing Power Accounting in terms of a Daily Consumer Price Index or daily rate of all constant real value non-monetary items in all entities that at least break even in real value at all levels of inflation and deflation - ceteris paribus - remedies for an indefinite period of time the erosion caused by Historical Cost Accounting of the real values of constant real value non-monetary items never maintained constant as a result of the implementation of the stable measuring unit assumption at all levels of inflation and deflation under HCA.

It is not inflation doing the eroding. Inflation and deflation have no effect on the real value of non-monetary items.[3] It is the implementation of the stable measuring unit assumption, i.e., traditional HCA which erodes the real value of constant real value non-monetary items never maintained constant in a double entry basic accounting model.

Constant real value non-monetary items are non-monetary items with constant real values over time whose values within an entity are not generally determined in a market on a daily basis.

Examples include borrowing costs, comprehensive income, interest paid, interest received, bank charges, royalties, fees, short term employee benefits, pensions, salaries, wages, rentals, all other income statement items, issued share capital, share premium accounts, share discount accounts, retained earnings, retained losses, capital reserves, revaluation surpluses, all accounted profits and losses, all other items in shareholders´ equity, trade debtors, trade creditors, dividends payable, dividends receivable, deferred tax assets, deferred tax liabilities, all taxes payable, all taxes receivable, all other non-monetary payables, all other non-monetary receivables, provisions, etc.

All constant real value non-monetary items are always and everywhere measured in units of constant purchasing power at all levels of inflation and deflation under CIPPA in terms of a Daily CPI or daily rate under the Capital Maintenance in Units of Constant Purchasing Power paradigm. The constant item gain or loss is calculated when current period constant items are not measured in units of constant purchasing power.

Monetary items are units of money held and items with an underlying monetary nature which are substitutes for units of money held.

Examples of units of money held are bank notes and coins of the fiat currency created within an economy by means of fractional reserve banking. Examples of items with an underlying monetary nature which are substitutes of money held include the capital amount of: bank loans, bank savings, credit card loans, car loans, home loans, student loans, consumer loans, commercial and government bonds, Treasury Bills, all capital and money market investments, notes payable, notes receivable, etc. when these items are not in the form of money held.

Historic and current period monetary items are required to be inflation-adjusted on a daily basis in terms of a daily index or rate under the Capital Maintenance in Units of Constant Purchasing Power paradigm. The net monetary loss or gain as defined in IAS 29 is required to be calculated and accounted when they are not inflation-adjusted on a daily basis during the current financial period. Inflation-adjusting the total money supply (excluding bank notes and coins of the fiat functional currency created by means of fractional reserve banking within an economy) in terms of a daily index or rate under complete co-ordination would result in zero cost of inflation (not zero inflation) in only the entire money supply (as qualified) in an economy.

Variable real value non-monetary items are non-monetary items with variable real values over time. Examples include quoted and unquoted shares, property, plant, equipment, inventory, intellectual property, goodwill, foreign exchange, finished goods, raw material, etc.

Current period variable real value non-monetary items are required to be measured on a daily basis in terms of IFRS excluding the stable measuring unit assumption and the cost model in the valuation of property, plant, equipment and investment property after recognition under the Capital Maintenance in Units of Constant Purchasing Power paradigm. When they are not valued on a daily basis, then they as well as historic variable real value non-monetary items are required to be updated daily in terms of a daily rate as indicated above. Current period impairment losses in variable real value non-monetary items are required to be treated in terms of IFRS. They are constant real value non-monetary items once they are accounted. All accounted losses and profits are constant real value non-monetary items.

Under the Capital Maintenance in Units of Constant Purchasing Power paradigm daily measurement is required of all items in terms of

(a) a Daily Consumer Price Index or monetized daily indexed unit of account, e.g. the Unidad de Fomento in Chile, during low inflation, high inflation and deflation and

(b) in terms of a relatively stable foreign currency parallel rate (normally the US Dollar daily parallel rate) or a Brazilian-style Unidade Real de Valor daily index during hyperinflation. Hyperinflation is defined in IAS 29 as cumulative inflation being equal to or approaching 100 per cent over three years, i.e. 26 per cent annual inflation for three years in a row.

Qualitative characteristics of financial statements

Qualitative characteristics of financial statements include:

- Relevance (Materiality)
- Faithful representation

Enhancing qualitative characteristics include:

- Comparability
- Verifiability
- Timeliness
- Understandability

Elements of financial statements (IAS 1 article 10)

- The financial position of an enterprise is primarily provided in the **Statement of Financial Position**. The elements include:
    - **Asset**: An asset is a resource controlled by the enterprise as a result of past events from which future economic benefits are expected to flow to the enterprise.
    - **Liability**: A liability is a present obligation of the enterprise arising from the past events, the settlement of which is expected to result in an outflow from the enterprise' resources, i.e., assets.
    - **Equity**: Equity is the residual interest in the assets of the enterprise after deducting all the liabilities under the Historical Cost Accounting model. Equity is also known as owner's equity. Under the units of constant purchasing power model equity is the constant real value of shareholders´ equity.
- The financial performance of an enterprise is primarily provided in the **Statement of Comprehensive Income** (income statement or profit and loss account). The elements of an income statement or the elements that measure the financial performance are as follows:
    - **Revenues**: increases in economic benefit during an accounting period in the form of inflows or enhancements of assets, or decrease of liabilities that result in increases in equity. However, it does not include the contributions made by the equity participants, i.e., proprietor, partners and shareholders.
    - **Expenses**: decreases in economic benefits during an accounting period in the form of outflows, or depletions of assets or incurrences of liabilities that result in decreases in equity.

    Revenues and expenses are measured in nominal monetary units under the Historical Cost Accounting model and in units of constant purchasing power (inflation-adjusted) under the Units of Constant Purchasing Power model.

- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Notes to the Financial Statements**

Recognition of elements of financial statements

An item is recognized in the financial statements when:

- it is probable future economic benefit will flow to or from an entity.
- the resource can be reliably measured – otherwise the stable measuring unit assumption is applied under the Historical Cost Accounting model: i.e. it is assumed that the monetary unit of account (the functional currency) is perfectly stable (zero inflation or deflation); it is simply assumed that there is no inflation or deflation ever, and items are stated at their original nominal Historical Cost from any prior date: 1 month, 1 year, 10 or 100 or 200 or more years before; i.e. the stable measuring unit assumption is applied to items such as issued share capital, retained earnings, capital reserves, all other items in shareholders´ equity, all items in the Statement of Comprehensive Income (except salaries, wages, rentals, etc., which are inflation-adjusted annually), etc.

Under the Units of Constant Purchasing Power model, all constant real value non-monetary items are inflation-adjusted during low inflation and deflation; i.e. all items in the Statement of Comprehensive Income, all items in shareholders´ equity, Accounts Receivables, Accounts Payables, all non-monetary payables, all non-monetary receivables, provisions, etc.

Measurement of the elements of financial statements

Par. 99. Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the balance sheet and income statement. This involves the selection of the particular basis of measurement.

Par. 100. A number of different measurement bases are employed to different degrees and in varying combinations in financial statements. They include the following:

(a) Historical cost. Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

(b) Current cost. Assets are carried at the amount of cash or cash equivalents that would have to be paid if the same or an equivalent asset was acquired currently. Liabilities are carried at the undiscounted amount of cash or cash equivalents that would be required to settle the obligation currently.

(c) Realisable (settlement) value. Assets are carried at the amount of cash or cash equivalents that could currently be obtained by selling the asset in an orderly disposal. Assets are carried at the present discounted value of the future net cash inflows that the item is expected to generate in the normal course of business. Liabilities are carried at the present discounted value of the future net cash outflows that are expected to be required to settle the liabilities in the normal course of business.

Par. 101. The measurement basis most commonly adopted by entities in preparing their financial statements is historical cost. This is usually combined with other measurement bases. For example, inventories are usually carried at the lower of cost and net realisable value, marketable securities may be carried at market value and pension liabilities are carried at their present value. Furthermore, some entities use the current cost basis as a response to the inability of the historical cost accounting model to deal with the effects of changing prices of non-monetary assets.

Concepts of capital and capital maintenance

A major difference between US GAAP and IFRS is the fact that three fundamentally different concepts of capital and capital maintenance are authorized in IFRS while US GAAP only authorize two capital and capital maintenance concepts during low inflation and deflation: (1) physical capital maintenance and (2) financial capital maintenance in nominal monetary units (traditional Historical Cost Accounting) as stated in Par 45 to 48 in the FASB Conceptual Satement Nº 5. US GAAP does not recognize the third concept of capital and capital maintenance during low inflation and deflation, namely, financial capital maintenance in units of constant purchasing power as authorized in IFRS in the Framework, Par 104 (a) in 1989.

Concepts of capital

Par. 102. A financial concept of capital is adopted by most entities in preparing their financial statements. Under a financial concept of capital, such as invested money or invested purchasing power, capital is synonymous with the net assets or equity of the entity. Under a physical concept of capital, such as operating capability, capital is regarded as the productive capacity of the entity based on, for example, units of output per day.

Par. 103. The selection of the appropriate concept of capital by an entity should be based on the needs of the users of its financial statements. Thus, a financial concept of capital should be adopted if the users of financial statements are primarily concerned with the maintenance of nominal invested capital or the purchasing power of invested capital. If, however, the main concern of users is with the operating capability of the entity, a physical concept of capital should be used. The concept chosen indicates the goal to be attained in determining profit, even though there may be some measurement difficulties in making the concept operational.

Concepts of capital maintenance and the determination of profit

Par. 104. The concepts of capital in paragraph 102 give rise to the following two concepts of capital maintenance:

(a) Financial capital maintenance. Under this concept a profit is earned only if the financial (or money) amount of the net assets at the end of the period exceeds the financial (or money) amount of net assets at the beginning of the period, after excluding any distributions to, and contributions from, owners during the period. Financial capital maintenance can be measured in either nominal monetary units or units of constant purchasing power.

(b) Physical capital maintenance. Under this concept a profit is earned only if the physical productive capacity (or operating capability) of the entity (or the resources or funds needed to achieve that capacity) at the end of the period exceeds the physical productive capacity at the beginning of the period, after excluding any distributions to, and contributions from, owners during the period.

The concepts of capital in paragraph 102 give rise to the following three concepts of capital during low inflation and deflation:

- (A) Physical capital. See paragraph 102&103

- (B) Nominal financial capital. See paragraph 104.[4]
- (C) Constant purchasing power financial capital. See paragraph 104.[5]

The concepts of capital in paragraph 102 give rise to the following three concepts of capital maintenance during low inflation and deflation:

- (1) **Physical capital maintenance**: optional during low inflation and deflation. Current Cost Accounting model prescribed by IFRS. See Par 106.
- (2) **Financial capital maintenance in nominal monetary units** (Historical cost accounting): authorized by IFRS but not prescribed—optional during low inflation and deflation. See Par 104 (a) Historical cost accounting. Financial capital maintenance in nominal monetary units per se during inflation and deflation is a fallacy: it is impossible to maintain the real value of financial capital constant with measurement in nominal monetary units per se during inflation and deflation.
- (3) **Financial capital maintenance in units of constant purchasing power** (Constant Item Purchasing Power Accounting): authorized by IFRS but not prescribed—optional during low inflation and deflation. See Par 104(a). IAS 29 is prescribed [6] during hyperinflation: i.e. the restatement of Historical Cost or Current Cost period-end financial statements in terms of the period-end monthly published Consumer Price Index.[7] Only financial capital maintenance in units of constant purchasing power (CIPPA) per se can automatically maintain the real value of financial capital constant at all levels of inflation and deflation in all entities that at least break even in real value—ceteris paribus—for an indefinite period of time. This would happen whether these entities own revaluable fixed assets or not and without the requirement of more capital or additional retained profits to simply maintain the existing constant real value of existing shareholders´ equity constant. Financial capital maintenance in units of constant purchasing power requires the calculation and accounting of net monetary losses and gains from holding monetary items during low inflation and deflation. The calculation and accounting of net monetary losses and gains during low inflation and deflation have thus been authorized in IFRS since 1989.

Par. 105. The concept of capital maintenance is concerned with how an entity defines the capital that it seeks to maintain. It provides the linkage between the concepts of capital and the concepts of profit because it provides the point of reference by which profit is measured; it is a prerequisite for distinguishing between an entity's return on capital and its return of capital; only inflows of assets in excess of amounts needed to maintain capital may be regarded as profit and therefore as a return on capital. Hence, profit is the residual amount that remains after expenses (including capital maintenance adjustments, where appropriate) have been deducted from income. If expenses exceed income the residual amount is a loss.

Par. 106. The physical capital maintenance concept requires the adoption of the current cost basis of measurement. The financial capital maintenance concept, however, does not require the use of a particular basis of measurement. Selection of the basis under this concept is dependent on the type of financial capital that the entity is seeking to maintain.

Par. 107. The principal difference between the two concepts of capital maintenance is the treatment of the effects of changes in the prices of assets and liabilities of the entity. In general terms, an entity has maintained its capital if it has as much capital at the end of the period as it had at the beginning of the period. Any amount over and above that required to maintain the capital at the beginning of the period is profit.

Par. 108. Under the concept of financial capital maintenance where capital is defined in terms of nominal monetary units, profit represents the increase in nominal money capital over the period. Thus, increases in the prices of assets held over the period, conventionally referred to as holding gains, are, conceptually, profits. They may not be recognised as such, however, until the assets are disposed of in an exchange transaction. When the concept of financial capital maintenance is defined in terms of constant purchasing power units, profit represents the increase in invested purchasing power over the period. Thus, only that part of the increase in the prices of assets that exceeds the increase in the general level of prices is regarded as profit. The rest of the increase is treated as a capital maintenance adjustment and, hence, as part of equity.

Par. 109. Under the concept of physical capital maintenance when capital is defined in terms of the physical productive capacity, profit represents the increase in that capital over the period. All price changes affecting the assets and liabilities of the entity are viewed as changes in the measurement of the physical productive capacity of the entity; hence, they are treated as capital maintenance adjustments that are part of equity and not as profit.

Par. 110. The selection of the measurement bases and concept of capital maintenance will determine the accounting model used in the preparation of the financial statements. Different accounting models exhibit different degrees of relevance and reliability and, as in other areas, management must seek a balance between relevance and reliability. This Framework is applicable to a range of accounting models and provides guidance on preparing and presenting the financial statements constructed under the chosen model. At the present time, it is not the intention of the Board of IASC to prescribe a particular model other than in exceptional circumstances, such as for those entities reporting in the currency of a hyperinflationary economy. This intention will, however, be reviewed in the light of world developments.[8]

Requirements of IFRS

See Requirements of IFRS. IFRS financial statements consist of (IAS1.8)

- a Statement of Financial Position
- a Statement of Comprehensive Income separate statements comprising an Income Statement and separately a Statement of Comprehensive Income, which reconciles Profit or Loss on the Income statement to total comprehensive income
- a Statement of Changes in Equity (SOCE)
- a Cash Flow Statement or Statement of Cash Flows
- notes, including a summary of the significant accounting policies

Comparative information is required for the prior reporting period (IAS 1.36). An entity preparing IFRS accounts for the first time must apply IFRS in full for the current and comparative period although there are transitional exemptions (IFRS1.7).

On 6 September 2007, the IASB issued a revised IAS 1 Presentation of Financial Statements. The main changes from the previous version are to require that an entity must:

- present all non-owner changes in equity (that is, 'comprehensive income') *either* in one Statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income may *not* be presented in the Statement of changes in equity.

- present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies the new standatd.
- present a statement of cash flow.
- make necessary disclosure by the way of a note.

The revised IAS 1 is effective for annual periods beginning on or after 1 January 2009. Early adoption is permitted.

IASB current projects

.[9] Much of its work is LEAD TO convergence with US GAAP.

Adoption of IFRS

IFRS are used in many parts of the world, including the European Union, India, Hong Kong, Australia, Malaysia, Pakistan, GCC countries, Russia, South Africa, Singapore and Turkey. As of August 2008, more than 113 countries around the world, including all of Europe, currently require or permit IFRS reporting and 85 require IFRS reporting for all domestic, listed companies, according to the U.S. Securities and Exchange Commission.[10]

It is generally expected that IFRS adoption worldwide will be beneficial to investors and other users of financial statements, by reducing the costs of comparing alternative investments and increasing the quality of information.[11] Companies are also expected to benefit, as investors will be more willing to provide financing.[11] Companies that have high levels of international activities are among the group that would benefit from a switch to IFRS. Companies that are involved in foreign activities and investing benefit from the switch due to the increased comparability of a set accounting standard.[12] However, Ray J. Ball has expressed some skepticism of the overall cost of the international standard; he argues that the enforcement of the standards could be lax, and the regional differences in accounting could become obscured behind a label. He also expressed concerns about the fair value emphasis of IFRS and the influence of accountants from non-common-law regions, where losses have been recognized in a less timely manner.[11]

For a current overview see PwC's map of countries that apply IFRS.

Australia

The Australian Accounting Standards Board (AASB) has issued 'Australian equivalents to IFRS' (A-IFRS), numbering IFRS standards as AASB 1–8 and IAS standards as AASB 101–141. Australian equivalents to SIC and IFRIC Interpretations have also been issued, along with a number of 'domestic' standards and interpretations. These pronouncements replaced previous Australian generally accepted accounting principles with effect from annual reporting periods beginning on or after 1 January 2005 (i.e. 30 June 2006 was the first report prepared under IFRS-equivalent standards for June year ends). To this end, Australia, along with Europe and a few other countries, was one of the initial adopters of IFRS for domestic purposes (in the developed world). It must be acknowledged, however, that IFRS and primarily IAS have been part and parcel of accounting standard package in the developing world for many years since the relevant accounting bodies were more open to adoption of international standards for many reasons including that of capability.

The AASB has made certain amendments to the IASB pronouncements in making A-IFRS, however these generally have the effect of eliminating an option under IFRS, introducing additional disclosures or implementing requirements for not-for-profit entities, rather than departing from IFRS for Australian entities. Accordingly, for-profit entities that prepare financial statements in accordance with A-IFRS are able to make an unreserved statement of compliance with IFRS.

The AASB continues to mirror changes made by the IASB as local pronouncements. In addition, over recent years, the AASB has issued so-called 'Amending Standards' to reverse some of the initial changes made to the IFRS text for local terminology differences, to reinstate options and eliminate some Australian-specific disclosure. There are some calls for Australia to simply adopt IFRS without 'Australianising' them and this has resulted in the AASB itself looking at alternative ways of adopting IFRS in Australia

Canada

The use of IFRS became a requirement for Canadian publicly accountable profit-oriented enterprises for financial periods beginning on or after 1 January 2011. This includes public companies and other "profit-oriented enterprises that are responsible to large or diverse groups of shareholders."[13]

European Union

All listed EU companies have been required to use IFRS since 2005.

In order to be approved for use in the EU, standards must be endorsed by the Accounting Regulatory Committee (ARC), which includes representatives of member state governments and is advised by a group of accounting experts known as the European Financial Reporting Advisory Group. As a result IFRS as applied in the EU may differ from that used elsewhere.

Parts of the standard IAS 39: Financial Instruments: Recognition and Measurement were not originally approved by the ARC. IAS 39 was subsequently amended, removing the option to record financial liabilities at fair value, and the ARC approved the amended version. The IASB is working with the EU to find an acceptable way to remove a remaining anomaly in respect of hedge accounting. The World Bank Centre for Financial Reporting Reform is working with countries in the ECA region to facilitate the adoption of IFRS and IFRS for SMEs.

India

The Institute of Chartered Accountants of India (ICAI) has announced that IFRS will be mandatory in India for financial statements for the periods beginning on or after 1 April 2012. This will be done by revising existing accounting standards to make them compatible with IFRS.

Reserve Bank of India has stated that financial statements of banks need to be IFRS-compliant for periods beginning on or after 1 April 2011.

The ICAI has also stated that IFRS will be applied to companies above INR 1000 crore (INR 10 billion) from April 2011. Phase wise applicability details for different companies in India:

Phase 1: Opening balance sheet as at 1 April 2011*
i. Companies which are part of NSE Index – Nifty 50
ii. Companies which are part of BSE Sensex – BSE 30

a. Companies whose shares or other securities are listed on a stock exchange outside India

b. Companies, whether listed or not, having net worth of more than INR 1000 crore (INR 10 billion)

Phase 2: Opening balance sheet as at 1 April 2012*

Companies not covered in phase 1 and having net worth exceeding INR 500 crore (INR 5 billion)

Phase 3: Opening balance sheet as at 1 April 2014*

Listed companies not covered in the earlier phases * If the financial year of a company commences at a date other than 1 April, then it shall prepare its opening balance sheet at the commencement of immediately following financial year.

On January 22, 2010, the Ministry of Corporate Affairs issued the road map for transition to IFRS. It is clear that India has deferred transition to IFRS by a year. In the first phase, companies included in Nifty 50 or BSE Sensex, and companies whose securities are listed on stock exchanges outside India and all other companies having net worth of INR 1000 crore will prepare and present financial statements using Indian Accounting Standards converged with IFRS. According to the press note issued by the government, those companies will convert their first balance sheet as at April 1, 2011, applying accounting standards convergent with IFRS if the accounting year ends on March 31. This implies that the transition date will be April 1, 2011. According to the earlier plan, the transition date was fixed at April 1, 2010.

The press note does not clarify whether the full set of financial statements for the year 2011–12 will be prepared by applying accounting standards convergent with IFRS. The deferment of the transition may make companies happy, but it will undermine India's position. Presumably, lack of preparedness of Indian companies has led to the decision to defer the adoption of IFRS for a year. This is unfortunate that India, which boasts for its IT and accounting skills, could not prepare itself for the transition to IFRS over last four years. But that might be the ground reality. Transition in phases Companies, whether listed or not, having net worth of more than INR 500 crore will convert their opening balance sheet as at April 1, 2013. Listed companies having net worth of INR 500 crore or less will convert their opening balance sheet as at April 1, 2014. Un-listed companies having net worth of Rs 500 crore or less will continue to apply existing accounting standards, which might be modified from time to time. Transition to IFRS in phases is a smart move. The transition cost for smaller companies will be much lower because large companies will bear the initial cost of learning and smaller companies will not be required to reinvent the wheel. However, this will happen only if a significant number of large companies engage Indian accounting firms to provide them support in their transition to IFRS. If, most large companies, which will comply with Indian accounting standards convergent with IFRS in the first phase, choose one of the international firms, Indian accounting firms and smaller companies will not benefit from the learning in the first phase of the transition to IFRS. It is likely that international firms will protect their learning to retain their competitive advantage. Therefore, it is for the benefit of the country that each company makes judicious choice of the accounting firm as its partner without limiting its choice to international accounting firms. Public sector companies should take the lead and the Institute of Chartered Accountants of India (ICAI) should develop a clear strategy to diffuse the learning. Size of companies The government has decided to measure the size of companies in terms of net worth. This is not the ideal unit to measure the size of a company. Net worth in the balance sheet is determined by accounting principles and methods. Therefore, it does not include the value of intangible assets. Moreover, as most assets and liabilities are measured at historical cost, the net worth does not reflect the current value of those assets and liabilities. Market capitalisation is a better measure of the size of a company. But it is difficult to estimate market capitalisation or fundamental value of unlisted companies. This might be the reason that the government has decided to use ‘net worth’ to measure size of companies. Some companies, which are large in terms of fundamental value or which intend to attract foreign capital, might prefer to use Indian accounting standards convergent with IFRS earlier than required under the road map presented by the government. The government should provide that choice. Conclusion The government will come up with a separate road map for banking and ice companies by February 28, 2010. Let us hope that transition in case of those companies will not be deferred further.

Taiwan
Adoption scope and timetable

(1) Phase I companies: listed companies and financial institutions supervised by the FSC, except for credit cooperatives, credit card companies and insurance intermediaries:

A. They will be required to prepare financial statements in accordance with Taiwan-IFRS starting from January 1, 2013.

B. Early optional adoption: Firms that have already issued securities overseas, or have registered an overseas securities issuance with the FSC, or have a market capitalization of greater than NT$10 billion, will be permitted to prepare additional consolidated financial statements1 in accordance with Taiwan-IFRS starting from January 1, 2012. If a company without subsidiaries is not required to prepare consolidated financial statements, it will be permitted to prepare additional individual financial statements on the above conditions.

(2) Phase II companies: unlisted public companies, credit cooperatives and credit card companies:

A. They will be required to prepare financial statements in accordance with Taiwan-IFRS starting from January 1, 2019 B. They will be permitted to apply Taiwan-IFRS starting from January. 1, 2013.

(3) Pre-disclosure about the IFRS adoption plan, and the impact of adoption To prepare properly for IFRS adoption, domestic companies should propose an IFRS adoption plan and establish a specific taskforce. They should also disclose the related information from 2 years prior to adoption, as follows:

A. Phase I companies: (A) They will be required to disclose the adoption plan, and the impact of adoption, in 2011 annual financial statements, and in 2012 interim and annual financial statements. (B) Early optional adoption: a. Companies adopting IFRS early will be required to disclose the adoption plan, and the impact of adoption, in 2010 annual financial statements, and in 2011 interim and annual financial statements. b. If a company opts for early adoption of Taiwan-IFRS after January 1, 2011, it will be required to disclose the adoption plan, and the impact of adoption, in 2011 interim and annual financial statements commencing on the decision date.

B. Phase II companies will be required to disclose the related information from 2 years prior to adoption, as stated above.

Year Work Plan

2008 Establishment of IFRS Taskforce

2009~2011

- Acquisition of authorization to translate IFRS
- Translation, review, and issuance of IFRS
- Analysis of possible IFRS implementation problems,and resolution thereof
- Proposal for modification of the related regulations and supervisory mechanisms
- Enhancement of related publicity and training activities

2012

- IFRS application permitted for Phase I companies
- Study on possible IFRS implementation problems,and resolution thereof
- Completion of amendments to the related regulations and supervisory mechanisms
- Enhancement of the related publicity and training activities

2013

- Application of IFRS required for Phase I companies,and permitted for Phase II companies
- Follow-up analysis of the status of IFRS adoption,and of the impact

2014

- Follow-up analysis of the status of IFRS adoption,and of the impact

2015 8Applications of IFRS required for Phase II companies

Expected benefits

(1) More efficient formulation of domestic accounting standards, improvement of their international image, and enhancement of the global rankings and international competitiveness of our local capital markets;

(2) Better comparability between the financial statements of local and foreign companies;

(3) No need for restatement of financial statements when local companies wish to issue overseas securities, resulting in reduction in the cost of raising capital overseas;

(4) For local companies with investments overseas, use of a single set of accounting standards will reduce the cost of account conversions and improve corporate efficiency.

Quote from Accounting Research and Development Foundation

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- **^** Goodyear, Lloyd Earnest: *Principles of Accountancy*, Goodyear-Marshall Publishing Co., Cedar Rapids, Iowa, 1913, p.7 Archive.org
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- ^ ***a b*** Friedlob, G. Thomas & Plewa, Franklin James, *Understanding balance sheets*, John Wiley & Sons, NYC, 1996, ISBN 0-471-13075-3, p.1

- **^** Carruthers, Bruce G., & Espeland, Wendy Nelson, *Accounting for Rationality: Double-Entry Bookkeeping and the Rhetoric of Economic Rationality*, American Journal of Sociology, Vol. 97, No. 1, July 1991, pp. 40-41,44 46,
- **^** Lauwers, Luc & Willekens, Marleen: "Five Hundred Years of Bookkeeping: A Portrait of Luca Pacioli" (Tijdschrift voor Economie en Management, Katholieke Universiteit Leuven, 1994, vol:XXXIX issue 3, p.302), KUleuven.be

Course Name: Civil service Administration

Course Description

The Course deals with indicative meaning of Civil Service Administration, theories of civil service administration, the role of public sector in production, distribution and re-distribution of goods and services, decision making models with in the public sector, conceptualization of separation of power to all levels of administration, accountability and its implications on the development of civil service, the existence of bureaucratic tendencies in the public sector and its relevance in Public management and administration.

Course Objectives

Studying this course enables students to think critically about issues affecting the civil service sector, they are able to develop the mind of choosing better decision making procedures that can bring feasible solutions in the sector. The students intending to work in the sector will develop confidence in teaming up to bring social change in systems that always make the sector unworthy in its operations such as corruption and embezzlement of public funds.

Introduction

- Meaning of Civil Service Administration
- Definition of Civil service
- Origin of Civil service
- Theories of civil service administration
- New public management
- Core branches of New Public Management
- Public sector
- Role of public sector

Decision- Making models

- Niskanen's budget-maximizing
- Dunleavy's bureau-shaping

Separation of powers

- Conceptualization of separation of power
- Comparison with fusion of powers
- Various models of separation of power
- Separation of powers under the USA
- Checks and balances

Accountability

- Meaning of accountability
- Types of accountability
- Accountability in education

Bureaucracy

- Meaning of bureaucracy

 Types of bureaucratic agencies
 Views on the concepts
 Weber's analysis of bureaucracy
 Principles of bureaucracy
 Theory of bureaucratic dysfunction
 Current academic debates on bureaucracy

Mode of delivery Face to face lectures
Assessment
Coursework 40%
Exams 60%
Total Mark 100%

The term **civil service** has two different meanings:

- A branch of governmental service in which individuals are employed on the basis of professional merit as proven by competitive examinations.
- The body of employees in any government agency other than the military.

A **civil servant** or **public servant** is a person in the public Sector employed for a government department or agency. The extent of civil servants of a state as part of the "Civil Service" varies from country to country. In the United Kingdom, for instance, only Crown employees are referred to as civil servants, county or city employees are not.

Many consider the study of civil service to be a part of the field of public administration. Workers in "non-departmental public bodies" (sometimes called "QUANGOs") may also be classed as civil servants for the purpose of statistics and possibly for their terms and conditions. Collectively a state's civil servants form its **Civil Service** or **Public Service**.

An **international civil servant** or **international staff member** is a civilian employee that is employed by an international organization. These international civil servants do not resort under any national legislation (from which they have immunity of jurisdiction) but are governed by an internal staff regulation. All disputes related to international civil service are brought before special tribunals created by these international organizations such as, for instance, the Administrative Tribunal of the ILO.

Specific referral can be made to the International Civil Service Commission (ICSC) of the United Nations, an independent expert body established by the United Nations General Assembly. Its mandate is to regulate and coordinate the conditions of service of staff in the United Nations common system, while promoting and maintaining high standards in the international civil service.

Early history

Administrative institutions usually grow out of the personal servants of high officials, as in the Roman Empire. This developed a complex administrative structure, which is outlined in the Notitia Dignitatum and the work of John Lydus, but as far as we know appointments to it were made entirely by inheritance or patronage and not on merit, and it was also possible for officers to employ other people to carry out their official tasks but continue to draw their salary themselves. There are obvious parallels here with the early bureaucratic structures in modern states, such as the Office of Works or the Navy in

18th century England, where again appointments depended on patronage and were often bought and sold.

Modern meritocratic civil service

The origin of the modern meritocratic civil service can be traced back to Imperial examination founded in Imperial China. The Imperial exam based on meri was designed to select the best administrative officials for the state's bureaucracy. This system had a huge influence on both society and culture in Imperial China and was directly responsible for the creation of a class of scholar-bureaucrats irrespective of their family pedigree.

From the time of the Han Dynasty (206 BC to AD 220) until the implementation of the imperial examination system, most appointments in the imperial bureaucracy were based on recommendations from prominent aristocrats and local officials whilst recommended individuals were predominantly of aristocratic rank. Emperor Wu of Han started an early form of the imperial examinations, transitioning from inheritance and patronage to merit, in which local officials would select candidates to take part in an examination of the Confucian classics.[5] The system reached its apogee during the Song dynasty.

The Chinese civil-service system gave the Chinese empire stability for more than 2,000 years and provided one of the major outlets for social mobility in Chinese society.

The modern examination system for selecting civil service staff also indirectly evolved from the imperial one. This system was admired and then borrowed by European countries from the 16th century onward, and is now the model for most countries around the world. The first European power to successfully implement the meritocratic civil service was the British Empire, in their administration of India: "company managers hired and promoted employees based on competitive examinations in order to prevent corruption and favoritism."[10] British colonial administrators in China advocated the spread of the system to the rest of the Commonwealth, the most prominent of which was Thomas Taylor Meadows, Britain's consul in Guangzhou, China. Meadows successfully argued in his *Desultory Notes on the Government and People of China*, published in 1847, that "the long duration of the Chinese empire is solely and altogether owing to the good government which consists in the advancement of men of talent and merit only," and that the British must reform their civil service by making the institution meritocratic. The report was influential. The British adopted a meritocratic civil service following the Northcote-Trevelyan Report in 1853, and the Americans did likewise in 1883, with the Pendleton Civil Service Reform Act.

By countries

Brazil

Civil servants in Brazil, *Servidores públicos* in Portuguese, are those working in the executive, legislative and judicial branches of the federal government, state government, municipal government and the Government of Brasilia, including congressmen, senators, mayors, ministers, the president of the republic, and workers in Government-owned corporation.

Career civil servants (not temporary workers or politicians) are hired only externally on the basis of entrance examinations known as *Concurso Público* in Portuguese, usually consisting of a written test, also some posts may require physical tests (like policemen) or oral tests (like judges, prosecutors and attorneys). The position according to the examination score is used for filling the vacancies.

The entrance examination are conducted by several companies with a government mandade; the best known are CESPE (which belongs to the University of Brasilia), the FGV (Getulio Vargas Foundation), ESAF, and the Cesgranrio Foundation (which is part of the Federal University of Rio de Janeiro).

The labour laws and social insurance for civil servants are different from private workers, even between government branches (like different states or cities) the law and insurance differ between them.

The posts usually are ranked by titles, the most common are *technician* for high school literates and *analyst* for graduate literates. There's also high post ranks like auditor, fiscal, chief of police, prosecutor, judge, attorney, etc. Those titles may require master's degree or doctorate.

The law doesn't allow servants to upgrade or downgrade posts internally, if they want to do that they need to pass in another external entrance examination.

China

Emperor Wen of Sui (r. 581–604), who established the first civil service examination system in China; a painting by the chancellor and artist Yan Liben (600–673).

One of the oldest examples of a civil service based on meritocracy is the Imperial bureaucracy of China, which can be traced as far back as the Qin Dynasty (221–207 BC). During the Han Dynasty (202 BC–220 AD) the *xiaolian* system of recommendation by superiors for appointments to office was established. In the areas of administration, especially the military, appointments were based solely on merit.

After the fall of the Han Dynasty, the Chinese bureaucracy regressed into a semi-merit system known as the Nine-rank system; in this system noble birthright became the most significant prerequisite for gaining access to more authoritative posts.

This system was reversed during the short-lived Sui Dynasty (581–618), which initiated a civil service bureaucracy recruited through written examinations and recommendation. The following Tang Dynasty (618–907) adopted the same measures for drafting officials, and decreasingly relied on aristocratic recommendations and more and more on promotion based on the results of written examinations.

However, the civil service examinations were practiced on a much smaller scale in comparison to the stronger, centralized bureaucracy of the Song Dynasty (960–1279). In response to the regional military rule of jiedushi and the loss of civil authority during the late Tang period and Five Dynasties (907–960), the Song emperors were eager to implement a system where civil officials would owe their social prestige to the central court and gain their salaries strictly from the central government. This ideal was not fully achieved since many scholar officials were affluent landowners and were engaged in many anonymous business affairs in an age of economic revolution in China. Nonetheless, gaining a degree through three levels of examination — prefectural exams, provincial exams, and the prestigious palace exams — was a far more desirable goal in society than becoming a merchant. This was because the mercantile class was traditionally regarded with some disdain by the scholar official class. This class of state bureaucrats in the Song period were far less aristocratic than their Tang predecessors. The examinations were carefully structured in order to ensure that people of lesser means than what was available to candidates born into wealthy, landowning families were given a greater chance to pass the exams and obtain an official degree. This included the employment of a bureau of copyists who would rewrite all of the candidates' exams in order to mask their handwriting and thus prevent favoritism by graders of the exams who might otherwise recognize a candidate's handwriting. The advent of widespread printing in the Song period allowed many more examination candidates access to the Confucian texts whose mastery was required for passing the exams.

Decision-making models

All people need to make decisions from time to time. Given limited time in formulating policies and addressing public problems, public administrators must enjoy a certain degree of discretion in planning, revising and implementing public policies. In other words, they must engage in decision-making (Gianakis, 2004). Over the years, many scholars tried to devise decision-making models to account for the policy making process.

Rationality

Since the time of public administration has developed, scholars assume that people make decisions rationally. By rationality, Herbert A. Simon (1976) means ”a style of behaviour that is appropriate to the achievement of given goals, within the limits imposed by given conditions and constraints” (P. 405). Max Weber, in the early part of the 20th century, suggested distinguishing two types of economic rationality: formal rationality and substantive rationality. The "formal rationality of economic action" referred to "the extent of quantitative calculation or accounting which is technically possible and . . . actually applied." "Substantive rationality" referred to the degree to which economic action serves "ultimate values no matter what they may be." (Weber, The Theory of Social and Economic Organization, Parsons, ed., 1947, pp. 184-186) Weber noted that "the requirements of formal and of substantive rationality are always in principle in conflict." (Ibid., p. 212) Decades later, Simon used a similar terminology to distinct two meanings of "rationality", which have developed separately in economic and psychology. He defined substantive rationality, stemming from the concept of rationality within economics, as behavior that "is appropriate to the achievement of given goals within the limits imposed by given conditions and constraints". Procedural rationality, based in psychology, refers to behavior that "is the outcome of appropriate deliberation". [1]

Facts

According to Gortner (2001), facts are the information and knowledge that the public administrators possess in formulating policies. Facts are important in deciding the appropriate means to take to achieve higher ends. They may not be readily known by administrators but need to be acquired through extensive research and analysis. Rationality is defined interms of appropriateness for the accomplishment of specific goals

Values

Values are internal perceptions on the desirability and priority of one’s actions and choices. (Van Wart, 2004) Besides setting goals for their plans, decision makers make priorities, interpret facts and act upon objective situations according to their values. Besides balancing conflicting values within an individual, government has to weight and balance values embodied in different departments (Van Wart, 1996, 1998).

Means

Means are the instruments to satisfy a higher end (Simon, 1997). Although they are used to achieve a higher end, they are not neutral in value. When policy makers devise their strategies, they choose their means according to their internal values and consequences.

Ends

Ends are the intermediate goals to a more final objective. In a means-end hierarchy, the concept of means and ends is relative.[2] An action can be a mean relative to the higher levels in the hierarchy but an end relative to the lower levels. However, in this hierarchy, an action is more value-based when moving upwards in the hierarchy but more fact-based when moving downwards.

Separation of powers

The **separation of powers**, often imprecisely used interchangeably with the ***trias politica*** principle,[1] is a model for the governance of a state (or who controls the state). The model was first developed in the Roman Republic as part of the uncodified Constitution of the Roman Republic.[2][3] Under this model, the state is divided into branches, each with separate and independent powers and areas of responsibility so that no branch has more power than the other branches. The normal division of branches is into a legislature, an executive, and a judiciary.

Bipartite systems

In the sixteenth century, John Calvin favoured a system of government that divided political power between democracy and aristocracy (mixed government). Calvin appreciated the advantages of democracy: "It is an invaluable gift if God allows a people to elect its own government and magistrates."[4] In order to further reduce the danger of misuse of political power, he suggested setting up several political institutions which should complement and control each other in a system of checks and balances. In this way, Calvin and his followers resisted political absolutism and furthered the growth of democracy. Calvin's aim was to protect the rights and the well-being of ordinary people.[5] In 1620, a group of English separatist Congregationalists and Anglicans, who later became known as Pilgrim Fathers, founded Plymouth Colony in North America. Enjoying self-rule, they established a bipartite democratic system of government. The "freemen" elected the General Court, which functioned as legislative and judiciary and which in turn elected a governor, who together with his seven "assistants" served as executive power.[6] Massachusetts Bay Colony (founded 1628), Rhode Island (1636), Connecticut (1636), New Jersey, and Pennsylvania had similar constitutions. They all separated political powers. Except for Plymouth Colony and Massachusetts Bay Colony, these English outposts added religious freedom to their democratic systems, an important step towards the development of human rights.[7][8] Books like William Bradford's *History of Plymoth Plantation* were widely read in England. So the form of government in the colonies was well known in the mother country, also to philosopher John Locke. He deduced from a study of the English constitutional system that political power was to be divided into the legislative, which should be distributed among several bodies, for example, the House of Lords and the House of Commons, on the one hand, and the executive and federative, responsible for the protection of the country and prerogative of the monarch, on the other hand. England had no written constitution.[9]

Montesquieu's tripartite system

The term is ascribed to French Enlightenment political philosopher Baron de Montesquieu.[10][11] Montesquieu described division of political power among a legislature, an executive, and a judiciary. He based this model on the Constitution of the Roman Republic and the British constitutional system. Montesquieu took the view that the Roman Republic had powers separated so that no one could usurp complete power.[12][13][14] In the British constitutional system, Montesquieu perceived a separation of powers among the monarch, Parliament, and the courts of law. Subsequent writers have noted that this was misleading,[15] because the United Kingdom had a very closely connected legislature and executive, with further links to the judiciary (though combined with judicial independence).

Montesquieu did specify that "the independence of the judiciary has to be real, and not apparent merely". "The judiciary was generally seen as the most important of powers, independent and unchecked", and also considered it dangerous.

Comparison between Presidential and Parliamentary systems

In democratic systems of governance based on the trias politica, a fundamental parallel and a fundamental difference exists between *presidential systems* and constitutional monarchic *parliamentary system* of government.

The parallel is that the three branches of government (legislative, executive, judicial) exist largely independent of each other, with their own prerogatives, domains of activity, and exercises of control over each other.

- The legislative body has control of the executive finances, and has judiciary powers, it also has control of the way the judiciary works.
- The judiciary often has control of laws not being contradictory to the constitution or other laws and it has the power to correct and control the way the executive body exercises its powers (to execute the law)

The difference between the two systems is:

- In presidential systems, the chief executive is elected to office and, after transfer of power, appoints his or her administration (like in the United States, with a unitary executive). However, a government headed by a prime minister is formed within the parliament, based on the elected majority (as in France, for example). The latter might lead to "cohabitation" where a president and his government belong to different parties or coalitions.

- In constitutional monarchic parliamentary systems, only the legislative body is elected and a government formed on the basis of majority or a coalitions of parties. In systems modelled on the British system, elected members of the legislature who are appointed to executive positions retain their seats in the legislature. However in some other parliamentary systems, elected members of parliament have to resign from their mandate in order to accept an executive office. This is true in regional and local councils are elected and the executive nominated.
- In some parliamentary systems, when the term of the legislature ends, so too may the tenure of the executive selected by that legislature. In other parliamentary systems, the executive stays in office until a new executive is appointed. However, in a presidential system, the executive's term may or may not coincide with the legislature's, as their selection is technically independent of the legislature.

The separation of powers is a doctrine which provides a separate authority that makes it possible for the authorities to check each other's checks and balances (see United States Executive Authority Act 1936).

Various models

Constitutions with a high degree of separation of powers are found worldwide. The UK system is distinguished by a particular entwining of powers. In Italy the powers are completely separated, even if Council of Ministers need the vote of confidence from both chambers of Parliament, that's however formed by a wide number of members (almost 1,000). A number of Latin American countries have electoral branches of government.

Countries with little separation of power include New Zealand and Canada. Canada makes limited use of separation of powers in practice, although in theory it distinguishes between branches of government.

New Zealand's constitution is based on the principle of separation of powers. Through a series of constitutional safeguards, many of which are tacit. The Executives ability to carry out decisions often depends on the Legislature, which is elected under the Mixed Member Proportional system. This means the government is rarely a single party but a coalition of parties. The Judiciary is also free of government interference. If a series of judicial decisions result in an interpretation of the law which the Executive considers does not reflect the intention of the policy, the Executive can initiate changes to the legislation in question through the Legislature. The Executive cannot direct or request a judicial officer to revise or reconsider a decision. Decisions are final. Should there be a dispute between the Executive and Judiciary, the Executive has no authority to direct the Judiciary, or its individual members.

Complete separation of powers systems are almost always presidential, although theoretically this need not be the case. There are a few historical exceptions, such as the Directoire system of revolutionary France. Switzerland offers an example of non-Presidential separation of powers today: It is run by a seven-member executive branch, the Federal Council. However, some might argue that Switzerland does not have a strong separation of powers system, as the Federal Council is appointed by parliament (but not dependent on parliament) and although the judiciary has no power of review, the judiciary is still separate from the other branches.

Three branches

Australia

Australia does not maintain a strict separation between the legislative and executive branches of government—indeed, government ministers are required to be a member of parliament—but the federal judiciary strictly guards its independence from the other two branches. However, under influence from the American constitution, the Australian constitution does define the three branches of government separately, and this has been interpreted by the judiciary to induce an implicit separation of powers. State governments have a similar level of separation of power, but this is generally on the basis of convention, rather than constitution.

France

The government of France is divided up into three branches:

- Executive. This includes the popularly elected president as well as the prime minister and cabinet.
- Legislature. A bicameral legislature that includes the Senate (upper house) and the National Assembly (lower house).
- Judiciary. This includes the judicial and administrative orders. It also includes a constitutional court.

Hong Kong

Hong Kong is a self-governing Chinese territory pursuant to the Sino-British Joint Declaration, an international treaty registered with the United Nations. Currently, Hong Kong has three branches of government as codified in the Basic Law, which preserves the political setup of the British colonial era under the doctrine of one country, two systems:

- Government - **executive**
- Legislative Council - **legislature**
- Judiciary (Court of Final Appeal and other courts and tribunals) - **judiciary**

The Chief Executive, elected by a 1200-member Election Committee, is both head of the region and head of government, and chairs the Executive Council which is composed of unofficial members and government secretaries. The law courts exercise the power of judicial review of constitutionality of legislation and administrative actions, and emphasize the separation of powers in their rulings. The Chief Justice also stated this position in the ceremonial opening of the 2010 legal year.[16] However, politically separation of powers is usually argued against, with the leaders of the People's Republic of China and supportive politicians publicly requesting for the three branches to cooperate and emphasizing an "executive-led" system.[17]

India

- Parliament - **Legislative**
- Prime Minister, Cabinet, Government Departments & Civil Service - **Executive**
- Supreme Court - **Judicial**

India follows a parliamentary system of government, which offers a clear separation of powers. The judiciary branch is fairly independent of the other two branches. Executive powers are vested with the President and Prime Minister, who are assisted by the Cabinet Secretary and other Secretaries. All three branches have "**checks and balances**" over each other to maintain the balance.

United Kingdom

Main article: Separation of powers in the United Kingdom

- Parliament - **legislature**
- Prime Minister, Cabinet, Government Departments & Civil Service - **executive**
- Courts - **judiciary**

The development of the British constitution, which is not a codified document, is based on this fusion in the person of the Monarch, who has a formal role to play in the legislature (Parliament, which is where legal and political sovereignty lies, is the Crown-in-Parliament, and is summoned and dissolved by the Sovereign who must give his or her Royal Assent to all Bills so that they become Acts), the executive (the Sovereign appoints all ministers of His/Her Majesty's Government, who govern in the name of the Crown) and the judiciary (the Sovereign, as the fount of justice, appoints all senior judges, and all public prosecutions are brought in his or her name).

Although the doctrine of separation of power plays a role in the United Kingdom's constitutional doctrine, the UK constitution is often described as having "a weak separation of powers" A. V. Dicey, despite its constitution being the one to which Montesquieu originally referred. For example, in the United Kingdom, the executive forms a subset of the legislature, as did—to a lesser extent—the judiciary until the establishment of the Supreme Court of the United Kingdom. The Prime Minister, the Chief Executive, sits as a member of the Parliament of the United Kingdom, either as a peer in the House of Lords or as an elected member of the House of Commons (by convention, and as a result of the supremacy of the Lower House, the Prime Minister now sits in the House of Commons) and can effectively be removed from office by a simple majority vote. Furthermore, while the courts in the United Kingdom are undoubtedly amongst the most independent in the world, the Law Lords, who were the final arbiters of judicial disputes in the UK sat simultaneously in the House of Lords, the upper house of the legislature, although this arrangement ceased in 2009 when the Supreme Court of the United Kingdom came into existence. Furthermore, because of the existence of Parliamentary sovereignty, while the theory of separation of powers may be studied there, a system such as that of the UK is more accurately described as a "fusion of powers".[*citation needed*]

Until 2005, the Lord Chancellor fused the Legislature, Executive and Judiciary, as he was the ex officio Speaker of the House of Lords, a Government Minister who sat in Cabinet and was head of the Lord Chancellor's Department which administered the courts, the justice system and appointed judges, and was the head of the Judiciary in England and Wales and sat as a judge on the Judicial Committee of the House of Lords, the highest domestic court in the entire United Kingdom, and the Judicial Committee of the Privy Council, the senior tribunal court for parts of the Commonwealth. The Lord Chancellor also had certain other judicial positions, including being a judge in the Court of Appeal and President of the Chancery Division. The Lord Chancellor combines other aspects of the constitution, including having certain ecclesiastical functions of the established state church, making certain church appointments, nominations and sitting as one of the thirty-three Church Commissioners. These functions remain intact and unaffected by the Constitutional Reform Act. In 2005, the Constitutional Reform Act separated the powers with Legislative functions going to an elected Lord Speaker and the Judicial functions going to the Lord Chief Justice. The Lord Chancellor's Department was replaced with a Ministry of Justice and the Lord Chancellor currently serves in the position of Secretary of State for Justice.

The judiciary has no power to strike down primary legislation, and can only rule on secondary legislation that it is invalid with regard to the primary legislation if necessary.

Under the concept of parliamentary sovereignty, Parliament can enact any primary legislation it chooses. However, the concept immediately becomes problematic when the question is asked; "If parliament can do anything, can it bind its successors?". It is generally held that parliament can do no such thing.

Equally, while statute takes precedence over precedent-derived common law and the judiciary has no power to strike down primary legislation, there are certain cases where the supreme judicature has effected an injunction against the application of an act or reliance on its authority by the civil service . The seminal example of this is the Factortame case, where the House of Lords granted such an injunction preventing the operation of the Merchant Shipping Act 1988 until litigation in the European Court of Justice had been resolved.

The House of Lords ruling in Factortame (No. 1), approving the European Court of Justice formulation that "a national court which, in a case before it concerning Community law, considers that the sole obstacle which precludes it from granting interim relief is a rule of national law, must disapply that rule", has created an implicit tiering of legislative reviewability; the only way for parliament to prevent the supreme judicature from injunctively striking out a law on the basis of incompatibility with Community law is to pass an act specifically removing that power from the court, or by repealing the European Communities Act 1972.

The British legal systems are based on common law traditions, which require:

- Police or regulators cannot initiate complaints under criminal law but can only investigate (prosecution is mostly reserved for the Crown Prosecution Service), which prevents selective enforcement, e.g. the 'fishing expedition' which is often specifically forbidden.
- Prosecutors cannot withhold evidence from counsel for the defendant; to do so results in mistrial or dismissal. Accordingly, their relation to police is no advantage.
- Defendants convicted can appeal, but only fresh and compelling evidence not available at trial can be introduced, restricting the power of the court of appeal to the process of law applied.

United States

Main article: Separation of powers under the United States Constitution

In the United States Constitution, Article 1 Section I gives Congress only those "legislative powers herein granted" and proceeds to list those permissible actions in Article I Section 8, while Section 9 lists actions that are prohibited for Congress. The vesting clause in Article II places no limits on the Executive branch, simply stating that, "The Executive Power shall be vested in a President of the United States of America."[18] The Supreme Court holds "The judicial Power" according to Article III, and it established the implication of Judicial review in *Marbury v. Madison*.[19] The federal government refers to the branches as "branches of government", while some systems use "government" to describe the executive. The Executive branch has attempted to claim power arguing for separation of powers to include being the Commander in Chief of a standing army since the American Civil War, executive orders, emergency powers and security classifications since World War II, national security, signing statements, and the scope of the unitary executive.

Checks and balances

To prevent one branch from becoming supreme, protect the "opulent minority" from the majority, and to induce the branches to cooperate, government systems that employ a separation of powers need a way to balance each of the branches. Typically this was accomplished through a system of "**checks and balances**", the origin of which, like separation of powers itself, is specifically credited to Montesquieu. Checks and balances allow for a system based regulation that allows one branch to limit another, such as the power of Congress to alter the composition and jurisdiction of the federal courts.

Legislative (Congress)	Executive (President)	Judicial (Supreme Court)
• Passes bills; has broad taxing and spending power; regulates inter-state commerce; controls the federal budget; has	• Is the commander-in-chief of the armed forces • Executes the instructions of Congress. • May veto bills passed by	• Determines which laws Congress intended to apply to any given case • Exercises judicial review, reviewing the

power to borrow money on the credit of the United States (may be vetoed by President, but vetoes may be overridden with a two-thirds vote of both houses)
- Has sole power to declare war, as well as to raise, support, and regulate the military.
- Oversees, investigates, and makes the rules for the government and its officers.
- Defines by law the jurisdiction of the federal judiciary in cases not specified by the Constitution
- Ratification of treaties signed by the President and gives advice and consent to presidential appointments to the federal judiciary, federal executive departments, and other posts (Senate only)
- Has sole power of impeachment (House of Representatives) and trial of impeachments (Senate); can remove federal executive and judicial officers from office for high crimes and misdemeanors

Congress (but the veto may be overridden by a two-thirds majority of both houses)
- Executes the spending authorized by Congress.
- Declares states of emergency and publishes regulations and executive orders.
- Makes executive agreements (does not require ratification) and signs treaties (ratification requiring approval by two-thirds of the Senate)
- Makes appointments to the federal judiciary, federal executive departments, and other posts with the advice and consent of the Senate. Has power to make temporary appointment during the recess of the Senate
- Has the power to grant "reprieves and pardons for offenses against the United States, except in cases of impeachment."

constitutionality of laws
- Determines how Congress meant the law to apply to disputes
- Determines how a law acts to determine the disposition of prisoners
- Determines how a law acts to compel testimony and the production of evidence
- Determines how laws should be interpreted to assure uniform policies in a top-down fashion via the appeals process, but gives discretion in individual cases to low-level judges. The amount of discretion depends upon the standard of review, determined by the type of case in question.
- Federal judges serve for life

Other systems

Belgium

Belgium is currently a federated state that has imposed the trias politica on different governmental levels. The constitution of 1831, considered one of the most liberal of its time for limiting the powers of its monarch and imposing a rigorous system of separation of powers, is based on three principles:

Trias Politica (horizontal separation of powers):

- The legislative power is attributed to an elected parliamentary body elected with a representative general election system (one person one vote).
- The executive power is attributed to the Council of Ministers. Ministers are appointed by the King, usually from the elected members of parliament (non-elected people can also be nominated). However, they must first resign from their elected seat.
- The judicial power is in the hands of the courts. Magistrates are nominated by the minister (on proposal from a Council of the Magistrates).
    - Magistrates can be nominated to become a judge (sitting magistrates) or instructing judge (investigating judge) of Procureur (public prosecutor) (the standing magistrates).
    - The executive branch of the government is responsible to provide the physical means to execute its role (infrastructure, staff, financial means).
    - Judges and some other people cannot run for elected office while they are nominated to certain positions (military, police-officers, clergy, notaries, bailiffs).

Subsidiarity (vertical separation of powers):

- Supranational directives (EU legislation) and international treaties are subjected to approval of the federal level (the federal level being Belgium the nation state)
- The federal level is composed of the following:
    - A bicameral parliament (House of Representative and Senate) (in 2014 this will be a directly elected house and an indirectly appointed Senate of the regions)
    - A federal government (lead by the Prime Minister and the ministers and secretaries of state)
        - Tasked with overseeing justice, defense, foreign affairs, and social security, public health
    - High Court, constitutional Court, Cassation Court
- The regional level is composed of the following:
    - A monocameral parliament
    - A regional government led by the minister-president (ministers and secretaries of state) is tasked with regional matters.
- Provinces also have similar structures:
    - A monocameral provincial council
    - A provincial governor assisted by deputies and arrondissements commissars is tasked with provincial matters.
    - Appellate Court, Assisses Court
- City and communal entities:
    - A city or communal council composed of a mayor, assisted by aldermen, is tasked with local matters.
    - Magistrates Court, Correctional Court (three judges).
    - Justice of the peace and Police Court judges (single judge courts)

Secularism (separation of state and religion):

- The king, the head of state, holds no political authority and requires executive approval by a minister for every action and statement; he nominates the ministers but he does not choose them (his executive powers); he signs and decrees the laws voted in parliament (his legislative powers);

- The head of state is commander in chief of the military (in title only), politically the military depends of the Minister of Defense and the chiefs of staff are responsible towards parliament and take their orders from the Minister of Defense and the government;
- Certain functions are deemed incompatible and people must to resign from their function if they want to assume responsibilities in another function (military commanders have never been government ministers, even during a war)

Costa Rica

In the aftermath of the 44-day civil war in 1948 (after former President and incumbent candidate Rafael Álgel Calderón Guardia tried to take power through fraud, by not recognising the results of the presidential election that he had lost), the question of which transformational model the Costa Rican State would follow was the main issue that confronted the victors. A Constituent Assembly was elected by popular vote to draw up a new constitution, enacted in 1949, and remains in force. This document was an edit of the constitution of 1871, as the constituent assembly rejected more radical corporatist ideas proposed by the ruling Junta Fundadora de la Segunda República (which, although having come to power by military force, abolished the armed forces). Nonetheless, the new constitution increased centralization of power at the expense of municipalities and eliminated provincial government altogether, at the time it increased the powers of congress and the judiciary.

It established the three supreme powers as the **legislature**, **executive**, and **judicial** branches, but also created two other autonomous state organs that have equivalent power, but not equivalent rank. The first is the Supreme Elections Tribunal (**electoral** branch) which controls elections and makes unique, unappealable decisions on their outcomes.

The second is the office of the Comptroller General (**audit** branch), an autonomous and independent organ nominally subordinate to the unicameral legislative assembly. All budgets of ministries and municipalities must pass through this agency, including the execution of budget items such as contracting for routine operations. The Comptroller also provides financial vigilance over government offices and office holders, and routinely brings actions to remove mayors for malfeasance, firmly establishing this organization as the fifth branch of the Republic

European Union

The European Union is a supranational polity, and is neither a country nor a federation; but as the EU wields political power and is fully aware of its "democratic deficit", it attempts to comply with the principle of separation of powers.[*citation needed*] There are seven institutions of the European Union. In intergovernmental matters, most power is concentrated in the Council of the European Union – giving it the characteristics of a normal international organization. Here, all power at the EU level is in one branch. In the latter there are four main actors. The European Commission acts as an independent executive which is appointed by the Council in conjunction with the European Parliament; but the Commission also has a legislative role as the sole initiator of EU legislation[*citation needed*]. An early maxim was: "The Commission proposes and the Council disposes"; and although the EU's lawmaking procedure is now much more complicated, this simple maxim still holds some truth[*citation needed*]. As well as both executive and legislative functions, the Commission arguably exercises a third, quasi-judicial, function under Articles 101 & 102 TFEU (competition law); although the ECJ remains the final arbiter[*citation needed*]. The European Parliament is one half of the legislative branch and is directly elected. The Council itself acts both as the second half of the legislative branch and also holds some executive functions[*citation needed*] (some of which are exercised by the related European Council in practice). The European Court of Justice acts as the independent judicial branch, interpreting EU law and treaties. The remaining institution, the European Court of Auditors, is an independent audit authority (due to the sensitive nature of fraud in the EU).

- Council of the European Union – **legislative and executive**
- European Commission – **executive, legislative and quasi-judicial**
- European Council – **executive**
- European Court of Auditors – **audit**
- European Court of Justice – **judicial**
- European Parliament – **legislative**

Germany

The three branches in German government are further divided into six main bodies enshrined in the Basic Law for the Federal Republic of Germany:

- Federal **President** (*Bundespräsident*) - **executive**
- Federal Cabinet (*Bundesregierung*) - **executive**
- Federal Diet (*Bundestag*) & Federal Council (*Bundesrat*) - **legislative**
- Federal Assembly (*Bundesversammlung*) - **presidential electoral college** (consisting of the members of the Bundestag and electors from the constituent states)
- Federal **Constitutional Court** (*Bundesverfassungsgericht*) - **judiciary**

Besides the constitutional court the **judicial** branch at the federal level is made up of five supreme courts — one for civil and criminal cases (*Bundesgerichtshof*), and one each for administrative, tax, labour, and social security issues. There are also state (*Länder / Bundesländer*) based courts beneath them, and a rarely used senate of the supreme courts.

Hungary

The four independent branches of power in Hungary (the parliament, the government, the court system, and the office of the public accuser) are divided into six bodies:

- Parliament (Magyar Országgyűlés): elected every 4 years by the people in a highly complex, two-round voting system
- Government (Magyar Kormány): installed and removed by 50%+1 basic majority vote of the parliament, 4 year terms
- Supreme Court (Legfelsőbb Bíróság): Chief justice elected by qualified (2/3) majority of the parliament, no government oversight
- Constitutional court (Alkotmánybíróság): members elected by qualified majority of the parliament for 8 years, this body nullifies laws and has no government oversight.
- Chief public accuser (Legfőbb ügyész): elected by qualified majority of the parliament, 6 year terms, office budget fixed, no government oversight.
- The President of the Republic (Köztársasági Elnök) is elected by qualified majority of the Hungarian parliament for 5 year terms (cannot be reelected more than once). He/she has ceremonial powers only, signs laws into power and commands the military in time of peace.

The independent pillar status of the Hungarian public accuser's office is a unique construction, loosely modeled on the system Portugal introduced after the 1974 victory of the Carnation Revolution. The public accuser (attorney general) body has became the fourth column of Hungarian democracy only in recent times: after communism fell in 1989, the office was made independent by a new clausule XI. of the Constitution. The change was meant to prevent abuse of state power, especially with regards to the use of false accusations against opposition politicians, who may be excluded from elections if locked in protracted or excessively severe court cases.

To prevent the Hungarian accuser's office from neglecting its duties, natural human private persons can submit investigation requests, called "pótmagánvád" directly to the courts, if the accusers' office refuses to do its job. Courts will decide if the allegations have merit and order police to act in lieu of the accuser's office if warranted. In its decision No.42/2005 the Hungarian constitutional court declared that the government does not enjoy such privilege and the state is powerless to further pursue cases if the public accuser refuses to do so.

Taiwan

According to Sun Yat-sen's idea of "separation of the five powers", the government of the Republic of China has five branches:

- Executive Yuan - led by the premier but in actuality it is the president who sets policy - **executive**
- Legislative Yuan - unicameral - **legislature**
- Judicial Yuan - its Constitutional Court (highest) and Supreme Court have different jurisdictions - **judiciary**
- Control Yuan - **audit** branch
- Examination Yuan - **civil service personnel management** and human resources

The president and vice president as well as the defunct National Assembly are constitutionally not part of the above five branches. Before being abolished in 2005, the National Assembly was a constitutional convention and electoral college for the president and vice president. Its constitutional amending powers were passed to the legislative yuan and its electoral powers were passed to the electorate.

The relationship between the executive and legislative branches are poorly defined. An example of the problems this causes is the near complete political paralysis that results when the president, who has neither the power to veto nor the ability to dissolve the legislature and call new elections, cannot negotiate with the legislature when his party is in the minority. The examination and control yuans are marginal branches; their leaders as well as the leaders of the executive and judicial yuans are appointed by the president and confirmed by the legislative yuan. The legislature is the only branch that chooses its own leadership. The vice president has practically no responsibilities.

Accountability

In ethics and governance, **accountability** is answerability, blameworthiness, liability, and the expectation of account-giving. As an aspect of governance, it has been central to discussions related to problems in the public sector, nonprofit and private (corporate) worlds. In leadership roles, accountability is the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain and be answerable for resulting consequences.

In governance, accountability has expanded beyond the basic definition of "being called to account for one's actions". It is frequently described as an account-giving relationship between individuals, e.g. "A is accountable to B when A is obliged to inform B about A’s (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct".[5] Accountability cannot exist without proper accounting practices; in other words, an absence of accounting means an absence of accountability.

History and etymology

"Accountability" stems from late Latin *accomptare* (to account), a prefixed form of *computare* (to calculate), which in turn derived from *putare* (to reckon). While the word itself does not appear in English until its use in 13th century Norman England, the concept of account-giving has ancient roots in record keeping activities related to governance and money-lending systems that first developed in Ancient Israel, Babylon, Egypt, Greece, and later, Rome.

Types

Bruce Stone, O.P. Dwivedi, and Joseph G. Jabbra list 8 types of accountability, namely: moral, administrative, political, managerial, market, legal/judicial, constituency relation, and professional. Leadership accountability cross cuts many of these distinctions.

Political accountability

Political accountability is the accountability of the government, civil servants and politicians to the public and to legislative bodies such as a congress or a parliament.

In a few cases, recall elections can be used to revoke the office of an elected official. Generally, however, voters do not have any direct way of holding elected representatives to account during the term for which they have been elected. Additionally, some officials and legislators may be appointed rather than elected. Constitution, or statute, can empower a legislative body to hold their own members, the government, and government bodies to account. This can be through holding an internal or independent inquiry. Inquiries are usually held in response to an allegation of misconduct or corruption. The powers, procedures and sanctions vary from country to country. The legislature may have the power to impeach the individual, remove them, or suspend them from office for a period of time. The accused person might also decide to resign before trial. Impeachment in the United States has been used both for elected representatives and other civil offices, such as district court judges.

In parliamentary systems, the government relies on the support or parliament, which gives parliament power to hold the government to account. For example, some parliaments can pass a vote of no confidence in the government.

Researchers at the Overseas Development Institute found that empowering citizens in developing countries to be able to hold their domestic government's to account was incredibly complex in practice. However, by developing explicit processes that generate change from individuals, groups or communities (Theories of Change), and by fusing political economy analysis and outcome mapping tools, the complex state-citizen dynamics can be better understood. As such, more effective ways to achieve outcomes can hence be generated.

Ethical accountability

Within an organization, the principles and practices of ethical accountability aim to improve both the internal standard of individual and group conduct as well as external factors, such as sustainable economic and ecologic strategies. Also, ethical accountability plays a progressively important role in academic fields, such as laboratory experiments and field research. Debates around the practice of ethical accountability on the part of researchers in the social field - whether professional or others - have been thoroughly explored by Norma R.A. Romm in her work on Accountability in Social Research, including her book on New Racism: Revisiting Researcher Accountabilities, reviewed by Carole Truman in the journal Sociological Research Online. Here it is suggested that researcher accountability implies that researchers are cognisant of, and take some responsibility for, the potential impact of their ways of doing research – and of writing it up – on the social fields of which the research is part. That is, accountability is linked to considering carefully, and being open to challenge in relation to, one's choices concerning how research agendas are framed and the styles in which write-ups of research "results" are created.

Administrative accountability

Internal rules and norms as well as some independent commission are mechanisms to hold civil servant within the administration of government accountable. Within department or ministry, firstly, behavior is bound by rules and regulations; secondly, civil servants are subordinates in a hierarchy and accountable to superiors. Nonetheless, there are independent “watchdog” units to scrutinize and hold departments accountable; legitimacy of these commissions is built upon their independence, as it avoids any conflicts of interests.

Individual accountability in organizations

Because many different individuals in large organizations contribute in many ways to the decisions and policies, it is difficult even in principle to identify who should be accountable for the results. This is what is known, following Thompson, as the problem of many hands. It creates a dilemma for accountability. If individuals are held accountable or responsible, individuals who could not have prevented the results are either unfairly punished, or they “take responsibility” in a symbolic ritual without suffering any consequences. But if only organizations are held accountable, then all individuals in the organization are equally blameworthy or all are excused. Various solutions have been proposed. One is to broaden the criteria for individual responsibility so that individuals are held accountable for failing to anticipate failures in the organization. Another recently proposed by Thompson is to hold individuals accountable for the design of the organization, both retrospectively and prospectively.

Constituency relations

Within this perspective, a particular agency or the government is accountable if voices from agencies, groups or institutions, which is outside the public sector and representing citizens’ interests in a particular constituency or field, are heard. Moreover, the government is obliged to empower members of agencies with political rights to run for elections and be elected; or, appoint them into the public sector as a way to hold the government representative and ensure voices from all constituencies are included in policy-making process.

Public/private overlap

With the increase over the last several decades in public service provision by private entities, especially in Britain and the United States, some have called for increased political accountability mechanisms to be applied to otherwise non-political entities. Legal scholar Anne Davies, for instance, argues that the line between public institutions and private entities like corporations is becoming blurred in certain areas of public service provision in the United Kingdom and that this can compromise political accountability in those areas. She and others argue that some administrative law reforms are necessary to address this accountability gap.

With respect to the public/private overlap in the United States, public concern over the contracting out of government (including military) services and the resulting accountability gap has been highlighted recently following the shooting incident involving the Blackwater security firm in Iraq.

Contemporary evolution

Accountability involves either the expectation or assumption of account-giving behavior. The study of account giving as a sociological act was articulated in a 1968 article on "Accounts" by Marvin Scott and Stanford Lyman and Stephen Soroka, although it can be traced as well to J. L. Austin's 1956 essay "A Plea for Excuses," in which he used excuse-making as an example of speech acts.

Communications scholars have extended this work through the examination of strategic uses of excuses, justifications, rationalizations, apologies and other forms of account giving behavior by individuals and corporations, and Philip Tetlock and his colleagues have applied experimental design techniques to explore how individuals behave under various scenarios and situations that demand accountability.

Recently, accountability has become an important topic in the discussion about the legitimacy of international institutions. Because there is no global democratically elected body to which organizations must account, global organizations from all sectors bodies are often criticized as having large accountability gaps. The Charter 99 for Global Democracy, spearheaded by the One World Trust, first proposed that cross-sector principles of accountability be researched and observed by institutions that affect people, independent of their legal status. One paradigmatic problem arising in the global context is that of institutions such as the World Bank and the International Monetary Fund who are founded and supported by wealthy nations and provide aid, in the form of grants and loans, to developing nations. Should those institutions be accountable to their founders and investors or to the persons and nations they help? In the debate over global justice and its distributional consequences, Cosmopolitans tend to advocate greater accountability to the disregarded interests of traditionally marginalized populations and developing nations. On the other hand, those in the Nationalism and Society of States traditions deny the tenets of moral universalism and argue that beneficiaries of global development initiatives have no substantive entitlement to call international institutions to account. The One World Trust Global Accountability Report, published in a first full cycle 2006 to 2008,[26] is one attempt to measure the capability of global organizations to be accountable to their stakeholders.

Accountability is becoming an increasingly important issue for the non-profit world. Several NGOs signed the "accountability charter" in 2005. In the Humanitarian field, initiatives such as the HAPI (Humanitarian Accountability Partnership International) appeared. Individual NGOs have set their own accountability systems (for example, the ALPS, Accountability, Learning and Planning System of ActionAid)

Accountability in education

Student accountability is traditionally based on having school and classroom rules, combined with sanctions for infringement.

In contrast, some educational establishments such as Sudbury schools believe that students are personally responsible for their acts, and that traditional schools do not permit students to choose their course of action fully; they do not permit students to embark on the course, once chosen; and they do not permit students to suffer the consequences of the course, once taken. Freedom of choice, freedom of action, freedom to bear the results of action are considered the three great freedoms that constitute personal responsibility. Sudbury schools claim that *"Ethics" is a course taught by life experience.* They adduce that the essential ingredient for acquiring values—and for moral action is personal responsibility, that schools will become involved in the teaching of morals when they become communities of people who fully respect each other's right to make choices, and that the only way the schools can become meaningful purveyors of ethical values is if they provide students and adults with real-life experiences that are bearers of moral import. Students are given complete responsibility for their own education and the school is run by a direct democracy in which students and staff are equals.

Proposed symbolism

Viktor Frankl, neurologist, psychiatrist, author, and founder of logotherapy and one of the key figures in existential therapy, in his book *Man's Search for Meaning* recommended "that the Statue of Liberty on the East Coast (that has become a symbol of Liberty and Freedom) should be supplemented by a Statue of Responsibility on the West Coast." Frankl stated: "Freedom, however, is not the last word. Freedom is only part of the story and half of the truth. Freedom is but the negative aspect of the whole phenomenon whose positive aspect is responsibleness. In fact, freedom is in danger of degenerating into mere arbitrariness unless it is lived in terms of responsibleness.

Bureaucracy

A **bureaucracy** is a group of non-elected officials within a government or other institution that implements the rules, laws, ideas, and functions of their institution.[1][2]

The term "bureaucracy" was created from the French word bureau, meaning desk or office, and the Greek κράτος *kratos*, meaning rule or political power.

Pre-modern world

In Imperial China, the bureaucracy was headed by a Chief Counselor.[3] Within the bureaucracy, the positions were of a "graded civil service" and competitive exams were held to determine who held positions.[4] The upper levels of the system held nine grades, and the officials wore distinctive clothing.[4] The Confucian Classics codified a set of values held by the officials.[4]

Modern world

Richard Rahn states that in modern times bureaucracy is a government administrative unit that carries out the decisions of the legislature or democratically-elected representation of a state.

Weberian bureaucracy

Weberian bureaucracy has its origin in the works by Max Weber (1864–1920), a German sociologist, political economist, and administrative scholar who contributed to the study of bureaucracy and administrative discourses and literatures during the late 1800s and early 1900s. Weber belongs to the Scientific School of Thought, who discussed such topics as specialization of job-scope, merit system, uniform principles, structure and hierarchy. His contemporaries include Frederick Taylor (1856–1915), Henri Fayol (1841–1925), Elton Mayo (1880–1949), and later scholars, such as Herbert A. Simon (1916–2001), Dwight Waldo (1913–2000), and others.

> Bureaucratic administration means fundamentally domination through knowledge
>
> — *Max Weber*

Weber described many ideal types of public administration and government in his magnum opus *Economy and Society* (1922). His critical study of the bureaucratisation of society became one of the most enduring parts of his work. It was Weber who began the studies of bureaucracy and whose works led to the popularization of this term.[9] Many aspects of modern public administration go back to him, and a classic, hierarchically organized civil service of the Continental type is called "Weberian civil service". As the most efficient and rational way of organizing, bureaucratization for Weber was the key part of the rational-legal authority, and furthermore, he saw it as the key process in the ongoing rationalization of the Western society.

Weber listed several precondititions for the emergence of bureaucracy. The growth in space and population being administered, the growth in complexity of the administrative tasks being carried out, and the existence of a monetary economy requires a more efficient administrative system. Development of communication and transportation technologies makes more efficient administration possible but also in popular demand, and democratization and rationalization of culture resulted in demands that the new system treats everybody equally.

Weber's ideal bureaucracy is characterized by hierarchical organization, delineated lines of authority in a fixed area of activity, action taken on the basis of and recorded in written rules, bureaucratic officials need expert training, rules are implemented by neutral officials, career advancement depends on technical qualifications judged by organization, not individuals.

> The decisive reason for the advance of bureaucratic organization has always been its purely technical superiority over any other form of organization
>
> — *Max Weber*

While recognizing bureaucracy as the most efficient form of organization, and even indispensable for the modern state, Weber also saw it as a threat to individual freedoms, and the ongoing bureaucratization as leading to a "polar night of icy darkness", in which increasing rationalization of human life traps individuals in the aforementioned "iron cage" of bureaucratic, rule-based, rational control. In order to counteract bureaucrats, the system needs entrepreneurs and politicians.

In Max Weber's "Economy and Society", Weber describes six bureaucratic values that are vital in obtaining a functioning and self-sufficient business. These six characteristics include imperial positions, rule-governed decision making, professionalism, chain of command, defined responsibilities, and bounded authority (Weber 956–958). Although many of these values seem to collide and be seemingly similar to each other, they are unique with individualized qualities.

Imperial positions should be utilized for three main purposes. The first is every day activities must be maintained by official positions (Weber 956). These positions are needed for a successful bureaucratic business. The second purpose is for those who hold these positions to disseminate orders in a specific and stable manner (Weber 956). Finally, the third purpose is for methodical provision, which is used for the constant fulfillment of these specified duties (Weber 956). The imperial positions are on the top of the communication hierarchy and determine the methods as to which the information is shared throughout the organization.

Weber states “with the full development of the bureaucratic type, the office hierarchy is monocratically organized” (Weber 957). This speaks directly to rule-governed decision making. Every worker needs to know the office hierarchy and which avenues to take when they have a question. The upper management communicates their ideas to those under them who will then funnel these directives throughout the business in an orderly fashion.

Furthermore, professionalism is another important aspect of a successful bureaucratic business that Weber goes on to describe. A sense of professionalism in the workplace creates a distinguished atmosphere creating the opportunity for workers to achieve their utmost potential (Weber 957). This feeling yields a drive in the workplace because the workers want to perform well for those in command thus creating a positive overall attitude in the workplace.

Yet another Weberian value is chain of command. Everyone in the organization must know whose directives they should follow. The hierarchy of power is exemplified through salaries (Weber 958–965). Those that have higher salaries in turn have more power in the decision-making process. Those in power make decisions and relay these decisions to an associate who will then tell a manager, who will then tell his employees, and so on. The chain of command is extremely important to a bureaucratic business because it sets up a specific ladder that allows for information and important decisions to be relayed swiftly and efficiently.

Max Weber also describes defined responsibility to be an important value to Weberian Bureaucracy. An office or workplace must have fields of specialization in order to diversify the company. Every worker must know the responsibilities of his job in the most intimate detail possible (Weber 958). For a company to be successful, employees have to know the details of their job so they can be supremely efficient and not conflict with the obligations of another employee.

The last value that Weber discusses is bounded authority. In the workplace, there must be a stable, defined set of general rules for the employees that they must abide by at all times (Weber 958). This commitment yields jurisprudence and business management. In turn this will instill a hardworking and confident frame of mind throughout the workforce.

Each of these values is pertinent to the success of a bureaucratic business. Every individual Weberian characteristic yields a different aspect that builds the foundation of a strong bureaucracy. Max Weber specifically discusses the values of imperial positions, rule-governed decision making, professionalism, chain of command, defined responsibilities, and bounded authority because he believes that these are the predominant qualities that an office or workplace must possess in order to have stability, power, order, and success. If one value is missing from the equation, then the bureaucracy will fail. Each aspect to Weberian Bureaucracy is a vital building block to the foundation of creating a flourishing business.

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Disaster Preparedness and Management

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Introduction to disaster management

Emergency management (or disaster management) is the discipline of dealing with and avoiding risks. It is a discipline that involves preparing for disaster before it occurs, disaster response (e.g., emergency evacuation, quarantine, mass decontamination, etc.), and supporting, and rebuilding society after natural or human-made disasters have occurred. In general, any Emergency management is the continuous process by which all individuals, groups, and communities manage hazards in an effort to avoid or ameliorate the impact of disasters resulting from the hazards. Actions taken depend in part on perceptions of risk of those exposed. Effective emergency management relies on thorough integration of emergency plans at all levels of government and non-government involvement. Activities at each level (individual, group, community) affect the other levels. It is common to place the responsibility for governmental emergency management with the institutions for civil defense or within the conventional structure of the emergency services. However, emergency management actually starts at the lowest level and only increases to the next higher organizational level after the current levels resources have been exhausted. In the private sector, emergency management is sometimes referred to as business continuity planning.

Emergency Management is one of a number of terms which, since the end of the Cold War, have largely replaced Civil defense, whose original focus was protecting civilians from military attack. Modern thinking focuses on a more general intent to protect the civilian population in times of peace as well as in times of war. Another current term, Civil Protection is widely used within the European Union and refers to government-approved systems and resources whose task is to protect the civilian population, primarily in the event of natural and human-made disasters. Within EU countries the term Crisis Management emphasises the political and security dimension rather than measures to satisfy the immediate needs of the civilian population.[citation needed] An academic trend is towards using the term disaster risk reduction, particularly for emergency management in a development management context. This focuses on the mitigation and preparedness aspects of the emergency cycle.

Definition of disaster

A disaster is the tragedy of a natural or human-made hazard (a hazard is a situation which poses a level of threat to life, health, property, or environment) that negatively affects society or environment. In contemporary academia, disasters are seen as the consequence of inappropriately managed risk. These risks are the product of hazards and vulnerability. Hazards that strike in areas with low vulnerability are not considered a disaster, as is the case in uninhabited regions.

Developing countries suffer the greatest costs when a disaster hits – more than 95 percent of all deaths caused by disasters occur in developing countries, and losses due to natural disasters are 20 times greater (as a percentage of GDP) in developing countries than in industrialized countries. A disaster can be defined as any tragic event with great loss stemming from events such as earthquakes, floods, catastrophic accidents, fires, or explosions.

Etymology

The word derives from Middle French désastre and that from Old Italian disastro, which in turn comes from the Greek pejorative prefix δυσ-, (dus-) "bar + ἀστήρ (aster), "star".The root of the word disaster ("bad star" in Greek) comes from an astrological theme in which the ancients used to refer to the destruction or deconstruction of a star as a disaster.

Classification of disasters

For more than a century researchers have been studying disasters and for more than forty years disaster research has been institutionalized through the Disaster Research Center. The studies reflect a common opinion when they argue that all disasters can be seen as being human-made, their reasoning being that human actions before the strike of the hazard can prevent it developing into a disaster. All disasters are hence the result of human failure to introduce appropriate disaster management measures. Hazards are routinely divided into natural or human-made, although complex disasters, where there is no single root cause, are more common in developing countries. A specific disaster may spawn a secondary disaster that increases the impact. A classic example is an earthquake that causes a tsunami, resulting in coastal flooding.

Natural disaster

A natural disaster is a consequence when a natural hazard (e.g., volcanic eruption or earthquake) affects humans and/or the built environment. Human vulnerability, caused by the lack of appropriate emergency management, leads to financial, environmental, or human impact. The resulting loss depends on the capacity of the population to support or resist the disaster: their resilience. This understanding is concentrated in the formulation: "disasters occur when hazards meet vulnerability". A natural hazard will hence never result in a natural disaster in areas without vulnerability, e.g., strong earthquakes in uninhabited areas.

Man-made disaster

Disasters caused by human action, negligence, error, or involving the failure of a system are called man-made disasters. Man-made disasters are in turn categorized as technological or sociological. Technological disasters are the results of failure of technology, such as engineering failures, transport disasters, or environmental disasters. Sociological disasters have a strong human motive, such as criminal acts, stampedes, riots and war. Man-made earthquakes are well documented even though less known by the general public. The latest one is the December 9, 2006 Basel, Switzerland earthquake triggered by a quest for geothermal energy.

Disaster management

With the tropical climate and unstable landforms, coupled with high population density, poverty, illiteracy and lack of adequate infrastructure, India is one of the most vulnerable developing countries to suffer very often from various natural disasters, namely drought, flood, cyclone, earth quake, landslide, forest fire, hail storm, locust, volcanic eruption, etc. Which strike causing a devastating impact on human life, economy and environment. Though it is almost impossible to fully recoup the damage caused by the disasters, it is possible to (i) minimize the potential risks by developing early warning strategies (ii) prepare and implement developmental plans to provide resilience to such disasters (iii) mobilize resources including communication and telemedicinal services, and (iv) to help in rehabilitation and post-disaster reconstruction. Space technology plays a crucial role in efficient mitigation of disasters. While communication satellites help in disaster warning, relief mobilization and tele-medicinal support, earth observation satellites provide required database for pre-disaster preparedness programmes, disaster response, monitoring activities and post-disaster damage assessment, and reconstruction, and rehabilitation. The article describes the role of space technology in evolving a suitable strategy for disaster preparedness and operational framework for their monitoring, assessment and mitigation, identifies gap areas and recommends appropriate strategies for disaster mitigation vis-à-vis likely developments in space and ground segments.

Various disasters like earthquake, landslides, volcanic eruptions, flood and cyclones are natural hazards that kill thousands of people and destroy billions of dollars of habitat and property each year. The rapid growth of the world's population and its increased concentration often in hazardous environment[citation needed] has escalated both the frequency and severity of natural disasters. With the tropical climate and unstable land forms, coupled with deforestation, unplanned growth proliferation non-engineered constructions which make the disaster-prone areas mere vulnerable, tardy communication, poor or no budgetary allocation for disaster prevention, developing countries suffer more or less chronically by natural disasters.[citation needed] Asia tops the list of casualties due to natural disaster.

Among various natural hazards, earthquakes, landslides, floods and cyclones are the major disasters adversely affecting very large areas and population in the Indian sub-continent. These natural disasters are of (i) geophysical origin such as earthquakes, volcanic eruptions, land slides and (ii) climatic origin such as drought, flood, cyclone, locust, forest fire. Though it may not be possible to control nature and to stop the development of natural phenomena but the efforts could be made to avoid disasters and alleviate their effects on human lives, infrastructure and property. Rising frequency, amplitude and number of natural disasters and attendant problem coupled with loss of human lives prompted the General Assembly of the United Nations to proclaim 1990s as the International Decade for Natural Disaster Reduction (IDNDR) through a resolution 44/236 of December 22, 1989 to focus on all issues related to natural disaster reduction. In spite of IDNDR, there had been a string of major disaster throughout the decade. Nevertheless, by establishing the rich disaster management related traditions and by spreading public awareness the IDNDR provided required stimulus for disaster reduction. It is almost impossible to prevent the occurrence of natural disasters and their damages.

However, it is possible to reduce the impact of disasters by adopting suitable disaster mitigation strategies. The disaster mitigation works mainly address the following:
Minimize the potential risks by developing disaster early warning strategies
Prepare and implement developmental plans to provide resilience to such disasters,
Mobilize resources including communication and tele-medicinal services
To help in rehabilitation and post-disaster reduction.
Disaster management on the other hand involves
Pre-disaster planning, preparedness, monitoring including relief management capability
Prediction and early warning
Damage assessment and relief management.
Disaster reduction is a systematic work which involves with different regions, different professions and different scientific fields, and has become an important measure for human, society and nature sustainable development.

Emergency management and Business continuity planning

The local communities at the time of disaster or before the disaster make groups for helping the people from suffering during the disaster. These groups include, First Aid group, Health group, Food and Welfare group etc. They all are well trained by some local community members. All the groups are sent for helping any other local community that is suffering from a disaster. They also migrate the people from the area affected from disaster to some other safe regions. They are given shelter and every possible facilities by those local management communities. Today, Government is also making effort to provide good facilities during the disaster. In India, in the rural areas, the community(group of families) are choosing a leader and developing their Disaster management skills to protect themselves and other local communities as well.

The Natural Disasters

A natural disaster is the effect of a natural hazard (e.g. flood, tornado, volcano eruption, earthquake, or landslide) that affects the environment, and leads to financial, environmental and/or human losses. The resulting loss depends on the capacity of the population to support or resist the disaster, and their resilience. This understanding is concentrated in the formulation: "disasters occur when hazards meet vulnerability." A natural hazard will hence never result in a natural disaster in areas without vulnerability, e.g. strong earthquakes in uninhabited areas. The term natural has consequently been disputed because the events simply are not hazards or disasters without human involvement.

Land movement disasters / Avalanches

Avalanche on the backside (East) of Mt. Timpanogos, Utah at Aspen Grove trail
Notable avalanches include:
The 1910 Wellington avalanche
The 1954 Blons avalanches
The 1970 Ancash earthquake
The 1999 Galtür Avalanche
The 2002 Kolka-Karmadon rock ice slide
The 2008 Wenchuan earthquake
The 2010 Haiti earthquake
The 2010 Chile earthquake
The 2010 Yushu earthquake

Earthquakes

An Earthquake is a sudden shake of the Earth's crust.The vibrations may vary in magnitude. The underground point of origin of the earthquake is called the "focus". The point directly above the focus on the surface is called the"epicenter". Earthquakes by themselves rarely kill people or wildlife. It is usually the secondary events that they trigger, such as building collapse, fires, tsunamis (seismic sea waves) and volcanoes, that are actually the human disaster. Many of these could possibly be avoided by better construction, safety systems, early warning and evacuation planning.
Earthquakes are caused by the discharge of accumulated along geologic faults.

Lahars

A lahar is a volcanic mudflow or landslide. The 1953 Tangiwai disaster was caused by a lahar, as was the 1985 Armero tragedy in which the town of Armero was buried and an estimated 23,000 people were killed

Volcanic eruptions

An Eruption may in itself be a disaster due to the explosion of the volcano or the fall of rock but there are several effects that may happen after an eruption that are also hazardous to human life.
Lava may be produced during the eruption of a volcano a material consisting of superheated rock. There are several different forms which may be either crumbly or gluey. Leaving the volcano this destroys any buildings and plants it encounters.

Volcanic ash - generally meaning the cooled ash - may form a cloud, and settle thickly in nearby locations. When mixed with water this forms a concrete like material. In sufficient quantity ash may cause roofs to collapse under its weight but even small quantities will cause ill health if inhaled. Since the ash has the consistency of ground glass it causes abrasion damage to moving parts such as engines.

Supervolcanoes : According to the Toba catastrophe theory 70 to 75 thousand years ago a super volcanic event at Lake Toba reduced the human population to 10,000 or even 1,000 breeding pairs creating a bottleneck in human evolution. It also killed three quarters of all plant life in the northern hemisphere. The main danger from a supervolcano is the immense cloud of ash which has a disastrous global effect on climate and temperature for many years.

Pyroclastic flows consist of a cloud of hot volcanic ash which builds up in the air above under its own weight and streams very rapidly from the mountain burning anything in its path. It is believed that Pompeii was destroyed by a pyroclastic flow.

Water disasters / Floods

The Limpopo River, in southern Mozambique, during the 2000 Mozambique flood

Some of the most notable floods include:

The Huang He (Yellow River) in China floods particularly often. The Great Flood of 1931 caused between 800,000 and 4,000,000 deaths.

The Great Flood of 1993 was one of the most costly floods in United States history.

The 1998 Yangtze River Floods, also in China, left 14 million people homeless.

The 2000 Mozambique flood covered much of the country for three weeks, resulting in thousands of deaths, and leaving the country devastated for years afterward.

Tropical cyclones can result in extensive flooding and storm surge, as happened with:

Bhola Cyclone, striking East Pakistan (now Bangladesh) in 1970,

Typhoon Nina, striking China in 1975,

Tropical Storm Allison, which struck Houston, Texas in 2001 and

Hurricane Katrina, which left most of New Orleans under water in 2005. Much of the flooding was due to the failure of the city's levee system.

Limnic eruptions

A cow suffocated by gases from Lake Nyos after a limnic eruption

A limnic eruption occurs when CO2 suddenly erupts from deep lake water, posing the threat of suffocating wildlife, livestock and humans. Such an eruption may also cause tsunamis in the lake as the rising CO2 displaces water. Scientists believe landslides, volcanic activity, or explosions can trigger such an eruption.Till date, only two limnic eruptions have been observed and recorded:

In 1984, in Cameroon, a limnic eruption in Lake Monoun caused the deaths of 37 nearby residents

At nearby Lake Nyos in 1986 a much larger eruption killed between 1,700 and 1,800 people by asphyxiation.

Tsunami

The tsunami caused by the December 26, 2004 earthquake strikes Ao Nang, Thailand.

Tsunamis can be caused by undersea earthquakes as the one caused in Ao Nang, Thailand by the 2004 Indian Ocean Earthquake, or by landslides such as the one which occurred at Lituya Bay, Alaska.

Ao Nang, Thailand (2004). The 2004 Indian Ocean Earthquake created the Boxing Day Tsunami and disaster at this site.

Lituya Bay, Alaska (1953). A mega-tsunami occurred here, the largest ever recorded.

(This also fits within the "Land movement disaster" category because it started with an earthquake.)

Weather disasters / Blizzards

Significant blizzards in the United States include:

The Great Blizzard of 1888

The Schoolhouse Blizzard earlier the same year

The Armistice Day Blizzard in 1940

The Storm of the Century in 1993

Cyclonic storms

Tropical cyclone and cyclone

Cyclone, tropical cyclone, hurricane, and typhoon are different names for the same phenomenon a cyclonic storm system that forms over the oceans. The deadliest hurricane ever was the 1970 Bhola cyclone the deadliest Atlantic hurricane was the Great Hurricane of 1780 which devastated Martinique St. Eustatius and Barbados. Another notable hurricane is Hurricane Katrina which devastated the Gulf Coast of the United States in 2005.

Droughts

Well-known historical droughts include:

1900 India killing between 250,000 and 3.25 million.

1921-22 Soviet Union in which over 5 million perished from starvation due to drought

1928-30 northwest China resulting in over 3 million deaths by famine.

1936 and 1941 Sichuan Province China resulting in 5 million and 2.5 million deaths respectively.

As of 2006, states of Australia including Western Australia, New South Wales, Victoria and Queensland had been under drought conditions for five to ten years. The drought is beginning to affect urban area populations for the first time.

In 2006 Sichuan Province China experienced its worst drought in modern times with nearly 8 million people and over 7 million cattle facing water shortages.

Hailstorms

Hailstorms (AKA hailstones) are rain drops that have formed together into ice. A particularly damaging hailstorm hit Munich, Germany on August 31, 1986, felling thousands of trees and causing millions of dollars in insurance claims.

Heat waves

The worst heat wave in recent history was the European Heat Wave of 2003.

Hurricane Katrina

A summer heat wave in Victoria, Australia caused the massive bushfires in 2009. Melbourne experienced 3 days in a row of temperatures exceeding 40°C.

Different Types of Tornadoes

Supercell Tornadoes

Some of the most violent tornadoes develop from supercell thunderstorms. A supercell thunderstorm is a long-lived thunderstorm possessing within its structure a continuously rotating updraft of air. These storms have the greatest tendency to produce tornadoes, some of the huge wedge shape. The supercell thunderstorm has a low-hanging, rotating layer of cloud known as a "wall cloud." It looks somewhat like a layer of a layer cake that hangs below the broader cloud base. One side of the wall cloud is often rain-free, while the other is neighbored by dense shafts of rain. The rotating updraft of the supercell is seen on radar as a "mesocyclone."

The tornadoes that accompany supercell thunderstorms are more likely to remain in contact with the ground for long periods of time—an hour or more—than other tornadoes, and are more likely to be violent, with winds exceeding-200 mph.

Landspout

Generally weaker than a supercell tornado, a landspout is not associated with a wall cloud or mesocyclone. It may be observed beneath cumulonimbus or towering cumulus clouds and is the land equivalent of a waterspout. It often forms along the leading edge of rain-cooled downdraft air emanating from a thunderstorm, known as a "gust front."

Gustnado
Weak and usually short-lived, a gustnado forms along the gust front of a thunderstorm, appearing as a temporary dust whirl or debris cloud. There may be no apparent connection to or circulation in the cloud aloft. These appear like dust devils.

Waterspout
A waterspout is a tornado over water. A few form from supercell thunderstorms, but many form from weak thunderstorms or rapidly growing cumulus clouds. Waterspouts are usually less intense and causes far less damage. Rarely more than fifty yards wide, it forms over warm tropical ocean waters, although its funnel is made of freshwater droplets condensed from water vapor from condensation - not saltwater from the ocean. Waterspouts usually dissipate upon reaching land.
The following are tornado-like circulations

Dust Devils
Dry, hot, clear days on the desert or over dry land can bring about dust devils. Generally forming in the hot sun during the late morning or early afternoon hours, these mostly harmless whirlwinds are triggered by light desert breezes that create a swirling plume of dust with speeds rarely over 70 mph. These differ from tornadoes in that they are not associated with a thunderstorm (or any cloud), and are usually weaker than the weakest

Tornado.
Typically, the life cycle of a dust devil is a few minutes or less, although they can last much longer. Although usually harmless, they have been known to cause minor damage. They can blow vehicles off the road and could damage your eyes by blowing dust into them.

Firewhirls
Sometimes the intense heat created by a major forest fire or volcanic eruption can create what is known as a firewhirl, a tornado-like rotating column of smoke and/or fire. This happens when the fire updraft concentrates some initial weak whirl or eddy in the wind. Winds associated with firewhirls have been estimated at over 100 mph. They are sometimes called fire tornadoes, fire devils, or even firenadoes.

Fire
Wildfires are an uncontrolled fire burning in wildland areas. Common causes include lightning and drought but wildfires may also be started by human negligence or arson. They can be a threat to those in rural areas and also wildlife.
A notable case of wildfire was the 2009 Victorian bushfires in Australia.

Health and diseases
Epidemic
http://en.wikipedia.org/wiki/File:Colorized_transmission_electron_micrograph_of_Avian_influenza_A_H5N1_viruses.jpgThe A H5N1 virus, which causes Avian influenza
An epidemic is an outbreak of a contractible disease that spreads at a rapid rate through a human population. A pandemic is an epidemic whose spread is global. There have been many epidemics throughout history, such as Black Death. In the last hundred years, significant pandemics include:
The 1918 Spanish flu pandemic, killing an estimated 50 million people worldwide
The 1957-58 Asian flu pandemic, which killed an estimated 1 million people
The 1968-69 Hong Kong flu pandemic
The 2002-3 SARS pandemic

The AIDS epidemic, beginning in 1959
The H1N1 Influenza (Swine Flu) Pandemic 2009-Present
Other diseases that spread more slowly, but are still considered to be global health emergencies by the WHO include:
XDR TB, a strain of tuberculosis that is extensively resistant to drug treatments
Malaria, which kills an estimated 1.6 million people each year
Ebola hemorrhagic fever, which has claimed hundreds of victims in Africa in several outbreaks

Famine

In modern times, famine has hit Sub-Saharan Africa the hardest, although the number of victims of modern famines is much smaller than the number of people killed by the Asian famines of the 20th century.

Space

Fallen trees caused by the Tunguska meteoroid of the Tunguska event in June, 1908.
Gamma ray bursts. Impact eventsOne of the largest impact events in modern times was the Tunguska event in June, 1908.

Solar flares

A solar flare is a phenomenon where the sun suddenly releases a great amount of solar radiation, much more than normal. Some known solar flares include:
An X20 event on August 16, 1989
A similar flare on April 2, 2001
The most powerful flare ever recorded, on November 4, 2003, estimated at between X40 and X45
The most powerful flare in the past 500 years is believed to have occurred in September 1859

Supernova and hypernova

Future of natural disasters
The United Kingdom based charity Oxfam publicly stated that the number of people hit by climate-related disasters is expected to rise by about 50%, to reach 375 million a year by 2015.

Insurance

Natural disasters play a major role in the insurance industry, which pays for certain damages arising from hurricanes, wildfires, and other catastrophes. Large reinsurance companies are particularly involved.

Disaster Risk Reduction (DRR) http://wikimediafoundation.org/

Disaster Risk Reduction (DRR) is a term used for techniques that focus on preventing or minimizing the effects of disasters. For instance, certain areas of a city that are prone to flooding may have development restricted or building codes may be implemented that protect up to a specified level of shaking, to protect against earthquakes. The term has been adopted by the United Nations, which has developed an international strategy on promoting disaster risk reduction as it has been shown to be very cost effective.
Initiatives that are focused on disaster risk reduction will either seek to reduce the likelihood of a disaster occurring (flood protection works, known as dykes, levees and stopbanks) or enhance the community's ability to respond to an emergency (ensuring three days food and water). As a disaster is a product of a severe event and people, changing either will have an effect on any disasters that occur. Further examples of initiatives include increasing knowledge and creating legal and policy frameworks. Closely linked is the issue of post-disaster long term recovery. The International Recovery Platform functions as a knowledge hub to disseminate best practices and lessons from recovery efforts. The platform advocates to ensure the recovery process is utilized as an opportunity for "build back better",

to reduce risks inherent before the disaster. Disaster risk reduction is related to the following areas: humanitarian relief, development aid sectors, risk management, climate change, and emergency preparedness.

Definition

The term "Disaster risk reduction" refers to a wide sector of work on disaster management including: mitigationhttp://en.wikipedia.org/wiki/Disaster_Risk_Reduction - cite_note-3#cite_note-3, prevention, risk reduction, preparedness, and vulnerabilities. The common definition of the UNISDR & UNDP for disaster risk reduction is:

> “ The conceptual framework of elements considered with the possibilities to minimize vulnerabilities and disaster risks throughout a society, to avoid (prevention) or to limit (mitigation and preparedness) the adverse impacts of hazards, within the broad context of sustainable development. ”

Context

Only 4% of the estimated $10 billion in annual humanitarian assistance is devoted to prevention and yet every dollar spent on risk reduction saves between $5 and $10 in economic losses from disasters.

Major International Conferences & Workshops

The World Conference on Disaster Reduction (WCDR) was held in Kobe, Japan in January 2005, only days after the 2004 Indian Ocean earthquake. The Conference was to take stock of progress in disaster risk reduction accomplished since the Yokohama Conference of 1994 and to make plans for the next ten years. The key outcome of this conference was the Hyogo Framework for Action.

The International Disaster Reduction Conference (IDRC) was held in Davos, Switzerland in August 2006.

The UNISDR Global Platform for Disaster Risk Reduction held its first session from 5-7 June 2007 in Geneva, Switzerland.

The International Recovery Forum 2010 was held at Kobe Japan on 16 January 2010

Major International Agreements & Funding Loci

The key outcome of the WCDR was the Hyogo Framework for Action : building the resilience of nations and communities to disasters (HFA).

The UNISDR Global Facility for Disaster Reduction and Recovery (GFDRR) is a major initiative launched in September 2006 through a partnership between the World Bank and ISDR to support national, regional and global capacities in reducing disaster risk, particularly in low and middle-income countries. A progress report on GFDRR accomplishments to date in support of the implementation of Hyogo Framework for Action is now available here.

Sector leaders

Some of the leaders in the sector include:

UNISDR, formerly IDNDR - Salvano Briceño

ProVention Consortium - Margaret Arnold

The International Federation of Red Cross and Red Crescent Societies - Antony Spalton

USAID's Office of U.S. Foreign Disaster Assistance (OFDA) - David Hajjar

The Emergency Capacity Building (ECB) Project http://www.ecbproject.org/.
UNDP - Joanne Burke (CADRI), Andrew Maskrey, Maxx Dilley, & Fenella Frost (BCPR)
The World Bank - Saroj Kumar Jha, Global Facility for Disaster Reduction and Recovery (GFDRR)
The BOND UK DRR Working Group
Christian Aid - Sarah Moss http://christianaid.org.uk/emergencies/prevention/index.aspx
The InterAction Risk Reduction Working Group - Susan Romanski Mercy Corps & Rebecca Schurer (American Red Cross)
Tearfund - Marcus Oxley
ActionAid - Roger Yates & Yasmin McDonnell
Department for International Development (DFID), UK - Olivia Coghlan
Global Risk Identification Program (GRIP) - Carlos Villacis

Space-based Information

The use of space-based solutions and information to support risk and disaster management has increased significantly in recent years. The use of such technologies has been proven useful in the risk assessment, mitigation and preparedness phases of disaster management. As the global community learnt from the tsunami event of December 2004, space technologies have a central role to play in providing early warning to communities that are at risk and in supporting rescue efforts. The recent disasters in Myanmar (Cyclone Nargis) and China (Wenchen earthquake) have shown how the problem now is not accessing such information but coordinating the many opportunities and actually being able to take advantage of the information being provided.

In order for developing countries to be able to incorporate the use of space technology-based solutions and information there is a need to increase awareness, build national capacity and also develop solutions that are customised and appropriate to the needs of the developing world.

This is what the UN-SPIDER is helping achieve. In its resolution 61/110 of 14 December 2006 the United Nations General Assembly agreed to establish the "United Nations Platform for Space-based Information for Disaster Management and Emergency Response - UN-SPIDER" as a new United Nations programme, within the United Nations Office for Outer Space Affairs - UNOOSA, with the following mission statement: "Ensure that all countries and international and regional organizations have access to and develop the capacity to use all types of space-based information to support the full disaster management cycle". UN-SPIDER is being implemented as an open network of providers of space-based solutions to support disaster management activities. Besides Vienna (where UNOOSA is located), the programme also has an office in Bonn, Germany and will also have an office in Beijing, China and a Liaison Office in Geneva, Switzerland. Additionally, Algeria, the I.R. of Iran and Nigeria are setting up Regional Support Offices.

United Nations - International Strategy for Disaster Reduction
United Nations - International Strategy for Disaster Reduction- Regional Unit for the Americas
UN-SPIDER - United Nations Platform for Space-based Information for Disaster Management and Emergency Response
Preventionweb - Building the resilience of nations and communities to disasters
Education for hazards - What to do A guide for children and youth
International Federation of Red Cross and Red Crescent Societies Disaster Management The ProVention Consortium - Red Cross and Red Crescent
UNDP/CADRI
UNDP/BCPR

UNDP DRR links
The World Bank, Hazards Management Unit
United Nations Platform for Space-based Information for Disaster Management and Emergency Response
Earthquakes and Megacities Initiative
International Recovery Platform

Phases and professional activities

The nature of management depends on local economic and social conditions. Some disaster relief experts such as Fred Cuny have noted that in a sense the only real disasters are economic. Experts, such as Cuny, have long noted that the cycle of emergency management must include long-term work on infrastructure, public awareness, and even human justice issues. This is not important in developing nations. The process of emergency management involves four phases: mitigation, preparedness, response, and recovery.
http://en.wikipedia.org/wiki/File:Em_cycle.png

Disaster Mitigation

Mitigation efforts attempt to prevent hazards from developing into disasters altogether, or to reduce the effects of disasters when they occur. The mitigation phase differs from the other phases because it focuses on long-term measures for reducing or eliminating risk. The implementation of mitigation strategies can be considered a part of the recovery process if applied after a disaster occurs. Mitigative measures can be structural or non-structural. Structural measures use technological solutions, like flood levees. Non-structural measures include legislation, land-use planning (e.g. the designation of nonessential land like parks to be used as flood zones), and insurance. Mitigation is the most cost-efficient method for reducing the impact of hazards, however it is not always suitable. Mitigation does include providing regulations regarding evacuation, sanctions against those who refuse to obey the regulations (such as mandatory evacuations), and communication of potential risks to the public. Some structural mitigation measures may have adverse effects on the ecosystem.

A precursor activity to the mitigation is the identification of risks. Physical risk assessment refers to the process of identifying and evaluating hazards. The hazard-specific risk (Rh) combines both the probability and the level of impact of a specific hazard. The equation below states that the hazard multiplied by the populations' vulnerability to that hazard produces a risk Catastrophe modeling. The higher the risk, the more urgent that the hazard specific vulnerabilities are targeted by mitigation and preparedness efforts. However, if there is no vulnerability there will be no risk, e.g. an earthquake occurring in a desert where nobody lives.

Disaster Preparedness

Preparedness is a continuous cycle of planning, organizing, training, equipping, exercising, evaluation and improvement activities to ensure effective coordination and the enhancement of capabilities to prevent, protect against, respond to, recover from, and mitigate against natural disasters, acts of terrorism, and other man-made disasters.

In the preparedness phase, emergency managers develop plans of action to manage and counter their risks and take action to build the necessary capabilities needed to implement such plans. Common preparedness measures include:

Communication plans with easily understandable terminology and methods.
Proper maintenance and training of emergency services, including mass human resources such as community emergency response teams.
Development and exercise of emergency population warning methods combined with emergency shelters and evacuation plans.
Stockpiling, inventory, and maintain disaster supplies and equipment.develop organizations of trained volunteers among civilian populations. (Professional emergency workers are rapidly overwhelmed in mass emergencies so trained, organized, responsible volunteers are extremely valuable. Organizations like Community Emergency Response Teams and the Red Cross are ready sources of trained volunteers. The latter's emergency management system has gotten high ratings from both California, and the Federal Emergency Management Agency (FEMA).)

Another aspect of preparedness is casualty prediction, the study of how many deaths or injuries to expect for a given kind of event. This gives planners an idea of what resources need to be in place to respond to a particular kind of event.
Emergency Managers in the planning phase should be flexible, and all encompassing - carefully recognizing the risks and exposures of their respective regions and employing unconventional, and atypical means of support. Depending on the region - municipal, or private sector emergency services can rapidly be depleted and heavily taxed. Non-governmental organizations that offer desired resources, i.e., transportation of displaced homeowners to be conducted by local school district buses, evacuation of flood victims to be performed by mutual aide agreements between fire departments and rescue squads, should be identified early in planning stages, and practiced with regularity.

Disaster Response

The response phase includes the mobilization of the necessary emergency services and first responders in the disaster area. This is likely to include a first wave of core emergency services, such as firefighters, police and ambulance crews. When conducted as a military operation, it is termed Disaster Relief Operation (DRO) and can be a follow-up to a Non-combatant evacuation operation (NEO). They may be supported by a number of secondary emergency services, such as specialist rescue teams.
A well rehearsed emergency plan developed as part of the preparedness phase enables efficient coordination of rescue. Where required, search and rescue efforts commence at an early stage. Depending on injuries sustained by the victim, outside temperature, and victim access to air and water, the vast majority of those affected by a disaster will die within 72 hours after impact.
Organizational response to any significant disaster - natural or terrorist-borne - is based on existing emergency management organizational systems and processes: the Federal Response Plan (FRP) and the Incident Command System (ICS). These systems are solidified through the principles of Unified Command (UC) and Mutual Aid (MA)

Disaster Recovery

The aim of the recovery phase is to restore the affected area to its previous state. It differs from the response phase in its focus; recovery efforts are concerned with issues and decisions that must be made after immediate needs are addressed. Recovery efforts are primarily concerned with actions that involve rebuilding destroyed property, re-employment, and the repair of other essential infrastructure. Efforts should be made to "build back better", aiming to reduce the pre-disaster risks inherent in the community and infrastructure. An important aspect of effective recovery efforts is taking advantage of a ‘window of opportunity' for the implementation of mitigative measures that might otherwise be unpopular. Citizens of the affected area are more likely to accept more mitigative changes when a recent disaster is in fresh memory.

In the United States, the National Response Plan dictates how the resources provided by the Homeland Security Act of 2002 will be used in recovery efforts. It is the Federal government that often provides the most technical and financial assistance for recovery efforts in the United States.

Phases and personal activities
Mitigation
Personal mitigation is mainly about knowing and avoiding unnecessary risks. This includes an assessment of possible risks to personal/family health and to personal property.
One example of mitigation would be to avoid buying property that is exposed to hazards, e.g., in a flood plain, in areas of subsidence or landslides. Home owners may not be aware of a property being exposed to a hazard until it strikes. However, specialists can be hired to conduct risk identification and assessment surveys. Purchase of insurance covering the most prominent identified risks is a common measure.

Personal structural mitigation in earthquake prone areas includes installation of an Earthquake Valve to instantly shut off the natural gas supply to a property, seismic retrofits of property and the securing of items inside a building to enhance household seismic safety. The latter may include the mounting of furniture, refrigerators, water heaters and breakables to the walls, and the addition of cabinet latches. In flood prone areas houses can be built on poles, as in much of southern Asia. In areas prone to prolonged electricity black-outs installation of a generator would be an example of an optimal structural mitigation measure. The construction of storm cellars and fallout shelters are further examples of personal mitigative actions.
Mitigation involves Structural and Non-structural measures taken to limit the impact of disasters.

Crisis management

Crisis management is the process by which an organization deals with a major unpredictable event that threatens to harm the organization, its stakeholders, or the general public. Three elements are common to most definitions of crisis: (a) a threat to the organization, (b) the element of surprise, and (c) a short decision time. Venetteargues that "crisis is a process of transformation where the old system can no longer be maintained." Therefore the fourth defining quality is the need for change. If change is not needed, the event could more accurately be described as a failure or incident.

In contrast to risk management, which involves assessing potential threats and finding the best ways to avoid those threats, crisis management involves dealing with threats after they have occurred. It is a discipline within the broader context of management consisting of skills and techniques required to identify, assess, understand, and cope with a serious situation, especially from the moment it first occurs to the point that recovery procedures start.

Introduction

Crisis management consists of:

- Methods used to respond to both the reality and perception of crises.

- Establishing metrics to define what scenarios constitute a crisis and should consequently trigger the necessary response mechanisms.
- Communication that occurs within the response phase of emergency management scenarios.

Crisis management methods of a business or an organization are called **Crisis Management Plan**.

Crisis management is occasionally referred to as incident management, although several industry specialists such as Peter Power argue that the term crisis management is more accurate.

The credibility and reputation of organizations is heavily influenced by the percpetion of their responses during crisis situations. The organization and communication involved in responding to a crisis in a timely fashion makes for a challenge in businesses. There must be open and consistent communication throughout the hierarchy to contribute to a successful crisis communication process.

The related terms emergency management and business continuity management focus respectively on the prompt but short lived "first aid" type of response (e.g. putting the fire out) and the longer term recovery and restoration phases (e.g. moving operations to another site). Crisis is also a facet of risk management, although it is probably untrue to say that Crisis Management represents a failure of Risk Management since it will never be possible to totally mitigate the chances of catastrophes occurring.

Types of crisis

During the crisis management process, it is important to identify types of crises in that different crises necessitate the use of different crisis management strategies.Potential crises are enormous, but crises can be clustered. Lerbingercategorized seven types of crises

1. Natural disaster
2. Technological crises
3. Confrontation
4. Malevolence
5. Crises of skewed management value
6. Crises of deception
7. Crises of management misconduct

Natural crises

Natural crises, typically natural disasters considered as'acts of God,' are such environmental phenomena as earthquakes, volcanic eruptions, tornadoes and hurricanes, floods, landslides, tidal waves, storms, and droughts that threaten life, property, and the environment itself.

Example: 2004 Indian Ocean earthquake (Tsunami)

Technological crises

Technological crises are caused by human application of science and technology. Technological accidents inevitably occur when technology becomes complex and coupled and something goes wrong in the system as a whole (Technological breakdowns). Some technological crises occur when human error causes disruptions (Human breakdowns). People tend to assign blame for a technological disaster because technology is subject to human manipulation whereas they do not hold anyone responsible for natural disaster. When an accident creates significant environmental damage, the crisis is categorized as *megadamage*. Samples include software failures, industrial accidents, and oil spills.

Confrontation crises

Confrontation crises occur when discontented individuals and/or groups fight businesses, government, and various interest groups to win acceptance of their demands and expectations. The common type of confrontation crises is boycotts, and other types are picketing, sit-ins, ultimatums to those in authority, blockade or occupation of buildings, and resisting or disobeying police.

Example: Rainbow/PUSH's (People United to Serve Humanity) boycott of Nike

Crises of malevolence

An organization faces a crisis of malevolence when opponents or miscreant individuals use criminal means or other extreme tactics for the purpose of expressing hostility or anger toward, or seeking gain from, a company, country, or economic system, perhaps with the aim of destabilizing or destroying it. Sample crises include product tampering, kidnapping, malicious rumors, terrorism, and espionage.

Example: 1982 Chicago Tylenol murders

Crises of organizational misdeeds

Crises occur when management takes actions it knows will harm or place stakeholders at risk for harm without adequate precautions. Lerbinger specified three different types of crises of organizational misdeeds: crises of skewed management values, crises of deception, and crises of management misconduct.

Crises of skewed management values

Crises of skewed management values are caused when managers favor short-term economic gain and neglect broader social values and stakeholders other than investors. This state of lopsided values is rooted in the classical business creed that focuses on the interests of stockholders and tends to view the interests of its other stakeholders such as customers, employees, and the community.

Example: Sears sacrifices customer trust

Crises of deception

Crises of deception occur when management conceals or misrepresents information about itself and its products in its dealing with consumers and others.

Crises of management misconduct

Some crises are caused not only by skewed values and deception but deliberate amorality and illegality.

Workplace violence

Crises occur when an employee or former employee commits violence against other employees on organizational grounds.

Example: DuPont’s Lycra

Rumors

False information about an organization or its products creates crises hurting the organization’s reputation. Sample is linking the organization to radical groups or stories that their products are contaminated.

Models and theories associated with crisis management

Crisis management model

Successfully diffusing a crisis requires an understanding of how to handle a crisis – before it occurs. Gonzalez-Herrero and Pratt created a four-phase crisis management model process that includes: issues management, planning-prevention, the crisis, and post-crisis (Gonzalez-Herrero and Pratt, 1995). The art is to define what the crisis specifically is or could be and what has caused it or could cause it.

Management crisis planning

No corporation looks forward to facing a situation that causes a significant disruption to their business, especially one that stimulates extensive media coverage. Public scrutiny can result in a negative financial, political, legal and government impact. Crisis management planning deals with providing the best response to a crisis.

Contingency planning

Preparing contingency plans in advance, as part of a crisis management plan, is the first step to ensuring an organization is appropriately prepared for a crisis. Crisis management teams can rehearse a crisis plan by developing a simulated scenario to use as a drill. The plan should clearly stipulate that the only people to speak publicly about the crisis are the designated persons, such as the company spokesperson or crisis team members. The first hours after a crisis breaks are the most crucial, so working with speed and efficiency is important, and the plan should indicate how quickly each function should be performed. When preparing to offer a statement externally as well as internally, information should be accurate. Providing incorrect or manipulated information has a tendency to backfire and will greatly exacerbate the situation. The contingency plan should contain information and guidance that will help decision makers to consider not only the short-term consequences, but the long-term effects of every decision.

Business continuity planning

When a crisis will undoubtedly cause a significant disruption to an organization, a business continuity plan can help minimize the disruption. First, one must identify the critical functions and processes that are necessary to keep the organization running. Then each critical function and or/process must have its own contingency plan in the event that one of the functions/processes ceases or fails. Testing these contingency plans by rehearsing the required actions in a simulation will allow for all involved to become more sensitive and aware of the possibility of a crisisis. As a result, in the event of an actual crisis, the team members will act more quickly and effectively.

Structural-functional systems theory

Providing information to an organization in a time of crisis is critical to effective crisis management. Structural-functional systems theory addresses the intricacies of information networks and levels of command making up organizational communication. The structural-functional theory identifies information flow in organizations as "networks" made up of members and "links". Information in organizations flow in patterns called networks.

Diffusion of innovation theory

Another theory that can be applied to the sharing of information is Diffusion of Innovation Theory. Developed by Everett Rogers, the theory describes how innovation is disseminated and communicated through certain channels over a period of time. Diffusion of innovation in communication occurs when an individual communicates a new idea to one or several others. At its most elementary form, the process involves: an innovation, (2) an individual or other unit of adoption that has knowledge of or experience with using the innovation, (3) another individual or other unit that does not yet have knowledge of the innovation, and (4) a communication channel connecting the two units. A communication channel is the means by which messages get from one individual to another.

Role of apologies in crisis management

There has been debate about the role of apologies in crisis management, and some argue that apology opens an organization up for possible legal consequences. "However some evidence indicates that compensation and sympathy, two less expensive strategies, are as effective as an apology in shaping people’s perceptions of the organization taking responsibility for the crisis because these strategies focus on the victims’ needs. The sympathy response expresses concern for victims while compensation offers victims something to offset the suffering."

Examples of successful crisis management

Tylenol (Johnson and Johnson)

In the fall of 1982, a murderer added 65 milligrams of cyanide to some Tylenol capsules on store shelves, killing seven people, including three in one family. Johnson & Johnson recalled and destroyed 31 million capsules at a cost of $100 million. The affable CEO, James Burke, appeared in television ads and at news conferences informing consumers of the company's actions. Tamper-resistant packaging was rapidly introduced, and Tylenol sales swiftly bounced back to near pre-crisis levels.

Johnson & Johnson was again struck by a similar crisis in 1986 when a New York woman died on Feb. 8 after taking cyanide-laced Tylenol capsules. Johnson & Johnson was ready. Responding swiftly and smoothly to the new crisis, it immediately and indefinitely canceled all television commercials for Tylenol, established a toll-free telephone hot-line to answer consumer questions and offered refunds or exchanges to customers who had purchased Tylenol capsules. At week's end, when another bottle of tainted Tylenol was discovered in a store, it took only a matter of minutes for the manufacturer to issue a nationwide warning that people should not use the medication in its capsule form.

Odwalla Foods

When Odwalla's apple juice was thought to be the cause of an outbreak of E. coli infection, the company lost a third of its market value. In October 1996, an outbreak of E. coli bacteria in Washington state, California, Colorado and British Columbia was traced to unpasteurized apple juice manufactured by natural juice maker Odwalla Inc. Forty-nine cases were reported, including the death of a small child. Within 24 hours, Odwalla conferred with the FDA and Washington state health officials; established a schedule of daily press briefings; sent out press releases which announced the recall; expressed remorse, concern and apology, and took responsibility for anyone harmed by their products; detailed symptoms of E. coli poisoning; and explained what consumers should do with any affected products. Odwalla then developed - through the help of consultants - effective thermal processes that would not harm the products' flavors when production resumed. All of these steps were communicated through close relations with the media and through full-page newspaper ads.

Mattel

Mattel Inc., the toy maker, has been plagued with more than 28 product recalls and in Summer of 2007, amongst problems with exports from China, faced two product recall in two weeks. The company *did everything it could to get its message out, earning high marks from consumers and retailers. Though upset by the situation, they were appreciative of the company's response. At Mattel, just after the 7 a.m. recall announcement by federal officials, a public relations staff of 16 was set to call reporters at the 40 biggest media outlets. They told each to check their e-mail for a news release outlining the recalls, invited them to a teleconference call with executives and scheduled TV appearances or phone conversations with Mattel's chief executive. The Mattel CEO Robert Eckert did 14 TV interviews on a Tuesday in August and about 20 calls with individual reporters. By the week's end, Mattel had responded to more than 300 media inquiries in the U.S. a*

Pepsi

The Pepsi Corporation faced a crisis in 1993 which started with claims of syringes being found in cans of diet Pepsi. Pepsi urged stores not to remove the product from shelves while it had the cans and the situation investigated. This led to an arrest, which Pepsi made public and then followed with their first video news release, showing the production process to demonstrate that such tampering was impossible within their factories. A second video news release displayed the man arrested. A third video news release showed surveillance from a convenience store where a woman was caught replicating the tampering incident. The company simultaneously publicly worked with the FDA during the crisis. The corporation was completely open with the public throughout, and every employee of Pepsi was kept aware of the details. This made public communications effective throughout the crisis. After the crisis had been resolved, the corporation ran a series of special campaigns designed to thank the public for standing by the corporation, along with coupons for further compensation. This case served as a design for how to handle other crisis situations.

Lessons learned in crisis management

Impact of catastrophes on shareholder value

One of the foremost recognized studies conducted on the impact of a catastrophe on the stock value of an organization was completed by Dr Rory Knight and Dr Deborah Pretty (1995, Templeton College, University of Oxford - commissioned by the Sedgewick Group). This study undertook a detailed analysis of the stock price (post impact) of organizations that had experienced catastrophes. The study identified organizations that recovered and even exceeded pre-catastrophe stock price, (*Recoverers*), and those that did not recover on stock price, (*Non-recoverers*). The average cumulative impact on shareholder value for the recoverers was 5% plus on their original stock value. So the net impact on shareholder value by this stage was actually positive. The non-recoverers remained more or less unchanged between days 5 and 50 after the catastrophe, but suffered a net negative cumulative impact of almost 15% on their stock price up to one year afterwards.

One of the key conclusions of this study is that "Effective management of the consequences of catastrophes would appear to be a more significant factor than whether catastrophe insurance hedges the economic impact of the catastrophe".

While there are technical elements to this report it is highly recommended to those who wish to engage their senior management in the value of crisis management.

Bhopal

The Bhopal disaster in which poor communication before, during, and after the crisis cost thousands of lives, illustrates the importance of incorporating cross-cultural communication in crisis management plans. According to American University's Trade Environmental Database Case Studies (1997), local residents were not sure how to react to warnings of potential threats from the Union Carbide plant. Operating manuals printed only in English is an extreme example of mismanagement but indicative of systemic barriers to information diffusion. According to Union Carbide's own chronology of the incident (2006), a day after the crisis Union Carbide's upper management arrived in India but was unable to assist in the relief efforts because they were placed under house arrest by the Indian government. Symbolic intervention can be counter productive; a crisis management strategy can help upper management make more calculated decisions in how they should respond to disaster scenarios. The Bhopal incident illustrates the difficulty in consistently applying management standards to multi-national operations and the blame shifting that often results from the lack of a clear management plan.

Ford and Firestone Tire and Rubber Company

The Ford-Firestone Tire and Rubber Company dispute transpired in August 2000. In response to claims that their 15-inch Wilderness AT, radial ATX and ATX II tire treads were separating from the tire core—leading to grisly, spectacular crashes—Bridgestone/Firestone recalled 6.5 million tires. These tires were mostly used on the Ford Explorer, the world's top-selling sport utility vehicle (SUV).

The two companies' committed three major blunders early on, say crisis experts. First, they blamed consumers for not inflating their tires properly. Then they blamed each other for faulty tires and faulty vehicle design. Then they said very little about what they were doing to solve a problem that had caused more than 100 deaths—until they got called to Washington to testify before Congress.

Exxon

On March 24, 1989, a tanker belonging to the Exxon Corporation ran aground in the Prince William Sound in Alaska. The Exxon Valdez spilled millions of gallons of crude oil into the waters off Valdez, killing thousands of fish, fowl, and sea otters. Hundreds of miles of coastline were polluted and salmon spawning runs disrupted; numerous fishermen, especially Native Americans, lost their livelihoods. Exxon, by contrast, did not react quickly in terms of dealing with the media and the public; the CEO, Lawrence Rawl, did not become an active part of the public relations effort and actually shunned public involvement; the company had neither a communication plan nor a communication team in place to handle the event—in fact, the company did not appoint a public relations manager to its management team until 1993, 4 years after the incident; Exxon established its media center in Valdez, a location too small and too remote to handle the onslaught of media attention; and the company acted defensively in its response to its publics, even laying blame, at times, on other groups such as the Coast Guard. These responses also happened within days of the incident.

Public sector crisis management

Corporate America is not the only community that is vulnerable to the perils of a crisis. Whether a school shooting, a public health crisis or a terrorist attack that leaves the public seeking comfort in the calm, steady leadership of an elected official, no sector of society is immune to crisis. In response to that reality, crisis management policies, strategies and practices have been developed and adapted across multiple disciplines.

Schools and crisis management

In the wake of the Columbine High School Massacre, the September 11 attacks in 2001, and shootings on college campuses including the Virginia Tech massacre, educational institutions at all levels are now focused on crisis management.[18]

A national study conducted by the University of Arkansas for Medical Sciences (UAMS) and Arkansas Children's Hospital Research Institute (ACHRI) has shown that many public school districts have important deficiencies in their emergency and disaster plans (The School Violence Resource Center, 2003).

In response the Resource Center has organized a comprehensive set of resources to aid schools is the development of crisis management plans

Crisis management plans cover a wide variety of incidents including bomb threats, child abuse, natural disasters, suicide, drug abuse and gang activities – just to list a few. In a similar fashion the plans aim to address all audiences in need of information including parents, the media and law enforcement officials.http://en.wikipedia.org/wiki/Crisis_Management - cite_note-VaDoE-19#cite_note-VaDoE-19

Government and crisis management

Historically, government at all levels – local, state, and national – has played a large role in crisis management. Indeed, many political philosophers have considered this to be one of the primary roles of government. Emergency services, such as fire and police departments at the local level, and the United States National Guard at the federal level, often play integral roles in crisis situations.

To help coordinate communication during the response phase of a crisis, the U.S. Federal Emergency Management Agency (FEMA) within the Department of Homeland Security administers the National Response Plan (NRP). This plan is intended to integrate public and private response by providing a common language and outlining a chain-of-command when multiple parties are mobilized. It is based on the premise that incidences should be handled at the lowest organizational level possible. The NRP recognizes the private sector as a key partner in domestic incident management, particularly in the area of critical infrastructure protection and restoration. The NRP is a companion to the National Incidence

Management System that acts as a more general template for incident management regardless of cause, size, or complexity.

FEMA offers free web-based training on the National Response Plan through the Emergency Management Institute.

Common Alerting Protocol (CAP) is a relatively recent mechanism that facilitates crisis communication across different mediums and systems. CAP helps create a consistent emergency alert format to reach geographically and linguistically diverse audiences through both audio and visual mediums.

Elected officials and crisis management

Historically, politics and crisis go hand-in-hand. In describing crisis, President Abraham Lincoln said, “We live in the midst of alarms, anxiety beclouds the future; we expect some new disaster with each newspaper we read.”http://en.wikipedia.org/wiki/Wikipedia:Citation_needed

Crisis management has become a defining feature of contemporary governance. In times of crisis, communities and members of organizations expect their public leaders to minimize the impact of the crisis at hand, while critics and bureaucratic competitors try to seize the moment to blame incumbent rulers and their policies. In this extreme environment, policy makers must somehow establish a sense of normality, and foster collective learning from the crisis experience.

In the face of crisis, leaders must deal with the strategic challenges they face, the political risks and opportunities they encounter, the errors they make, the pitfalls they need to avoid, and the paths away from crisis they may pursue. The necessity for management is even more significant with the advent of a 24-hour news cycle and an increasingly internet-saavy audience with ever-changing technology at its fingertips.

Public leaders have a special responsibility to help safeguard society from the adverse consequences of crisis. Experts in crisis management note that leaders who take this responsibility seriously would have to concern themselves with all crisis phases: the incubation stage, the onset, and the aftermath. Crisis leadership then involves five critical tasks: sense making, decision making, meaning making, terminating, and learning.

A brief description of the five facets of crisis leadership includes: Sense making may be considered as the classical situation assessment step in decision making.

1. Decision making is both the act of coming to a decision as the implementation of that decision.
2. Meaning making refers to crisis management as political communication.
3. Terminating a crisis is only possible if the public leader correctly handles the accountability question.
4. Learning, refers to the actual learning from a crisis is limited. The authors note, a crisis often opens a window of opportunity for reform for better or for worse.

Structural Mitigation:-
This involves proper layout of building, particularly to make it resistant to disasters.
Non Structural Mitigation:-

This involves measures taken other than improving the structure of building.
Preparedness

Airport emergency preparedness exercise.
While preparedness is aimed at preventing a disaster from occurring, personal preparedness focuses on preparing equipment and procedures for use when a disaster occurs, i.e., planning. Preparedness measures can take many forms including the construction of shelters, installation of warning devices, creation of back-up life-line services (e.g., power, water, sewage), and rehearsing evacuation plans. Two simple measures can help prepare the individual for sitting out the event or evacuating, as necessary. For evacuation, a disaster supplies kit may be prepared and for sheltering purposes a stockpile of supplies may be created. The preparation of a survival kit such as a "72-hour kit", is often advocated by authorities. These kits may include food, medicine, flashlights, candles and money.

Response
The response phase of an emergency may commence with search and rescue but in all cases the focus will quickly turn to fulfilling the basic humanitarian needs of the affected population. This assistance may be provided by national or international agencies and organisations. Effective coordination of disaster assistance is often crucial, particularly when many organisations respond and local emergency management agency (LEMA) capacity has been exceeded by the demand or diminished by the disaster itself.
On a personal level the response can take the shape either of a shelter in place or an evacuation. In a shelter-in-place scenario, a family would be prepared to fend for themselves in their home for many days without any form of outside support. In an evacuation, a family leaves the area by automobile or other mode of transportation, taking with them the maximum amount of supplies they can carry, possibly including a tent for shelter. If mechanical transportation is not available, evacuation on foot would ideally include carrying at least three days of supplies and rain-tight bedding, a tarpaulin and a bedroll of blankets being the minimum.

Recovery
The recovery phase starts after the immediate threat to human life has subsided. During reconstruction it is recommended to consider the location or construction material of the property.
The most extreme home confinement scenarios include war, famine and severe epidemics and may last a year or more. Then recovery will take place inside the home. Planners for these events usually buy bulk foods and appropriate storage and preparation equipment, and eat the food as part of normal life. A simple balanced diet can be constructed from vitamin pills, whole-meal wheat, beans, dried milk, corn, and cooking oil.[10] One should add vegetables, fruits, spices and meats, both prepared and fresh-gardened, when possible.

As a profession
Emergency managers are trained in a wide variety of disciplines that support them through out the emergency life-cycle. Professional emergency managers can focus on government and community preparedness (Continuity of Operations/Continuity of Government Planning), or private business preparedness (Business Continuity Management Planning). Training is provided by local, state, federal and private organizations and ranges from public information and media relations to high-level incident command and tactical skills such as studying a terrorist bombing site or controlling an emergency scene.
In the past, the field of emergency management has been populated mostly by people with a military or first responder background. Currently, the population in the field has become more diverse, with many experts coming from a variety of backgrounds without military or first responder history. Educational opportunities are increasing for those seeking undergraduate and graduate degrees in emergency

management or a related field. There are eight schools in the US with emergency management-related doctorate programs, but only one doctoral program specifically in emergency management.
Professional certifications such as Certified Emergency Manager (CEM) and Certified Business Continuity Professional (CBCP) are becoming more common as the need for high professional standards is recognized by the emergency management community, especially in the United States.

Tools

In recent years the continuity feature of emergency management has resulted in a new concept, Emergency Management Information Systems (EMIS). For continuity and interoperability between emergency management stakeholders, EMIS supports the emergency management process by providing an infrastructure that integrates emergency plans at all levels of government and non-government involvement and by utilizing the management of all related resources (including human and other resources) for all four phases of emergencies. In the healthcare field, hospitals utilize HICS (Hospital Incident Command System) which provides structure and organization in a clearly defined chain of command with set responsibilities for each division.

Within other professions

Practitioners in emergency management (disaster preparedness) come from an increasing variety of backgrounds as the field matures. Professionals from memory institutions (e.g., museums, historical societies, libraries, and archives) are dedicated to preserving cultural heritage—objects and records contained in their collections. This has been an increasingly major component within these field as a result of the heightened awareness following the September 11 attacks in 2001, the hurricanes in 2005, and the collapse of the Cologne Archives.

To increase the opportunity for a successful recovery of valuable records, a well-established and thoroughly tested plan must be developed. This plan must not be overly complex, but rather emphasize simplicity in order to aid in response and recovery. As an example of the simplicity, employees should perform similar tasks in the response and recovery phase that they perform under normal conditions. It should also include mitigation strategies such as the installation of sprinklers within the institution. This task requires the cooperation of a well-organized committee led by an experienced chairperson. Professional associations schedule regular workshops and hold focus sessions at annual conferences to keep individuals up to date with tools and resources in practice in order to minimize risk and maximize recovery.

Tools

The joint efforts of professional associations and cultural heritage institutions have resulted in the development of a variety of different tools to assist professionals in preparing disaster and recovery plans. In many cases, these tools are made available to external users. Also frequently available on websites are plan templates created by existing organizations, which may be helpful to any committee or group preparing a disaster plan or updating an existing plan. While each organization will need to formulate plans and tools which meet their own specific needs, there are some examples of such tools that might represent useful starting points in the planning process. In 2009, the US Agency for International Development created a web-based tool for estimating populations impacted by disasters. Called Population Explorer the tool uses Landscan population data, developed by Oak Ridge National Laboratory, to distribute population at a resolution 1 km2 for all countries in the world. Used by USAID's FEWS NET Project to estimate populations vulnerable and or impacted by food insecurity, Population Explorer is gaining wide use in a range of emergency analysis and response actions, including estimating populations impacted by floods in Central America and a Pacific Ocean Tsunami event in 2009.

In 2007, a checklist for veterinarians pondering participation in emergency response was published in the Journal of the American Veterinary Medical Association, it had two sections of questions for a professional to ask themself before assisting with an emergency: Absolute requirements for participation: Have I chosen to participate?, Have I taken ICS training?, Have I taken other required background courses?, Have I made arrangements with my practice to deploy?,Have I made arrangements with my family?

Incident Participation: Have I been invited to participate?, Are my skill sets a match for the mission?, Can I access just-in-time training to refresh skills or acquire needed new skills?, Is this a self-support mission?, Do I have supplies needed for three to five days of self support?
While written for veterinarians, this checklist is applicable for any professional to consider before assisting with an emergency.

International organizations

International Association of Emergency Managers

The International Association of Emergency Managers (IAEM) is a non-profit educational organization dedicated to promoting the goals of saving lives and protecting property during emergencies and disasters. The mission of IAEM is to serve its members by providing information, networking and professional opportunities, and to advance the emergency management profession.

Red Cross/Red Crescent

National Red Cross/Red Crescent societies often have pivotal roles in responding to emergencies. Additionally, the International Federation of Red Cross and Red Crescent Societies (IFRC, or "The Federation") may deploy assessment teams to the affected country. They specialize in the recovery component of the emergency management framework.

United Nations

Within the United Nations system responsibility for emergency response rests with the Resident Coordinator within the affected country. However, in practice international response will be coordinated, if requested by the affected country's government, by the UN Office for the Coordination of Humanitarian Affairs (UN-OCHA), by deploying a UN Disaster Assessment and Coordination (UNDAC) team.

World Bank

Since 1980, the World Bank has approved more than 500 operations related to disaster management, amounting to more than US$40 billion. These include post-disaster reconstruction projects, as well as projects with components aimed at preventing and mitigating disaster impacts, in countries such as Argentina, Bangladesh, Colombia, Haiti, India, Mexico, Turkey and Vietnam to name only a few.
Common areas of focus for prevention and mitigation projects include forest fire prevention measures, such as early warning measures and education campaigns to discourage farmers from slash and burn agriculture that ignites forest fires; early-warning systems for hurricanes; flood prevention mechanisms, ranging from shore protection and terracing in rural areas to adaptation of production; and earthquake-prone construction.

In a joint venture with Columbia University under the umbrella of the ProVention Consortium the World Bank has established a Global Risk Analysis of Natural Disaster Hotspots.

In June 2006, the World Bank established the Global Facility for Disaster Reduction and Recovery (GFDRR), a longer term partnership with other aid donors to reduce disaster losses by mainstreaming disaster risk reduction in development, in support of the Hyogo Framework of Action. The facility helps developing countries fund development projects and programs that enhance local capacities for disaster prevention and emergency preparedness.

Emergency service /social services

Emergency services are organizations which ensure public safety by addressing different emergencies. Some agencies exist solely for addressing certain types of emergencies whilst others deal with ad hoc emergencies as part of their normal responsibilities. Many agencies will engage in community awareness and prevention programs to help the public avoid, detect, and report emergencies effectively.

The availability of emergency services depends very heavily on location, and may in some cases also rely on the recipient giving payment or holding suitable insurance or other surety for receiving the service.

Core emergency services

There are three services which are almost universally acknowledged as being core to the provision of emergency care to the populace, and are often government run. They would generally be summoned on a dedicated emergency telephone number, reserved for critical emergency calls. They are:

- **Police —** providing community safety and acting to reduce crime against persons and property
- **Fire and Rescue Service** — providing firefighters to deal with fire and rescue operations, and may also deal with some secondary emergency service duties
- **Emergency medical service —** providing ambulances and staff to deal with medical emergencies

Other emergency services

These services can be provided by one of the core services or by a separate government or private body.

- **Military** — to provide specialist services, such as bomb disposal or to supplement emergency services at times of major disaster, civil dispute or high demand.
- **Coastguard** — Provide coastal patrols with a security function at sea, as well as involvement in search and rescue operations
- **Lifeboat** — Dedicated providers of rescue lifeboat services, usually at sea (such as by the RNLI in the United Kingdom).
- **Mountain rescue —** to provide search and rescue in mountainous areas, and sometimes in other wilderness environments.
- **Cave rescue** — to rescue people injured, trapped, or lost during caving explorations.
- **Mine rescue** — specially trained and equipped to rescue miners trapped by fires, explosions, cave-ins, toxic gas, flooding, etc.
- **Technical rescue —** other types of technical or heavy rescue, but usually specific to a discipline (such as swift water).
- **Search and rescue** — can be discipline-specific, such as urban, wildland, maritime, etc.

- **Wildland fire suppression** — to suppress, detect and control fires in forests and other wildland areas.
- **Bomb disposal** — to render safe hazardous explosive ordnance, such as terrorist devices or unexploded wartime bombs.
- **Blood/organ transplant supply** — to provide organs or blood on an emergency basis, such as the National Blood Service of the United Kingdom.
- **Emergency management** — to provide and coordinate resources during large-scale emergencies.
- **Amateur radio emergency communications** — to provide communications support to other emergency services.

Civil emergency services

These groups and organisations respond to emergencies and provide other safety-related services either as a part of their on-the-job duties, as part of the main mission of their business or concern, or as part of their hobbies.

- **Public utilities** — safeguarding gas, electricity and water, which are all potentially hazardous if infrastructure fails
- **Emergency road service** — provide repair or recovery for disabled or crashed vehicles
- **Civilian Traffic Officers** — such as operated by the Highways Agency in the UK to facilitiate clearup and traffic flow at road traffic collisions
- **Emergency social services**
- **Community emergency response teams** — help organize facilities such as rest centers during large emergencies
- **Disaster relief** — such as services provided by the Red Cross and Salvation Army
- **Famine relief** teams
- **Amateur radio** communications groups — provide communications support during emergencies
- **Poison Control** — providing specialist support for poisoning
- **Animal control** — can assist or lead response to emergencies involving animals
- **Forest Service**
- **St. John Ambulance / Red Cross / Order of Malta Ambulance Corps** — Medical & First Aid Support

Location-specific emergency services

Some locations have emergency services dedicated to them, and whilst this does not necessarily preclude employees using their skills outside this area (or be used to support other emergency services outside their area), they are primarily focused on the safety or security of a given geographical place.

- Park rangers — looking after many emergencies within their given area, including fire, medical and security issues
- Lifeguards — charged with reacting to emergencies within their own given remit area, usually a pool, beach or open water area

Working together

Effective emergency service management requires agencies from many different services to work closely together and to have open lines of communication. Most services do, or should, have procedures and liaisons in place to ensure this, although absence of these can be severely detrimental to good working. There can sometimes be tension between services for a number of other reasons, including professional versus voluntary crew members, or simply based on area or division.

To aid effective communications, different services may share common practices and protocol for certain large-scale emergencies. In the UK, commonly used shared protocols include CHALET and ETHANE while in the US, the Department of Homeland Security has called for nationwide implementation of the National Incident Management System (NIMS), of which the Incident Command System (ICS) is a part.

Environmental degradation

Environmental degradation is the deterioration of the environment through depletion of resources such as air, water and soil; the destruction of ecosystems and the extinction of wildlife[]

Environmental degradation is one of the ten threats officially cautioned by the High Level Threat Panel of the United Nations. The **ten threats** identified by the High Level Threat Panel of the United Nations are these: Poverty , Infectious disease , Environmental degradation , Inter-state war , Civil war , Genocide , Other Atrocities (*e.g.*, trade in women and children for sexual slavery, or kidnapping for body parts) , Weapon of mass destruction (nuclear proliferation, chemical weapon proliferation, biological weapon proliferation) , Terrorism .

Transnational organized crime. The World Resources Institute (WRI), UNEP (the United Nations Environment Programme), UNDP (the United Nations Development Programme) and the World Bank have made public an important report on health and the environment worldwide on May 1, 1998.

Environmental degradation is of many types. When natural habitats are destroyed or natural resources are depleted, environment is degraded.

Environmental Change and Human Health, a special section of World Resources 1998-99 in this report describes how preventable illnesses and premature deaths are still occurring in very large numbers. If vast improvements are made in human health, millions of people will be living longer, healthier lives than ever before. In these poorest regions of the world an estimated 11 million children, or about one in five, will not live to see their fifth birthday, primarily because of environment-related diseases. Child mortality is larger than the combined populations of Norway and Switzerland, and mostly due to malaria, acute respiratory infections or diarrhea — illnesses that are largely preventable.

Combating Environmental Degradation

Introduction

The landmark report of the World Commission on Environment and Development, entitled "Our Common Future", warned that unless we change many of our lifestyle patterns, the world will face unacceptable levels of environmental damage and human suffering. The Commission, echoing the urgent need for tailoring the pace and the pattern of global economic growth to the planet's carrying capacity, said that: "Humanity has the ability to make development sustainable and to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs."

In the final analysis, the environmental crisis affects everyone on the planet, but the degree to which the inhabitants of different parts of the world contribute to this crisis depends on the level of their economic development and their consumption patterns. As much as 70% of the world's consumption of fossil fuel and 85% of chemical products is attributable to 25% of the world's population. Water consumption is also unevenly distributed. The per caput water consumption in the United States is about 2 300 m^3 per annum, as compared to 1 500 m^3 for the Canadians and 225 m^3 for the British. The average per caput consumption of water in developing countries ranges between 20 to 40 m^3. The consumption patterns for forest products and many other commodities have the same direct inverse proportion to the size of population of the top 20% of the richest societies. This profligate demand puts excessive pressure on both national and global natural resources. The rest of the world, comprising 80% of its population with a share of less than 20% of global income, has a far more modest consumption level.

While international environmental concerns are often expressed in broad terms such a desertification or climatic change, the environmental problems of concern to vulnerable groups in marginal areas are generally quite localized in nature, revolving around immediate issues, such as the degradation of a particular rangeland or soil erosion on farmland or the progressive shortening of fallow. These affect the poor because they are directly related to household food security. Degradation of the resource base generally translates into decreases in production or income and thus in the availability of food. Declining soil fertility leads to lower crop yields while rangeland depletion reduces offtake, and any deterioration in water quality adversely affects the fish catch. Degradation of common property resources pulls labour away from directly productive activities towards gathering - simply collecting non-wood and minor forest products - and probably diminishes opportunities for deriving income from this source. Linkages with food security can also be less direct. Shortages of biomass may result in a transition to lower-nutrition foods that require less fuel for cooking. In addition, recurrent drought or natural calamities also directly result in progressive loss of food security prospects.

In their quest for food security, the rural poor have sometimes little choice but to overuse the limited resources available to them. The resulting environmental degradation imposes further constraints on their livelihood in what has been called a "downward spiral" or "vicious circle". They are often forced to make trade-offs between immediate household food requirements and environmental sustainability both in production and consumption. Their negligible man-made capital assets, ill-defined or non-existent property rights, limited access to financial services and other markets, inadequate safety nets in time of stress or disaster, and lack of participation in decision-making can result in their adopting "short time horizons", which favour immediate imperatives over longer-term objectives. This can result in coping strategies that rely on the drawing down of the capital available to them -- mainly in the form of natural resources. It also makes them more vulnerable to environmental degradation, including degradation wrought by others than the poor themselves.

The poor may be both agents and victims of environmental degradation, especially in marginal areas, where the resource base is ill-suited to agriculture. But it cannot be assumed that the poor have an intrinsic propensity to degrade environmental resources. On the contrary, many poor traditional communities demonstrate an admirable environmental ethic and have developed complex resource management regimes. There is little evidence that the rural poor, when offered an appropriate environment - including secure tenure and access to markets- pursue resource-degrading strategies. Thus, while poverty may be an underlying cause of environmental degradation, it is more accurately seen as a proximate cause influenced by a complex of policy and institutional factors. The very same processes that lead to and perpetuate poverty constrain the poor in their decision- making with regard to natural resource management. Affluence and poverty affect the environment in different ways: poverty eradication would not erase environmental degradation but change the nature of environmental problems facing **society.**

Poverty in fragile ecosystems

Absolute poverty has been on the retreat in most high-potential areas in developing countries. The combination of more productive technologies, fertile land and water, and high levels of development and public investment have raised incomes significantly for people living in these areas. While this development has not always been equitable - or sustainable, the most important disparities are not between rich and poor people within high- potential areas, but rather between high-potential high-investment areas and fragile ecosystems. In the latter areas, politically marginal indigenous populations have been neglected and have been joined by new groups displaced from more fertile areas through a variety of processes. These processes, although varying across countries and regions, include expropriation, demographic pressures, land fragmentation, privatization of common property lands, and consolidation and expansion of the commercial sector combined with reduced demand for labour due to mechanization.

While the challenge for poverty alleviation in high-potential areas remains considerable, the prognosis is not grim provided agricultural intensification proceeds without environmental destruction. On the other hand, for the 60% of poor populations who are found in fragile ecosystems and mainly remote and ecologically vulnerable rural areas, the challenge of environmentally sustainable poverty alleviation is immense. It has been estimated that 80% of poor people in Latin America live in such areas, 60% in Africa and 50% in Asia. Reliance on the currently prevailing patterns of growth will postpone the resolution of poverty in marginal areas, with severe implications not only for the people affected but also for the environment. The immediate-to-medium-term prospects for the rural poor to abandon these areas for other sectors of the economy, as was the case in Europe in the last century, are not promising. As a result, fragile ecosystems are rapidly becoming ghettos of poverty and environmental degradation.

The need for urgent action can be recognized in relation to the following characteristics of these regions:

(a) They constitute a significant part of the world's land resources. Forty percent of the earth's land surface is considered dryland, of which approximately 70% is already degraded or subject to heavy degradation. On the other hand, hilly and mountainous regions cover about 21% of the earth land mass and, although not so extensive as dry lands, they exert a far-reaching influence on other areas, primarily through watershed functions.

(b) The role of both ecosystems in terms of human habitat is also significant: approximately 900 million of the world's population are subsisting in dry zones. Although only about 10% of the world population live in mountain areas, a much larger percentage (about 40%) occupies the watersheds below. It is safe to assume that the future of mountain ecosystems affects the life of half of the world's population. From the Andes to the Himalayas, and from South East Asia to East and Central Africa a serious ecological deterioration caused by overgrazing, deforestation and excessive cultivation threatens the livelihood of these populations.

(c) Mountains are important sources of water, energy, minerals, agricultural products and a major reserve for the world's biodiversity. Similarly, dry zones are rich in biodiversity, hosting many endangered species. Moreover, crops, grasses, trees, and livestock species, that form the core of survival in drought prone regions, exist in these regions only.

(d) A high proportion of the absolute poor in ecologically fragile areas are indigenous peoples, estimated at some 300 million worldwide. They depend on renewable resources to maintain their well-being. This has led to the development of livelihood systems which are well-adapted to the harsh conditions in which they lived. Their holistic, traditional knowledge of their natural resources and environment constitutes a rich human heritage. However, their traditional ways of life are now being threatened, disturbing the delicate balance of natural resource use. Nevertheless, viable technology and institutional arrangements for resource conservation in these areas could be built upon indigenous knowledge; and similarly effective disaster prevention policies can benefit from coping strategies developed by the local population.

(e) Rural women play a key role in on- and off-farm activities in the developing countries. This is particularly true in the case of the ecologically fragile areas. With the growing male out-migration from marginal areas, the number of women headed households in these areas is increasing. Women are becoming more and more responsible for the day to day survival of the family. Women tend to be more vulnerable than men to the effects of environmental degradation because they are often involved in harvesting common property resources such as wood and water. Since women usually make a greater contribution to household food security than men, a decline in women's access to resources may have a significant impact on household consumption. Environmental degradation implies further burdens and responsibilities which are not compensated for by increased decision-making power.

(f) Degradation of land and loss of its vegetative cover also have consequences at the global level, primarily because of its influence on carbon exchange, but also in terms of loss of biodiversity. The large amount of carbon stored in the vegetation of the dry zones, for example, averaging about 30 tonnes per hectare, decreases when the vegetation is depleted or disappears. Carbon-rich soils, frequently found in dry zones, store a substantial amount of this element (nearly half the total quantity of carbon is stored in the organic matter in the soil, much more than is found in the world's vegetation). The destruction of these soils has a very powerful effect on the carbon cycle and boosts the greenhouse effect as a result of the release of carbon.

Towards action

Over the past two decades, environmental degradation, including land degradation has continued to worsen exacerbating further poverty and food insecurity. Conversely, awareness of the importance of the environment and its conservation has increased. There has been a transformation in people's perception of the poverty problem in developing countries. If one accepts that hard core rural poverty is increasingly a phenomenon associated with marginal lands, then new strategies are required that integrate poverty alleviation and environmental management. Until recently, the international community and national governments have tended not to appreciate the need for integrated rural poverty alleviation and environmental management programmes in marginal areas. There were a number of promising initiatives in this field, usually undertaken by NGOs and community- based organizations, but they were usually small and very localized. At the same time, in many regions, rural people's perception of their environment and the priority they give to a better relationship with it have changed. Increasingly, rural people are realizing that: (a) the fragile environment on which they depend for their survival is being neglected or over- exploited, and it is now necessary to rehabilitate it and manage it sustainably; and (b) the environment belongs primarily to them, and they must take the responsibility for the land and organize themselves in groups, cooperatives, village development associations and other local association to defend it.

UNCED's Agenda 21, the global action programme for sustainable development, is perhaps the first expression of international commitment to addressing the poverty- environment nexus. Chapter 3 on "combating poverty" called for specific long-term strategies that integrate poverty eradication and sustainable management of the environment. Agenda 21 devoted two chapters to the special needs of fragile ecosystems, namely Chapter 12 on "Combating Desertification and Drought" and Chapter 13 on "Sustainable Mountain Development". In the follow-up to UNCED, promising initiatives have emerged for these thematic areas. For drylands, the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (CCD) provides a framework for concrete action at the local level. For mountainous areas, efforts are currently under way to develop the basis for an action plan for sustainable mountain development, known as the "Mountain Agenda".

The Agenda involves the establishment of a network on sustainable mountain development consisting of United Nations agencies, NGOs and intergovernmental institutions. A set of action proposals has been developed by those involved in promoting sustainable mountain development. In recognition of the need to give prominence to the "Mountain Agenda" on the international and national lists of priorities, a global Inter-Governmental Organizations (IGO)/NGO Conference, as well as regional inter-governmental consultations are being convened. The main proposals for action that are emerging, identified through a broad participatory process involving the major NGOs, encompass five specific areas of focus: poverty eradication; the strengthening of a global information network and database; strengthening country capacity and the generation of "National Mountain Action Programmes"; raising awareness through the preparation and organization of a World Conference on Sustainable Mountain Development in early 1997; and the formulation, negotiation and implementation of regional or sub-regional mountain conventions and possibly the development of a "Global Mountain Charter".

The Desertification Convention offers new and exciting opportunities for collective action, as well as a fertile field for testing and nurturing innovative partnerships in development cooperation for local level action. It is the first International Treaty to squarely address poverty and environmental degradation in rural areas. Unlike the other Conventions associated with Rio, the direct beneficiaries of CCD are the hundreds of millions of predominantly poor and food-insecure people who populate the drylands of the world. It is the first Convention that casts resource users and their communities as central to the solution rather than part of the problem. At the very heart of the CCD is the concept of "Partnership". Partnership embodies the new thrust in development assistance, in which it is finally recognized that interdependence rather than dependence is the way forward. But partnerships won't work unless all partners stand to benefit. CCD tries to translate this attractive concept into more or less concrete terms.

While the underlying incentives to enter into partnership must exist, what is also needed is a favourable context to promote its emergence and functioning. In the context of CCD, the National Action Programmes - or NAPs - are the instrument for partnership. NAPs, which are not intended as static plans but as a dynamic programming capacity, should offer a macroeconomic and institutional framework that will support local-level action. Here, more is meant than economic and fiscal policies, although these are of course extremely important. It also means a policy orientation that actively focuses on empowerment of local actors to take advantage of new opportunities and overcome old constraints. The Convention therefore encourages devolution of decision-making from the centre to local populations and resource users. The most important reasons for this are compellingly obvious:

Local Ownership in Decision-making - Local structures are more likely to make decisions that are relevant and suitable to local circumstances.

Removing Bottlenecks in Information Flow and Decision-making - Decision-making for natural resource management requires prompt and relevant information.

Improved Ability to Involve Marginalized Groups - Decentralization might allow better targeting of services and better identification of needy groups.

Better Tailoring of Approaches to Local Conditions - Local appreciation of constraints and opportunities can only improve the quality of solutions.

An emphasis on empowerment of local populations and civil society should not be construed as a wish to actively withdraw from the sustainable development arena. Instead, it is based on a recognition that the public sector and multilateral finance can facilitate but cannot substitute for action that must come from economic agents at the local level that act individually or collectively. What is needed now is to build an operational coalition between NGOs, CBOs as well as other institutions of civil society together with government institutions and international agencies, to form action-oriented partnerships around specific and concrete areas of intervention.

The Challenge of Financing Action

Promoted by the world's distress over the loss of life in the Sahelian famine of early 1970, the UN Conference on Desertification (UNCOD, Nairobi 1977) adopted a plan of action to end desertification by the close of the century. The response to the plan of action was dismal and it was virtually left on the shelf. Now with only four years left to the day when UNCOD's promises should have materialized, desertification has almost doubled, and the poor are paying the cost, with their health and lives. The CCD diligently negotiated and enthusiastically adopted holds new promises, as the degree of awareness, globally and locally, has increased. But unlike its sister Conventions on climate change and biological diversity, the CCD does not promote establishment of a new financial mechanism. Instead it foresees the creation of a "Global Mechanism" to be housed in an existing organization to coordinate and facilitate the flow of additional funds including grants and concessional loans through both bilateral and multilateral channels.

Neither national budgets nor statistics on international financial flows to developing countries give clear figures on resources presently allocated to combat desertification. But there is little argument about the dearth of international funding for desertification control. Even resources formally provided under Global Environmental Facility (GEF) - which, by and large, precludes eligibility for desertification programmes - are judged to be inadequate. Nevertheless, financing constitutes a major pillar for the success of CCD without which it may very well face the same fate as UNCOD. Within this context, a proactive role for the Global Mechanism should be promoted.

The multi-source and multi-channel orientation of the CCD is more of a strength than a weakness. Instead of relying on one mechanism - say, the GEF - the Convention is not predicated on the availability of external grant finance earmarked for the purpose. In contrast, the Global Mechanism configuration is about improving the effectiveness and efficiency of existing flows, in addition to catalyzing and leveraging new flows and sources of finance. It encourages a greater role for domestic resource mobilization, private sector initiative, and a blending of various concessional and non-concessional external finance.

This diversity of flows and the multifaceted diverse coalition which one hopes it would represent, will in the end make the Convention and the actions it triggers more robust and sustainable. One should work towards that coalition, by assisting to set in place policy and institutional frameworks that are favourable to private initiative, by helping governments to provide public goods, by pump-priming promising initiatives, and by assisting local populations and community organizations to interface more productively with the private sector.

Financing Peoples' Participation

Local-level activities and creativity championed by CCD have a number of implications for the nature of resource mobilization as well as the manner through which resources are utilized. First, there is a need to step up efforts aimed at awareness- building at local level. This is a task for which NGOs and CBOs are best suited. The NGO community, and in particular the international NGOs, should give a high priority to this objective when mobilizing resources for CCD as stipulated in the Convention. Second, CCD calls upon Parties to promote a National Desertification Fund (NDF) and similar mechanisms for directing funds to the local level. Such mechanisms should be run on the basis of a participatory governance involving local communities and their partners in the NGO community.

NDF should also be flexible and simple in design. To preserve the confidence of both donors and local populations, it is imperative to ensure full transparency and effective accountability in its management. Moreover, the local populations could be true shareholders and effectively claim their share in the partnership if, in addition to the contribution from the external donors and national resources, they shoulder part of the financial burden. This could be done by mobilization and pooling of individual savings as well as through decentralization of collection and management of taxes, levies and other revenues derived from local resources. Third, it is absolutely important that the NDF resources are to be utilized for community level investment and that they lead to the creation of durable economic assets, shared collectively. Using the proceeds of NDF for relief activities or financing individually- owned enterprises would be a costly mistake. The former would deplete the resources of the fund without any lasting benefit, and the latter would distort the local financial market, preventing the creation of sound credit/saving structures. Such structures are equally important to facilitate investment for crop intensification or to promote economic diversification to lessen man and livestock pressure on land.

Conclusion

Populations in marginal areas are not doomed to despair. On the contrary, it is in these very regions that the people, forced by circumstance, manage to cope most creatively with their harsh and unpredictable environment, and to diversify their resource use strategies over space, season and sector. They capitalize as much as they can on biological diversity - most pronounced in these regions and constituting a core of their survival. They are responsible for most appropriate technological and institutional innovations which depend minimally on costly and external inputs. This is particularly true in the conservation of rainwater, notwithstanding the saline soils common in those regions. It is also true for the institutions which developed for the collective management of very scarce common resources, such as water points, grazing land and forests.

Effective actions against poverty, household food insecurity, and environmental degradation in marginal areas require first and foremost the empowering and equipping of local communities to take up the reins of resource management. The importance of local area development and improved local governance - also covered in the other issues papers - must be emphasized. An important factor in this context, of course, is the issue of incentive frameworks and enabling environments, with specific regard to the question of how to combine longer-term concerns for environmental rehabilitation and conservation with the pressing short-term needs of household food security. Also important are the technology and related measures to be promoted that build on traditional knowledge, such as those which will in the short term generate tangible benefits for the farmer, as outlined in the discussion paper on this topic.

Many conservation policies and strategies in the past have failed because of their top-down approach and their reliance on technologies which were irrelevant to the local circumstances. In contrast to the result of these efforts, the micro-projects implemented in many places over the past decade have made it possible to build up a store of knowledge allowing for the implementation of new approaches. Within this context, a consensus has emerged on the importance of indigenous people's traditional knowledge and practices in the management of arid land, forest, pasture and farmland to conserve soil and moisture, and in diversifying crop and livestock production to minimize risks.

Some traditional rural communities have developed complex resource management systems that have stood the test of time, and have much to offer in addressing present-day concerns over long-term resource sustainability. Their admirable environmental ethic deserves its due place. Asserting the importance of local knowledge calls for the empowerment of local people through their own organizations. Moreover, the considerable cultural and environmental heterogeneity of mountain areas and the scattered nature of dryland populations underline the need for decentralized local-level action toward integrated management of local areas.

This is not to suggest that local communities can be left to their own devices. There is a need for supportive and facilitating measures on the part of governments. The international community should also be aware of the global dimension of the process and the responsibility that this implies. There is therefore a need for a coalition of actors ranging from the international to the national and the local level. This is precisely what the CCD is promoting and what an eventual Mountain Agenda might promote. In the short term, what is needed is what one might risk calling "affirmative action" in the form of finance and assistance to local communities.

The immediate challenge is to consider how ratification of the CCD can be expedited, how it can be implemented and how to secure adequate financing for local area development. The CCD also stipulates a major role for civil society organizations, foremost among them the community-based organizations - namely that they should galvanize energies and mobilize resources. The private sector, as well as civil society at large, should also be encouraged to think beyond individual or corporate interests towards a recognition of a shared responsibility for the environment. Vigorous resource mobilization to combat desertification would stand a better change of succeeding if launched on the basis of empirically verifiable improvements.

Vulnerability

Vulnerability is the susceptibility to physical or emotional injury or attack. It also means to have one's guard down, open to censure or criticism. Vulnerability refers to a person's state of being liable to succumb, as to manipulation, persuasion or temptation.

A **window of vulnerability**, sometimes abbreviated to **wov**, is a time frame within which defensive measures are reduced, compromised or lacking.

Common applications

In relation to hazards and disasters, **vulnerability** is a concept that links the relationship that people have with their environment to social forces and institutions and the cultural values that sustain and contest them. “The concept of vulnerability expresses the multidimensionality of disasters by focusing attention on the totality of relationships in a given social situation which constitute a condition that, in combination with environmental forces, produces a disaster” (Bankoff et al. 2004: 11).

It's also the extent to which changes could harm a system.In other words, it's the extent to which a community can be affected by the impact of a hazard.

In global warming, vulnerability is the degree to which a system is susceptible to, or unable to cope with, adverse effects of climate change, including climate variability and extremes

Emerging research

Vulnerability research covers a complex, multidisciplinary field including development and poverty studies, public health, climate studies, security studies, engineering, geography, political ecology, and disaster and risk management. This research is of particular importance and interest for organizations trying to reduce vulnerability – especially as related to poverty and other Millennium Development Goals. Many institutions are conducting interdisciplinary research on vulnerability. A forum that brings many of the current researchers on vulnerability together is the Expert Working Group (EWG).1 Researchers are currently working to refine definitions of “vulnerability”, measurement and assessment methods, and effective communication of research to decision makers (Birkmann et al. 2006).

Major research questions

Within the body of literature related to vulnerability, major research streams include questions of methodology, such as: measuring and assessing vulnerability, including finding appropriate indicators for various aspects of vulnerability, up- and downscaling methods, and participatory methods (Villagran 2006).

A sub-category of vulnerability research is social vulnerability, where increasingly researchers are addressing some of the problems of complex human interactions, vulnerability of specific groups of people, and shocks like natural hazards, climate change, and other kinds of disruptions. The importance of the issue is indicated by the establishment of endowed chairs at university departments to examine social vulnerability.

Military vulnerability

In military circles Vulnerability is a subset of Survivability (the others being Susceptibility and Recoverability). Vulnerability is defined in various ways depending on the nation and service arm concerned, but in general it refers to the near-instantaneous effects of a weapon attack. In some definitions Recoverability (damage control, firefighting, restoration of capability) is included in Vulnerability.

Invulnerability

Invulnerability is a common feature found in video games. It makes the player impervious to pain, damage or loss of health. It can be found in the form of "power-ups" or cheats. Generally, it does not protect the player from certain instant-death hazards, most notably "bottomless" pits from which, even if the player were to survive the fall, they would be unable to escape. As a rule, invulnerability granted by power-ups is temporary, and wears off after a set amount of time, while invulnerability cheats, once activated, remain in effect until deactivated, or the end of the level is reached. Depending on the game in question, invulnerability to damage may or may not protect the player from non-damage effects, such as being immobilized or sent flying.

In comic books, some superheroes are considered invulnerable, though this usually only applies up to a certain level. (e.g. Superman is invulnerable to physical attacks from normal people but not to the extremely powerful attacks of Doomsday.

Expert Working Group on Vulnerability

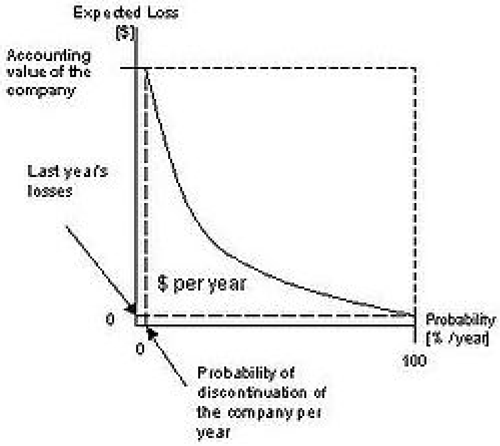
- The Expert Working Group on Vulnerability is a group of experts brought together by the United Nations University Institute of Environment and Human Security (UNU-EHS). The overall goal of the Expert Working Group is to advance the concept of human security regarding vulnerability of societies to hazards of natural origin. The EWG exchanges ideas about the development of methodologies, approaches and indicators to measure vulnerability. This is a key task to build a bridge between the theoretical conceptualization of vulnerability and its practical application in decision-making processes. The Expert Working Group is an exchange platform for experts and practitioners from various scientific backgrounds and world regions dealing with the identification and measurement of vulnerability. Emphasis is given to the identification of the different features and characteristics of vulnerability, coping capacities and adaptation strategies of different social groups, economic sectors and environmental components.

Risk assessment

Risk assessment is a step in a risk management process. Risk assessment is the determination of quantitative or qualitative value of risk related to a concrete situation and a recognized threat (also called hazard). Quantitative risk assessment requires calculations of two components of risk: R, the magnitude of the potential loss L, and the probability p, that the loss will occur.
Methods may differ whether it is about general financial decisions or environmental or public health risk assessment.

Explanation

Risk assessment consists in an objective evaluation of risk in which assumptions and uncertainties are clearly considered and presented. Part of the difficulty of risk management is that measurement of both of the quantities in which risk assessment is concerned - potential loss and probability of occurrence - can be very difficult to measure. The chance of error in the measurement of these two concepts is large. A risk with a large potential loss and a low probability of occurring is often treated differently from one with a low potential loss and a high likelihood of occurring. In theory, both are of nearly equal priority in dealing with first, but in practice it can be very difficult to manage when faced with the scarcity of resources, especially time, in which to conduct the risk management process. Expressed mathematically,



http://en.wikipedia.org/wiki/File:Risk.jpg

Risk assessment is a in financial point of view.

Financial decisions, such as insurance, express loss in terms of dollar amounts. When risk assessment is used for public health or environmental decisions, loss can be quantified in a common metric,such as a country's currency, or some numerical measure of a location's quality of life. For public health and environmental decisions, loss is simply a verbal description of the outcome, such as increased cancer incidence or incidence of birth defects. In that case, the "risk" is expressed as:

If the risk estimate takes into account information on the number of individuals exposed, it is termed a "population risk" and is in units of expected increased cases per a time period. If the risk estimate does not take into account the number of individuals exposed, it is termed an "individual risk" and is in units of incidence rate per a time period. Population risks are of more use for cost/benefit analysis; individual risks are of more use for evaluating whether risks to individuals are "acceptable"....

Risk assessment in public health

In the context of public health, risk assessment is the process of quantifying the probability of a harmful effect to individuals or populations from certain human activities. In most countries, the use of specific chemicals, or the operations of specific facilities (e.g. power plants, manufacturing plants) is not allowed unless it can be shown that they do not increase the risk of death or illness above a specific threshold. For example, the American Food and Drug Administration (FDA) regulates food safety through risk assessmen. The FDA required in 1973 that cancer-causing compounds must not be present in meat at concentrations that would cause a cancer risk greater than 1 in a million lifetimes.

How the risk is determined

In the estimation of the risks, three or more steps are involved, requiring the inputs of different disciplines:

Hazard Identification, aims to determine the qualitative nature of the potential adverse consequences of the contaminant (chemical, radiation, noise, etc.) and the strength of the evidence it can have that effect. This is done, for chemical hazards, by drawing from the results of the sciences of toxicology and epidemiology. For other kinds of hazard, engineering or other disciplines are involved.

Dose-Response Analysis, is determining the relationship between dose and the probability or the incidence of effect (dose-response assessment). The complexity of this step in many contexts derives mainly from the need to extrapolate results from experimental animals (e.g. mouse, rat) to humans, and/or from high to lower doses. In addition, the differences between individuals due to genetics or other factors mean that the hazard may be higher for particular groups, called susceptible populations. An alternative to dose-response estimation is to determine an effect unlikely to yield observable effects, that is, a no effect concentration. In developing such a dose, to account for the largely unknown effects of animal to human extrapolations, increased variability in humans, or missing data, a prudent approach is often adopted by including safety factors in the estimate of the "safe" dose, typically a factor of 10 for each unknown step.

Exposure Quantification, aims to determine the amount of a contaminant (dose) that individuals and populations will receive. This is done by examining the results of the discipline of exposure assessment. As different location, lifestyles and other factors likely influence the amount of contaminant that is received, a range or distribution of possible values is generated in this step. Particular care is taken to determine the exposure of the susceptible population(s).

Finally, the results of the three steps above are then combined to produce an estimate of risk. Because of the different susceptibilities and exposures, this risk will vary within a population.

Small subpopulations

When risks apply mainly to small subpopulations, there is uncertainty at which point intervention is necessary. What if a risk is very low for everyone but 0.1% of the population? A difference exists whether this 0.1% is represented by *all infants younger than X days or *recreational users of a particular product. If the risk is higher for a particular sub-population because of abnormal exposure rather than susceptibility, there is a potential to consider strategies to further reduce the exposure of that subgroup. If an identifiable sub-population is more susceptible due to inherent genetic or other factors, there is a policy choice whether to set policies for protecting the general population that are protective of such groups (as is currently done for children when data exists, or is done under the Clean Air Act for populations such as asthmatics) or whether if the group is too small, or the costs to high. Sometimes, a suitable position is to at least limit the risk of the more susceptible to some risk level above which it seems too inequitable to leave them out of the risk.

Acceptable risk increase

The idea of not increasing lifetime risk by more than one in a million has become common place in public health discourse and policy. How consensus settled on this particular figure is unclear. In some respects, this figure has the characteristics of a mythical number. In another sense, the figure provides a numerical basis for what to consider a negligible increase in risk. Some current environmental decision making allows some discretion to deem individual risks potentially "acceptable" if below one in ten thousand increased lifetime risk. Low risk criteria such as these do provide some protection for the case that individuals may be exposed to multiple chemicals (whether pollutants or food additives, or other chemicals). But both of these benchmarks are clearly small relative to the typical one in four lifetime risk of death by cancer (due to all causes combined) in developed countries. On the other hand, adoption of a zero-risk policy could be motivated by the fact that the 1 in a million policy still would cause the death of hundreds or thousands of people in a large enough population. In practice however, a true zero-risk is possible only with the suppression of the risk-causing activity.

More stringent requirements, or even the 1 in a million one, may not be technologically feasible at a given time, or so expensive as to render the risk-causing activity unsustainable, resulting in the optimal degree of intervention being a balance between risks vs. benefit. For example, it might well be that the emissions from hospital incinerators result in a certain number of deaths per year. However, this risk must be balanced against the available alternatives. In some unusual cases, there are significant public health risks, as well as economic costs, associated with all options. For example, there are risks associated with no incineration (with the potential risk for spread of infectious diseases) or even no hospitals. But, often further investigation identifies further options, such as separating noninfectious from infectious wastes, or air pollution controls on a medical incinerator, that provide a broad range of options of acceptable risk - though with varying practical implications and varying economic costs.

Intelligent thought about a reasonably full set of options is essential. Thus, it is not unusual for there to be an iterative process between analysis, consideration of options, and then further analysis.

Risk assessment in auditing

In auditing, risk assessment is a very crucial stage before accepting an audit engagement. According to ISA315 Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement, "the auditor should perform risk assessment procedures to obtain an understanding of the entity and its environment, including its internal control."<evidence relating to the auditor’s risk assessment of a material misstatement in the client’s financial statements. Then, auditor obtains initial evidence regarding the classes of transactions at the client and the operating effectiveness of the client’s internal controls.In auditing, audit risk includes inherent risk, control risk and detection risk.

Risk assessment in information security

There are two methods of risk assessment in information security field, qualitative and quantitative. Purely quantitative risk assessment is a mathematical calculation based on security metrics on the asset (system or application). Qualitative risk assessment is performed when the organization requires a risk assessment be performed in a relatively short time or to meet a small budget, a significant quantity of relevant data is not available, or the persons performing the assessment don't have the sophisticated mathematical, financial, and risk assessment expertise required.Qualitative risk assessment can be performed in a shorter period of time and with less data. Qualitative risk assessments are typically performed through interviews of a sample of personnel from all relevant groups within an organization charged with the security of the asset being assessed. Qualitative risk assessments are descriptive versus measurable.

Quantitative Risk Assessment software

Quantitative risk assessments include a calculation of the single loss expectancy (SLE) of an asset. The single loss expectancy can be defined as the loss of value to asset based on a single security incident. The team then calculates the annualized rate of occurrence (ARO) of the threat to the asset. The ARO is an estimate based on the data of how often a threat would be successful in exploiting a vulnerability. From this information, the annualized loss expectancy (ALE) can be calculated. The annualized loss expectancy is a calculation of the single loss expectancy multiplied the annual rate of occurrence, or how much an organization could estimate to lose from an asset based on the risks, threats, and vulnerabilities. It then becomes possible from a financial perspective to justify expenditures to implement countermeasures to protect the asset.

Criticisms of quantitative risk assessment

Barry Commoner, Brian Wynne and other critics have expressed concerns that risk assessment tends to be overly quantitative and reductive. For example, they argue that risk assessments ignore qualitative differences among risks. Some charge that assessments may drop out important non-quantifiable or inaccessible information, such as variations among the classes of people exposed to hazards. Furthermore, Commoner and O'Brien claim that quantitative approaches divert attention from precautionary or preventative measures. Others, like Nassim Nicholas Taleb consider risk managers little more than "blind users" of statistical tools and methods.

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Course Name : PROJECT PLANNING & MANAGEMENT MODULES

MODULE 1: Management Concepts (Management Vs Administration)

Administration can be defined as the universal process of efficiently organizing people and resources so to direct activities toward common goals and objectives. Administration is both an art and a science (if an inexact one), and arguably a craft, as administrators are judged ultimately by their performance. Administration must incorporate both leadership and vision

Management is viewed as a subset of administration, specifically associated with the technical and mundane elements within an organization's operation. It stands distinct from executive or strategic work. Management is closer to the employees. Administration is over the management and more over the money of the organization and licensing of an organization.

The verb *manage* comes from the Italian *maneggiare* (to handle — especially a horse), which in turn derives from the Latin *manus* (hand). The French word *management* (later *ménagement*) influenced the development in meaning of the English word *management* in the 17th and 18th centuries.

Management in business and human organization activity, in simple terms means the act of getting people together to accomplish desired goals. Management comprises planning, organizing, resourcing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources. Thus a good manager should be effective and efficient because may use the same resources and achieve the same target. Management can also refer to the person or people who perform the act(s) of management. Management operates through various functions, often classified as planning, organizing, leading/motivating and controlling.

Planning: deciding what needs to happen in the future (today, next week, next month, next year, over the next 5 years, etc.) and generating plans for action. (What to do?)

Organizing: (Implementation) making optimum use of the resources required to enable the successful carrying out of plans.

Staffing: Job analyzing, recruitment, and hiring individual for appropriate job.

Leading/Motivating: exhibiting skills in these areas for getting others to play an effective part in achieving plans.(To make individual work willingly in the organization)

Controlling/monitoring -- checking progress against plans, which may need modification based on feedback.

Factors for the differences between administration and management

Factors	*Administration*	*Management*
Nature of work	It is concerned about the determination of objectives and major policies of an organization.	It puts into action the policies and plans laid down by the administration.

Type of function	It is a determinative function.	It is an executive function.
Scope	It takes major decisions of an enterprise as a whole.	It takes decisions within the framework set by the administration.
Level of authority	It is a top-level activity.	It is a middle level activity.
Nature of status	It consists of owners who invest capital in and receive profits from an enterprise.	It is a group of managerial personnel who use their specialized knowledge to fulfill the objectives of an enterprise.
Nature of usage	It is popular with government, military, educational, and religious organizations.	It is used in business enterprises.
Decision making	Its decisions are influenced by public opinion, government policies, social, and religious factors.	Its decisions are influenced by the values, opinions, and beliefs of the managers.
Main functions	Planning and organizing functions are involved in it.	Motivating and controlling functions are involved in it.
Abilities	It needs administrative rather than technical abilities.	It requires technical activities

Managerial levels and hierarchy

Top-level management	• Require an extensive knowledge of management roles and skills. • They have to be very aware of external factors such as markets. • Their decisions are generally of a long-term nature • Their decisions are made using analytic, directive, conceptual and/or behavioral/participative processes • They are responsible for strategic decisions. • They have to chalk out the plan and see that plan may be effective in the future. • They are executive in nature.
Middle management	• Mid-level managers have a specialized understanding of certain managerial tasks. • They are responsible for carrying out the decisions made by top-level management.
Lower management	• This level of management ensures that the decisions and plans taken by the other two are carried out. • Lower-level managers' decisions are generally short-term ones
Foreman / lead hand	• They are people who have direct supervision over the working force in office factory, sales field or other workgroup or areas of activity.
Rank and File	• The responsibilities of the persons belonging to this group are even more restricted and more specific than those of the foreman

Leadership Styles

From Mahatma Gandhi to Jack Welch, and Martin Luther King to Rudolph Giuliani, there are as many leadership styles as there are leaders. Fortunately, business people and psychologists have developed useful, shorthand ways of describing the main leadership styles. This can help aspiring leaders to understand and adapt their own styles, so that they can improve their own leadership.

Whether you are managing a team at work, captaining your sports team or leading a major corporation, your leadership style is crucial to your success. Consciously, or subconsciously, you will no doubt use some of the leadership styles featured, at least some of the time. By understanding these leadership styles and their impact, you can become a more flexible, better leader.

Leadership style: is the manner and approach of providing direction, implementing plans, and motivating people. Kurt Lewin (1939) led a group of researchers to identify different styles of leadership.

The leadership styles we look at:

Autocratic Leadership

Autocratic leadership is an extreme form of transactional leadership, where a leader exerts high levels of power over his or her employees or team members. People within the team are given few opportunities for making suggestions, even if these would be in the team's or organization's interest. Most people tend to resent being treated like this. Because of this, autocratic leadership usually leads to high levels of absenteeism and staff turnover. Also, the team's output does not benefit from the creativity and experience of all team members, so many of the benefits of teamwork are lost. For some routine and unskilled jobs, however, this style can remain effective where the advantages of control outweigh the disadvantages.

Bureaucratic Leadership

Bureaucratic leaders work "by the book", ensuring that their staff follow procedures exactly. This is a very appropriate style for work involving serious safety risks (such as working with machinery, with toxic substances or at heights) or where large sums of money are involved (such as cash-handling). In other situations, the inflexibility and high levels of control exerted can demoralize staff, and can diminish the organizations ability to react to changing external circumstances.

Charismatic Leadership

A charismatic leadership style can appear similar to a transformational leadership style, in that the leader injects huge doses of enthusiasm into his or her team, and is very energetic in driving others forward. However, a charismatic leader can tend to believe more in him or herself than in their team. This can create a risk that a project, or even an entire organization, might collapse if the leader were to leave: In the eyes of their followers, success is tied up with the presence of the charismatic leader. As such, charismatic leadership carries great responsibility, and needs long-term commitment from the leader.

Democratic Leadership or Participative Leadership

Although a democratic leader will make the final decision, he or she invites other members of the team to contribute to the decision-making process. This not only increases job satisfaction by involving employees or team members in what's going on, but it also helps to develop people's skills. Employees and team members feel in control of their own destiny, and so are motivated to work hard by more than just a financial reward. As participation takes time, this style can lead to things happening more slowly than an autocratic approach, but often the end result is better. It can be most suitable where team working is essential, and quality is more important than speed to market or productivity.

Laissez-Faire Leadership

This French phrase means "leave it be" and is used to describe a leader who leaves his or her colleagues to get on with their work. It can be effective if the leader monitors what is being achieved and communicates this back to his or her team regularly. Most often, laissez-faire leadership works for teams in which the individuals are very experienced and skilled self-starters. Unfortunately, it can also refer to situations where managers are not exerting sufficient control.

People-Oriented Leadership or Relations-Oriented Leadership

This style of leadership is the opposite of task-oriented leadership: the leader is totally focused on organizing, supporting and developing the people in the leader's team. A participative style, it tends to lead to good teamwork and creative collaboration. However, taken to extremes, it can lead to failure to achieve the team's goals. In practice, most leaders use both task-oriented and people-oriented styles of leadership.

Servant Leadership

This term, coined by Robert Greenleaf in the 1970s, describes a leader who is often not formally recognized as such. When someone, at any level within an organization, leads simply by virtue of meeting the needs of his or her team, he or she is described as a "servant leader". In many ways, servant leadership is a form of democratic leadership, as the whole team tends to be involved in decision-making. Supporters of the servant leadership model suggest it is an important way ahead in a world where values are increasingly important, in which servant leaders achieve power on the basis of their values and ideals. Others believe that in competitive leadership situations, people practicing servant leadership will often find themselves left behind by leaders using other leadership styles.

Task-Oriented Leadership

A highly task-oriented leader focuses only on getting the job done, and can be quite autocratic. He or she will actively define the work and the roles required, put structures in place, plan, organize and monitor. However, as task-oriented leaders spare little thought for the well-being of their teams, this approach can suffer many of the flaws of autocratic leadership, with difficulties in motivating and retaining staff. Task-oriented leaders can benefit from an understanding of the Blake-Mouton Managerial Grid, which can help them identify specific areas for development that will help them involve people more.

Transactional Leadership

This style of leadership starts with the premise that team members agree to obey their leader totally when they take a job on: the “transaction” is (usually) that the organization pays the team members, in return for their effort and compliance. As such, the leader has the right to “punish” team members if their work doesn’t meet the pre-determined standard.

Team members can do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Alternatively a transactional leader could practice “management by exception”, whereby, rather than rewarding better work, he or she would take corrective action if the required standards were not met.

Transactional leadership is really just a way of managing rather a true leadership style, as the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work, but remains a common style in many organizations.

Transformational Leadership

A person with this leadership style is a true leader who inspires his or her team with a shared vision of the future. Transformational leaders are highly visible, and spend a lot of time communicating. They don’t necessarily lead from the front, as they tend to delegate responsibility amongst their teams. While their enthusiasm is often infectious, they can need to be supported by “detail people”.

In many organizations, both transactional and transformational leadership are needed. The transactional leaders (or managers) ensure that routine work is done reliably, while the transformational leaders look after initiatives that add value. The transformational leadership style is the dominant leadership style taught in the "How to Lead: Discover the Leader Within You" leadership program, although we do recommend that other styles are brought as the situation demands.

Using the Right Style – Situational Leadership

While the Transformation Leadership approach is often highly effective, there is no one “right” way to lead or manage that suits all situations. To choose the most effective approach for you, you must consider:

- The skill levels and experience of the members of your team.
- The work involved (routine or new and creative).
- The organizational environment (stable or radically changing, conservative or adventurous).
- You own preferred or natural style.
- Internal conflicts and Stress levels.
- How much time is available

A good leader will find him or herself switching instinctively between styles according to the people and work they are dealing with. This is often referred to as “situational leadership”. For example, the manager of a small factory trains new machine operatives using a bureaucratic style to ensure operatives know the procedures that achieve the right standards of product quality and workplace safety. The same manager may adopt a more participative style of leadership when working on production line improvement with his or her team of supervisors. Although good leaders use all three styles, with one of them normally dominant, bad leaders tend to stick with one style.

How people work (Motivation theories)

McGregor sees Theory Y as the preferable model and management method, however he thought Theory Y was difficult to use in large-scale operations.

Theory Z - Ouchi

In 1981, William Ouchi came up with a variant that combined American and Japanese management practices together to form Theory Z, having the following characteristics: long-term employment - collective decision-making - individual responsibility - slow evaluation & promotion - implicit, informal control with explicit, formalized measures - moderately specialized career paths - and a holistic concern for the employee, including family.

Theory X and Y Description

Douglas McGregor, an American social psychologist, proposed his famous Theory X and Theory Y models in his book 'The Human Side Of Enterprise' (1960).

Theories	Theory X	Theory Y
Assumptions	Humans inherently dislike working and will try to avoid it if they can.	People view work as being as natural as play and rest. Humans expend the same amount of physical and mental effort in their work as in their private lives.
	Because people dislike work they have to be coerced or controlled by management and threatened so they work hard enough.	Provided people are motivated, they will be self-directing to the aims of the organization. Control and punishment are not the only mechanisms to let people perform.
	Average employees want to be directed.	Job satisfaction is key to engaging employees and ensuring their commitment.
	People don't like responsibility.	People learn to accept responsibility and seek responsibility. Average humans, under the proper conditions, will not only accept, but even naturally seek responsibility.
	Average humans are clear and unambiguous and want to feel secure at work.	People are imaginative and creative. Their ingenuity should be used to solve problems at work.
Application	Shop Floor, Mass Manufacturing. Production workers.	Professional Services, Knowledge Workers. Managers and Professionals.
Conducive to	Large scale efficient operations.	Management of Professionals, Participative Complex Problem Solving.
Management Style	Authoritarian, Hard Management.	Participative, Soft Management.

NB: Think how the above theories can be or not applied in a given situation

MODULE 2: Human Resource/ Personnel Management

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of the objectives of the business. The terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management"

Personnel management is often used in a more restricted sense to describe activities that are necessary in the recruiting of a workforce, providing its members with payroll and benefits, and administrating their work-life needs. Thus humans are an organization's greatest assets; without them, everyday business functions such as managing cash flow, making business transactions, communicating through all forms of media, and dealing with customers could not be completed. Human resource management works to ensure that employees are able to meet the organization's goals.

Bolton T (1995) argues that HRM is a body of management thought developed in the 1997's and early 1980s and can be linked to the coming together of a number of factors:

- industrial restructuring
- changes in international competition and
- customers

"Human resource management is responsible for how people are treated in organizations. It is responsible for bringing people into the organization, helping them perform their work, compensating them for their labors, and solving problems that arise" (Cherrington, 1995,and ensures that employees are able to meet the organization's goal. Human resources management comprises several processes. These processes can be performed in an HR department, but some tasks can also be outsourced or performed by line-managers or other departments.

Characteristics of Human Resource Manager

- strategic fit (integration) the need to integrate business and HR strategies;
- coherence the need to adopt a coherence approach to the provision of mutually supporting and integrated HR policies and practices
- commitment –the need to gain the commitment of people to the organization's mission and values
- Treating people as assets or human capital to be invested in thorough training
- Corporate culture –the need for a strong corporate culture expressed in mission and value statements and performance management principles
- Unitary employees relations-the adoption of a unitaristic rather a pluralist approach with the emphasis on individual contracts rather than collective agreement.
- Management responsibility –they believe that HRM is an activity driven by top management and that performance and delivery of HRM is the business of line managers

Differences between Human Resource and Personnel Management

HRM	**Personnel management**
HRM emphasizes the participation of line managers	Personnel management emphasizes that management should be a preserve of personnel specialist
It is broader and resource centered	It is narrow and force centered
It is strategic i.e focuses on longer term interest of employees	It is short term and its focus is on welfare
It emphasizes on investment in people through training	Personnel management emphasizes less
It integrates business and human resource management	Personnel management does not.

The core roles of human resource management are grouped below into three categories. The titles of the clusters are tentative, and are open for comment.

PLANNING AND ORGANISING FOR WORK, PEOPLE AND HRM
Strategic perspective
Organization design
Change management
Corporate Wellness management

PEOPLE ACQUISITION AND DEVELOPMENT
Staffing the organization
Training & development
Career Management
Performance Management
Industrial relations

ADMINISTRATION OF POLICIES , PROGRAMMES & PRACTICES
Compensation management
Information management
Administrative management
Financial management

The roles listed above are now described in terms of broad functions, activities and outcomes to illustrate more or less what the descriptions will look like once the Standard Generating Groups begin to work with each role in detail.

Planning and Organizing for Work, People and HRM

STRATEGIC PERSPECTIVE
§ Develop Human Resource plans and strategies aligned to the organization’s strategic direction. and business strategy. Provide tools and tactics to enhance execution of these strategies
§ Integrate HRM with current and pending legislation and socio-political changes.
§ Integrate Human Resource Management with general organizational management.
§ Manage the interface between HRM processes and systems.
§ Formulate and communicate HRM policies.
§ Act as the conscience of employer with respect to people issues.
§ Scan the environment (both international and national) and identify emerging trends that will affect the organization and the management of people therein.
§ Assess the long-term impact of short-term decisions on people.
§ Manage people related issues accompanying mergers, alliances and acquisitions.
§ Express (embody) the philosophy and values regarding people management in the organization.

ORGANISATIONAL DESIGN
§ Analyze work processes and recommend improvements where necessary.
§ Recommend options for organizational design & structure.

CHANGE MANAGEMENT
§ Advise management on implications of change for employees.
§ Co-ordinate & facilitate the change process.

§ Facilitate changed relationships.
§ Provide support structures for employees during change.
§ Deliberate and proactive management of the changing environment and its implications for work and the organization.

CORPORATE WELLNESS MANAGEMENT
§ Develop and communicate policies and procedures with regard to the management of wellbeing
§ Manage occupational health and safety
§ Manage wellbeing (Employee Assistance programs & Health Promotion programs)

People Acquisition and Development

STAFFING THE ORGANISATION

As an example, each of the functions of this role is further unpacked in terms of activities.
Human Resource Planning (linked to strategic perspective)
· Determine long-term human resource needs.
· Assess current resources.
· Identify areas of need.
Determining requirements of jobs
· Appoint a representative committee with the task of conducting the job analysis. · Decide on the use of job analysis information.
· Decide on the sources of job analysis information.
· Decide on the method for job analysis.
· Review the information.
· Based on the outcomes of the job analysis, write job descriptions and job specifications
Recruitment of staff for the organisation
· Develop & implement recruiting strategy bearing in mind relevant legislation.
· Decide whether recruitment will take place externally or internally.
· Select methods of the recruitment (for example job posting, personnel agencies & advertising)
· Engage in recruitment.
Selection of human resources
· Develop and implement selection strategy in line with relevant legislation.
· Select appropriate tools for selection.
· Validate selection tools in line with legislation.
· Provide selection short list for line management to make a decision.
Placement of staff
· Place staff in ways that will have the potential to benefit both organisation and employee
Induction and orientation
· Act as a facilitator for induction and orientation of new employees
Management of a-typical employment situations.
Management of termination
· Advise management regarding the strategic implications of terminating employment relationships.
· Conduct exit interviews.
· Develop a plan to replace competence lost.
· Analysis of staff turnover and advise management on pending problems and corrective action (where necessary).

TRAINING & DEVELOPMENT
§ Develop a training & development strategy according to the requirements of legislation and with the improvement of productivity and delivery as outcome.
§ Conduct a training needs-assessment including the assessment of prior learning and write training & development objectives based on the outcome thereof.
§ Conduct training & development.
§ Evaluate training & development with regard to the return on investment.
§ Promote training & development in the organisation.

CAREER MANAGEMENT
§ Design and implement a career management program aimed at integrating individual aspirations and organisational needs & realities.
§ Manage career-related issues in the organisation for example women, affirmative action and management of diversity with attention to legislation in this regard.
§ Manage career-related issues surrounding organisational restructuring, downsizing & outplacement including provision of support.

Performance Management/Performance Appraisal

According to (Casio, 1998) it is the systematic description of individual or group job relevant strength and weaknesses. Or aprocess of measuring and evaluating behaviour and assessing how well it matches expectations of the job. The method used to appraise employees varies from one organization to another.

Objectives of performance appraisals

- They provide information that is helpful in selection for promotion and reward
- They set out job objectives and ways to achieve them
- They assess the effectiveness of the organizations selection process and instruments
- They provide feedback to employees on how they are performing and hence a means for career development
- Help in improving efficiency and identifying training needs, help in decision making regarding retirement, manpower planning, disciplinary cases.

There are two types of performance management

a) Open appraisals system, involves appraising employees with their full knowledge and participation in the process. This enables employees influence of the outcome and gives them opportunity for explanation regarding their rating
b) Closed appraisal system where the employee is given a form to fill his particulars like date of birth, qualifications, number of children, then the form is returned to the personnel or HRM.

The appraisal cycle involves the following

- Planning i.e. establishing the standards and agreed upon by supervisor and job holder

- Monitoring-supervisor continuously assesses how his staff gets on during the year, encouraging, reviewing, motivating, and giving supportive ideas

- Reviewing,

- Communication where the manager discusses with his staff and communicates the achievements and aspirations as at the appraisal interview where goals were set

- Design and implement a performance management system linked to relevant HRM systems and aimed at contributing directly to the business strategy.

- Assess performance.

- Use outcome of performance assessment as the basis for decision-making in areas mentioned in point 1.

- Management of individual as well as collective labour (organisational) performance.

INDUSTRIAL RELATIONS

§ Develop and communicate industrial relations policies and procedures in line with legislation.
§ Involvement in grievance and disciplinary hearings
§ Lead negotiations (where necessary).
§ Implement termination procedures
§ Assessment and management of organizational climate and employee relations
§ Liaison with trade unions
§ Implementation of outcomes of collective bargaining and negotiation

Administration of Policies, Programmes & Practices
COMPENSATION MANAGEMENT
§ Develop compensation strategies and policies in line with legislation and the organization's business strategy.
§ Attach meaningful monetary values to posts in the organization ensuring that the organization's compensation is in line with market forces (this may be by means of traditional job evaluation or other methods such as skill or competency based pay).
§ Develop appropriate compensation systems for the organization.
§ Manage overall labour costs.

INFORMATION MANAGEMENT
§ Provide current information regarding employees to be used in the decision-making process and measurement of HRM's contribution to the organization.
§ Advise management regarding trends emerging from the data.
§ Conduct HRM research with the aim of solving problems in the organization.

ADMINISTRATIVE MANAGEMENT
§ Provide integrated HRM administration that is speedy & cost effective to receiver & administrator.
§ Integrated employee data management

FINANCIAL MANAGEMENT
§ Manage the budget for HRM functions (Training and development, IR compensation, Employment Equity).
§ Negotiate maximal funds for HR.
§ Add value to the organization by demonstrating a sound understanding of the complexity of business.
§ Measure the financial impact of human resource systems

Workforce Planning: In this time of budget cuts, downsizing, and an aging Federal workforce, workforce planning becomes extremely important to increasing agencies' overall ability to achieve their missions. Although few agencies have strong workforce planning systems in place, some are beginning to take steps in this direction. The Department of the Army has an automated civilian forecasting system that uses 15-year workforce data trends to project future employment patterns, up to 7 years. This is part of a developing workforce planning initiative. SSA has developed a methodology to predict the number of actual

Placement and Induction

PLACEMENT is the process by which a new employee is assigned the job for which he was selected. It usually begins with a probationary period. This period enables employee and employer to evaluate each other .At the end, the organization decides whether to retain and confirm employees or not. The employee like wise can determine to stay or leave

INDUCTION; Means introducing new employees to their jobs and the organization as whole. Company rules and regulations are given and employee is told how his job affects the performance of other units and entire organizational performance.

Induction process should entail the following

- **Information-** new employee must be informed about his duties and responsibilities vis a vis the organization and vice versa. This helps clear his/her doubts so that he can function intelligently.
- **Assistance-**All assistance in understanding the goals of the organization or developing attitudes and skills should be provided to ease adjustment.
- **Acceptance** –To generate goodwill and cooperation among his colleagues the new employee should be introduced. Helps him feel at ease in his new environment.
- **Assimilation**-New employees need to be encouraged to develop a positive attitude towards the system, its purposes, policies, procedures and personnel.

Generally, in small organizations—those with fewer than a hundred employees—there may not be an HR department, and so a line manager will be responsible for the functions of HRM. In large organizations—those with a hundred employees or more—a human resource manager will coordinate the HRM duties and report directly to the chief executive officer (CEO). HRM staff in larger organizations may include human resource generalists and human resource specialists. As the name implies, an HR generalist is routinely involved with all seven HRM functions, while the HR specialist focuses attention on only one of the seven responsibilities

It is necessary to understand the job analysis. An essential component of any HR unit, no matter the size, is the *job analysis*, which is completed to determine activities, skills, and knowledge required of an employee for a specific job. Job analyses are "performed on three occasions: (1) when the organization is first started, (2) when a new job is created, and (3) when a job is changed as a result of new methods, new procedures, or new technology" (Cherrington, 1995).

Jobs can be analyzed through the use of questionnaires, observations, interviews, employee recordings, or a combination of any of these methods. Two important tools used in defining the job are (1) a *job description*, which identifies the job, provides a listing of responsibilities and duties unique to the job, gives performance standards, and specifies necessary machines and equipment; and (2) the *job specification*, which states the minimum amount of education and experience needed for performing the job (Mondy and Noe, 1996).

MODULE 3: Procurement Management

Procurement can be defined as the purchase of merchandise or services at the optimum possible total cost in the correct amount and quality. These good and services are also purchased at the correct time and location for the express gain or use of government, company, business, or individuals by signing a contract.

Basic Concepts in Procurement

Back Charge: Cost of corrective action by purchaser and chargeable to the supplier under terms of the contract.

Bid Protest: Allows an unsuccessful supplier an opportunity to protest the award of a government contract to another supplier.

Bill of Lading: A receipt issued by a carrier for merchandise to be delivered to a party at some destination.

Constructive Change: Occurs when the PM's conduct enables performance differing from that prescribed by the contract. The PM's conduct in effecting constructive change may either be affirmative or a failure to act. Not part of change control of contract: For instance, if final product performs better than standard specified in contract, or if the PM increases the quality over and beyond what's stated in the contract.

Contract: Alegal document of purchase or sale which is binding on both parties. When entering into a contract, the people involved must have **legal capacity** to do so. (the definition of legal capacity varies from state to state). **Consideration** must be provided to both parties (in other words, there must be sufficient cause to contract). There must be **mutual assent**.

Invitation for Bid (IFB): PMBOK equates this with Request for Proposal and recognizes that it may have a more specific meaning in certain application areas. (appropriate for high dollar, standard items.)

Low-ball: In order to get an award, a contractor may submit at bid that's unrealistically low.

Pink Team Review: A seller responds to an **RFP** by developing a proposal. For sanity purposes, the proposal is passed through the pink team once the outline is completed. The pink team looks at the outline through the perspective of the buyer. The purpose of the team is to catch problems with the proposal in the early stages.

Price Forecast: Based on information gathered and analyzed about demand and supply. This forecast provides a prediction of short and long term prices and the underlying reasons for those trends.

Red Team Review: Once the proposal is in draft form, it passes through a red team which again looks at the proposal through the buyer's perspective.

Reformation: A judicial remedy by which a court interprets the contract so as to express the real intention of the parties (this is different from changes to the contract)

Request for Proposal (RFP): A type of bid document used to solicit proposals from prospective sellers of products or services. In some application areas, it may have a more specific meaning. (appropriate for high dollar, non-standard items).

Request for Quotation (RFQ): PMBOK does not distinguish between RFQ and RFP. However, PMBOK does recognize that some application areas have a more specific meaning for RFQ (appropriate for low dollar items such as supplies and materials).

Statement of Work (SOW): Describes the portion of the product to be contracted. In general, this is different from the product description (which tends to be more broader). Under the circumstance where the seller is producing the entire product, the distinction between SOW and the product description becomes moot. Government terms: SOW is reserved for a procurement item that is a clearly specified product or service, and Statement of Requirements (SOR**)** is used for procuring an item that is presented as a problem to be solved.

Procurement: The purchasing of goods works and related services and consulting services.

Management: The development and use of entrusted and planned resources so as to produce the required results or coordination of human and material resource towards objective accomplishment.

Contract: An agreement between 2 or more parties where by each party promises to do or not to do something OR a transaction involving 2 or more individuals, whereby each has the reciprocal rights to demand performance of what is promised. The promise is enforceable by law and incorporates remedial rights.

Bid: Synonymous with tender' an offer to supply goods or works conforming to particular specifications.

Evaluation: Is a procedure used to assess bids for goods and works contracts in accordance with the assessment criteria to select the lowest evaluated bid for contract award. Also a procedure used to establish the ranking of consultants proposa1 applying evaluation criteria.

Evaluation Criteria: Detailed standards to judge the consultants proposals for the purposes of Selecting the best qualified consultants. Also Specifications, standards, requirements etc specified in bidding documents for use in determining the lowest responsive evaluated bird

Evaluation committee: Committee selected to evaluate bids or consultants proposals according to the specified evaluated criteria.

Guidelines: These are the policies, practices and procedures that specify the procurement of goods, works and related services and separately leads to the selection of consultants.

Pre-qualification: A formal procedure for screening potential bidders prior to invitations to bid on the basis of experience, resource capacity, and financial standing.

Post qualification: A procedure applied after bids have been evaluated to determine whether the lowest evaluated bidder has the capability and resources to carry out the contract effectively.

Responsive bid: Is one that conforms to all the terms, conditions and specifications of the bidding documents without material deviation or reservation.

Goods: A generic expression used to denote a particular category of items eg. raw materials, commodities, machinery. spare-parts, equipment, manufactured articles etc.. that are normally delivered in finished condition to specified technical or functional standards.

Definitions of logistics management:

1. Logistics management is that, part of the supply chain process that plans, implements and controls the efficient *flow* and storage of good, services and related information from the point of origin to the point of consumption in order to meet customers requirements (CLM 1998).

2. Logistics management is defined as the process of strategically managing the acquisition, involvement and storage of materials, parts and finished inventory (and the related information flows) through the organization and its marketing channels in such a way that current and future profitability is maximized, through the cost effective fulfillment of order (Lysons 2000): *47* quoting Gattorna 1994).

3. **Logistics management in every real sense is management**. The design of a system and accompanying operating policies to permit effective flow was well as the control coordination of that flow on an ongoing basis are the essential concerns of the logistics manager (Shapiro and Heskett (1985).

NB: A supply chain is a network of supplies and customs in which any business operates.

Functions of Logistics *(Waters* 1996)

- Procurement and Purchasing
- Traffic and transport
- Receiving
- Warehousing and stores
- Inventory control
- Materials handling
- Shipping
- Distribution
- Location
- Communication

Importance of Procurement Management

Procurement Management is very important -: not only projects but also organizations as well. This is because;

- Procurement planning is crucial for the timely and efficient implementation of a project
- It can and frequently does, require and consume significant in puts of professional expertise.
- Procurement can affect time, scope and cost for the project. This may affect the success of the project.
- A very high proportion of the project activities are provided by resources external to the client organizations.
- Modern management in private and public sector is increasingly emphasing out sourcing, which means procurement management will continue to gain significance. Likewise the new requirement at local government level for district tender boards since 1997 through Local *Government* Act, prior to which tenders were exclusive to the central government.

NOTE:
1) Planning for implementation of a project involves
a) Developing a work plan;
b) Identifying the project elements
c) Including how they would be carried out;
d) Defining necessary resources:
e) Determining the scheduled time for each e.g. high school. Construction project

2) Planning for Procurement of a Project starts at the project design stage and comprises of:
a) A listing of the various works, consulting services and goods to be procured.
b) An' Implementation table or bar chart indicating key dates (initial, intermediate and final) for each activity.
c) A determination of the lead time required for each activity with is the time interval required between the first decisions on a specific procurement and when that procurement would be needed during the actual implementation of the project.
d) Development of a monitoring system to ensure timely procurement decisions and where necessary, the appropriate follow-up actions, which should occur like in any other project.

3. The legal framework governing public procurement in Uganda includes
a) Constitution of Uganda (1995)
- Chapter 9 Finance
- Chapter149 — Public finance Act
- Article 163 — Office of Auditor General
- Article 119 Functions of Attorney General
- Chapter 13 — Inspectorate of Government
b) Local Government Act of 1997 (as amended in 2001)
c} the local government financial I and A counting Regulations of 1998
d) Public Procurement and Disposal of Public Assets Act 2003
e) International Laws relating to procurement that include- Agreement on Government Procurement (GPA) World Bank Guideline.

Tasks of Stakeholders in Procurement
A manager has key tasks in procurement. These include:
I. Hire (if not already assigned) and supervise procurement staff'.
2. Review National Procurement requirements and those of financing institutions.
3. Establish procurement strategy in collaboration with procurement specialist
- Review deliverables and identify items for procurement.
- Decide on methods of procurement (e.g. national, international).
- identify donor requirements and incorporate those requirements in the plan.
- Select the appropriate type of contracts.
- Decide how the total procurement will be divided into separate contracts. Prepare a schedule of procurement
4. Supervise preparation of necessary procurements (announcements, letters, invitation to bid etc.)
5. Supervise planning and execution of bidding and selection process.
6. Supervise process of evaluating bids.
7. Supervise preparation and negotiations of contracts.
8. Supervise creation of procedures for management of contracts and disbursement of funds.

Role of Procurement specialists
1) Plans procurement strategy
2) Ensures bid procedures are .followed and conform to legal requirements.
3) Modifies procurement plan to take new conditions into account.
4) Opens bid documents.

5) Evaluates bids.

Principles of Procurement

There are basically four general principles that apply to all types of procurement.
1) Transparency: Transparency relates to having: procurement process that is clearly defined and open to observation by both the participants and the general public. It is a way of helping ensure that public money is well spent and fairly allocated. In life, what we do with our own money is our business, but what we' do with public money and how we spend public money is the government business. Hence, when we procure with public money, we are bound by government rules which have been developed to ensure that, not only are public funds wisely spent, but that citizens *perce*ive that they are wisely spent.

2) Value/Economy: Cheapest is not always the best. Procurement methods should ensure that public gets the best overall value for its purchase. This means considering total cost of ownership, not just initial price during procurement. - Everyday experience' teaches that the cheapest is not always the best, or more exactly, the cheapest in first instance is not always the cheapest in the long run. -, The methods we adopt. Should ensure that we achieve the best overall value for the money that we spend.

3) Accountability: The public expects officials to spend its money wisely and officials may have to account to the public for their actions. Accountability involves recognition that one should responsive and careful with public funds and be able to explain why and how public funds are *spent.*

4) Risk: In procurement process. If the bidders of the potential suppliers of consulting services or goods perceive a risk that they may have to bear their bids or offers will reflect that perception. As perceived risks become higher the bids or offers will become higher as the perception of risks becomes lower, bids or offers will lower. Remember that it is the risk as perceived by the potential bidders and suppliers that are important not the risk as perceived by the client or government department. Bidding documents should be prepared so that the risks as perceived by the potential bidders or suppliers are minimized. Bidders will increase their bids to take into account increased perception of risk (and Vice versa)

Types of Procurement

The term procurement can relate **to** works, consulting services of goods. Each of these (works, consulting services or goods) has distinct and different characteristics that determine how each one is procured.

1) Civil Works have the following characteristics
- Above ground components; whose quantities are known with certainty at bidding
- Sub-surface conditions; whose quantities are known only approximately at bidding can be specified completely.
- Works include construction of large buildings. roads. ports. dams, large irrigation systems, airports. tunnels, power stations, canals, pipelines etc. What is required for civil works can be specified unambiguously - in bidding documents, estimated quantities for the *various* items of work can be entered and all bidders can bid on the basis of the same specifications and the same estimated quantities and no judgment on their part is required. Therefore civil works are normally procured on the basis of competitive priced

bidding.

2) Consulting Services

Consulting services can include a broad range of activities from e.g. engineering design to accounting services. Here the client attempts to buy certain attributes that are very important but difficult or even impossible to state in measurable terms and which would there fore be difficult to quantify. Attributes in this category include; skill experience maturity, leadership etc. which are human attributes and have to be assessed judgmentally. 'When we procure consulting services we buy; skills. Experience, leadership, knowledge, maturity etc. It is normally difficult to define the product clearly, so no basis exists for competitive bidding**.**

Therefore the desirable approach is to procure consulting services by inviting the-prospective suppliers of the consulting services to propose individuals or teams on the basis of the client specification of the work required. The proposals that are submitted are reviewed on the basis of their quality and the proposal with the best quality is selected and contract is negotiated. *Works* and consulting services are procured by almost diametrically opposite procurators: Works are Definable while Consulting Services are not definable in quantitative. Works are procured on the basis of competitive bidding while services are on the basis of quality.

3) Goods is generic expression used to denote a particular category of items included in projects such as raw materials, commodities, machinery & components, spare-p arts, equipment petro chemicals, manufacture articles etc that are normally delivered in conditions to specified technical and functional standards1) Competitive Bidding

Categories/Methods for Procurement

1. Competitive Bidding: This can be internatina1 (full), limited international or national. This is the bidding where competition is mainly based on price. All bidders would be competent to execute the- proposed work *(i.e* their bids comply fully with- the bidding conditions) then the work/tender is awarded to the lowest bidder. All bidders are provided with bidding documents relating to same specifications and same quantities.

2)-International and Local Shopping: This method is based on a comparison of price quotations obtained from a few suppliers. This is appropriate- when procuring off-the shelf', items such as personal computers. Usually three quotations should be obtained to ensure competitive prices

3) Direct Contracting: This is the purchase without competition and is used *when* an existing contract for goods (procured by other methods) is extended to obtain additional, similar gods. Direct contacting can be used when the required gods are proprietary and are available from only one source, It may also he used when need for fast delivery of goods exists such as when an emergency occurs (although shopping is preferred) .

4) International Competitive Bidding (ICB): This method of procurement is generally considered to be the most desirable and is preferred for procurement enhanced by the International Development Institutions such as World Bank- and IMF-.

Procurement Planning

- Process of identifying which project needs can be best met by procuring products or services outside the project organization. Involves knowing whether to procure, how to procure, what to procure, how much to procure, and when to procure.
- ***Input includes***:
    - Scope statement
    - Product description
    - Procurement resources
    - Market conditions
    - Other planning Output
    - Constraints
    - Assumptions
- ***Methods include***: make-or-buy analysis, expert judgment, and contract type selection (fixed, cost reimbursable, etc.).
- ***Output includes***: Procurement management plan and statement of work (SOW) for each planned contract.

Solicitation Planning

- Process of preparing documents needed to support solicitation.
- ***Input includes***: procurement management plan, SOW's, and other planning Output.
- ***Methods include***: standard forms and expert judgment.
- ***Output includes***:
- Procurement documents such as IFB's, RFQ's, and RFP's.
- Evaluation criteria: the criteria that will be used to rate or score proposals. The criteria may be subjective or objective.
- Statement of work updates.

Solicitation

- The process of obtaining information (bids and proposals) from prospective sellers on how project needs can be met.
- Most of the actual effort in this process is expended by the prospective sellers, normally at little or no cost to the project.
- ***Input includes***: procurement documents and qualified seller lists.
- ***Methods include***: bidders conferences and advertising.
- ***Output includes***: Proposals prepared by the sellers explaining how the seller can provide the requested product or service.

Source Selection

- The process of receiving the bids and proposals from the sellers and applying the evaluation criteria to select a provider.
- ***Input includes***: proposals, evaluation criteria, and organizational policies.

- ***Methods include***:
  - **Contract negotiation.**
  - **Weighting system**: A method for quantifying qualitative data in order to minimize personal prejudice on source selection.
  - **Screening system**: Involves establishing minimum requirements of performance for one or more of the evaluation criteria. For example, the seller project manager must be certified before the remainder of the proposal would be considered.
  - **Independent estimates**: The procuring organization may prepare its own estimates as a check on proposed pricing. These estimates are generally referred to as *should cost* estimates.
- ***Output includes***: Contract.

Contract Administration

- The process of ensuring that the seller's performance meets contractual requirements.
- ***Input includes***: contract, work results, change requests, and seller invoices.
- ***Methods includes***: contract change control system, performance reporting, and payment system.
- ***Output includes***: correspondence, contract changes, and payment requests.

Contract Closeout

- The process of completing and settling the contract including any resolution of open items.
- ***Input includes***: contract documentation.
- ***Methods include***: procurement audits.
- ***Output includes***: contract file and formal acceptance and closure.

Contract Origination
Unilaterally:

- Common form for contract is a relatively simple type of document called a purchase order.
- A purchase order is used when routine, standard cost items are needed.
- A purchase order is legally binding and should be specific.

Bilaterally:
Procurement documents are used to solicit proposals from prospective sellers. The procurement document then becomes the basis for the seller's proposal. The following are examples of procurement document

MODULE 4: Communication Skills

It's a Process of passing information from one person to another. However, communication goes beyond just passing on information, it involves dialogue, transmitting and sharing ideas, opinions, facts and information which should be perceived and understood by the receiver. Here, there is meaningful interaction among people and thoughts are transferred from one person to another and the value and meaning are still the same between the two communicating. What can be shared in communication?

- Feelings
- Attitudes
- Opinions
- Facts
- Beliefs
- Hopes
- Knowledge Etc

For management to perform its functions successfully there must be effective communication. Many operations fail because of poor communication, misunderstood messages and unclear instructions. Thus communication is a two way system by which one can communicate with people and not two people. Similarly, each person communicates constantly by what he or she says and does not say and by what he/she does and does not do.

One way and two way communication

This is the communication where information flow is from only one source. It involves directions, orders, no questions as a result the sender is seen as a dictator and the receiver looks a fool ,disturbed ,powerless, loses respect and confidence, gets bored etc. however, there is one way communication from religious bodies.

Two way communications

This is a system of communication where the sender and the receiver exchange views, ideas and discuss openly and freely. This communication involves asking questions, arguments and the decision is reached at. This is the most effective communication and it creates mutual understanding, confidence, trust, friendship and hope among the communicators. This duo/multi-communication is called dialogue where as the one way system is monologue communication system.

Learning to listen

Learning is one of the most challenging practices that must be done by anybody claiming to be a good communicator. It involves and demands ‘whole self’ mentally/psychologically and physically.

Qualities of a good listener

- Respectful
- Accepting
- One who shows interest in the topic
- One maintaining eye contact
- Openness
- Humble, compassionate

- Accommodative
- Ready to surrender ill formed opinions etc

Barriers to listening

- Difficult language
- Boring speaker
- Proud speaker
- Unclear message
- Long statements
- Noises
- Too many ideas at a time.

Objectives of communication

- To develop information and understanding among all workers
- To foster any attitude necessary for motivation, co-operation and job satisfaction
- To discourage misinformation, ambiguity and rumours
- To prepare workers for a change in methods of environment by giving them the necessary information in advance.
- To encourage subordinates to supply ideas and suggestions for improving upon the product of work environment
- To improve labor management relations by keeping the communication channels open.
- To encourage social relations among workers by encouraging inter-communication.

Levels of communication

1. **Intrapersonal communication.** This is the communication with in oneself. It is this type of communication that enables one to formulate what to communicate to other people. This type of communication is in form of dreams, personal research and intuitive thinking. After the message has been formulated, then it is packed for dissemination.
2. **Interpersonal communication** is the communication between two people. This takes place in everyday life. Two people conversing on phone, on face to face etc .In this type of communication, various forms are applied; these are verbal and non verbal as well as written communication. Care should be taken to avoid the common mistakes. These are poor handwriting, use of jargon which is not known to the other person, signs and symbols should be chosen carefully with culture in mind and the list is endless.
3. **Group communication** should be divided into small group (about 3 to 10 people) and a large group(over 10 people).This communication should thoroughly be researched and barriers to communication be taken into account. This communication is in form of group discussions, religious congregations, meetings etc. the difference between group communication and mass communication is the former can have a rapport with the audience and receive a faster feed back than the latter.
4. **Mass communication** is the communication to a larger audience normally not known to the communicator. this type of communication is done through news papers, radio programs, television etc.

Model of communication process

Source → Encording → channel → Decording → Reciever

Feedback

The sender is the source of the message and originates the message or thought or idea and initiates the process of communication. The sender has a purpose and reason or desire to send information to somebody.

Encoding which is transforming into symbols. The idea or thought transformed into symbols in form of words, gestures with the same meaning

Message: what the source has encoded, it may be oral, written or felt by touch.

Channel the way the message can be transmitted; this may be on paper, telephone, cameras and videos for visual. For communication to be effective the sender must choose the appropriate channel

Decoding or interpretation: the receiver interprets and translates into meaningful information. Thus communication is effective if the receiver decording matches with the sender's intended message and meaning

Receiver: one who receives the message from the sender (analyzing and acting feedback?)

Feedback (Decision and Action) the only way to confirm that the message has been transmitted

Types of communication

The most common types of communication are Verbal, nonverbal and written.

Verbal communication: this done by mouth, spoken words in a language that is understood by the person one is communicating with. It is face to face interaction through formal and informal contacts, conversation, interviews, discussions and talks, video-conference etc

Advantages

- direct, simple, time saving ,and least expensive
- allows for feedback and spontaneous thinking
- helps in avoiding delays and other formalities
- conveys personal warmth and friendliness
- misunderstanding can be cleared

Disadvantages

- Non formal record of transaction
- Distortion can occur if verbal message is passed along the hierarchical chain of command
- Length and distant communication can not be effectively conveyed
- Perception may be different from the intended message.

Non verbal communication

The messages are conveyed through body language. These are gestures such as: body movements, eye movements/contacts, hand signal, head nodding or shaking and facial expression.

Written communication

Communication is put down in writing. The written words are in form of mails, reports, minutes, rules and regulations, bulletin.

Advantages

- Serves as evidence of events and proceedings
- Provides permanent record for future references
- Reduces possibility of misunderstanding and misinterpretations
- Time saving when contacting may people
- Reliable for transmitting length statistical data
- Appears formal and authoritative for action
- Can be checked for accuracy unlike verbal communication

Disadvantages

- Time consuming for lengthy reports
- No immediate feedback opportunity to ensure the receiver understood the message
- Written material may leak out before time, causing disruption in its effectiveness
- Leads to excessive formalities in personal relations.

Characteristics/ qualities of good communication

- Relevant for its purpose
- Sufficient accurate for its purpose
- Complete enough for the problem
- From a source in which the user has confidence
- Communicated to the right person
- Communicated in time for its purpose
- That which contains the right level of detail
- Communicated by an appropriate channel of communication
- That which is understandable by the user.

Barriers to Effective Communication

Communication must be interpreted and understood in the same which was intended by the sender. Otherwise, it will give a different result and there will be a communication breakdown. How ever there are some bottlenecks to effective communication and they are below:

Noise Barriers

It is any external factor, which interferes with the effectiveness of communication. It does so by destructing, blocking part of the message or diluting the strength of communication e.g. accents, poor/ illegible writing, poor picture quality, actual physical noise.

a)Semantic barriers .differences in interpretations of words and symbols. Poor choice of words, wrong words and comas, spelling mistakes.
b)Feedback barriers
c)Cultural barriers ; It happens because of cultural differences in an organization like in mult-national company
d)Perception ;relating to the process through which we receive and interpret information from our environment and create a meaningful word out of it
e)Stereotyping, basing on a single trait, having similar perception
f) Lack of sender credibility
g)Use of mult-meaning words
h)Lack of access to the right channel
i) Language barriers
j) Unclear message
k)Interruption
l) Overloaded or long messages
m) Intermediaries in the communication process
n)Disinterest from the listener
o)unnecessary information
p)Joking, anger, silence, false agreement etc

How to Overcome the Communication Barriers

- Feedback –reduces misunderstanding and shows that information is accurate. It is a two way communication process.
- Improve listening skills- listening is a very important part of the communication process. and it is an active mental process, which goes beyond hearing it leads to better understanding and good relationship with each other
- Develop writing skills-be precise and clear. clear messages reduces semantic perception barriers, eliminates misunderstanding and misinterpretation
- Avoid credibility gaps- there must be an understanding between managers and subordinates.

Guidelines for Effective Communication

- The ideas and messages should be clear, brief and precise
- Sense of timing
- Integrity
- Consult with others who are involved in planning the communication
- Be prepared to help the receiver
- Mode of delivery
- Use proper follow-up

- Communication should be comprehensive

To be a successful communicator

· Use your voice effectively
· Know your subject
· Know what you want to say
· Prepare your message carefully
· Arrange your points logically
· Display interest and enthusiasm
· Sound convincing and sincere

How To Record Useful Meeting Minutes

Do your hands cramp up at the thought of recording meeting minutes? Do you question what information you should record and what you should leave out? You're not alone. Most of us have sat through a meeting madly scribbling what we thought. "were minutes only to find out later that & e missed essential information or that the hotes were never used.

Why Meeting Minutes Matter

Don't give up, meeting minutes are important. They capture the essential information of a meeting - decisions and assigned actions. They keep attendees on track by reminding them of their role in a project and clearly define what happened in a group session. How many times have your colleagues been confused or in disagreement about what happened in a meeting? With minutes to refer to. everyone is clear. What most people don't know is that meeting minutes shouldn't be *an exact recording of everything that happened during a session.* Minutes are meant to record basic information such as the actions assigned and decisions made. Then, they can be saved and used for reference. or background material for future meetings relating to the same topic.

Helpful instructions to take useful and concise meeting minutes

a) Before the Meeting:

i. If you are recording the minutes, make sure you aren't a major participant in the meeting; you can't perform both tasks well.

ii. Create a template for recording your meeting minutes and make sure you leave some blank space to record your notes. Include the following information:
- Date and time of the meeting
- The purpose of the meeting
- The meeting lead or chair's name
- Assigned action items
- Decisions made

iii Before the meeting, gather as much information from the host as you can. Ask for a list of attendees, as well as some information on the purpose of the meeting. This *way* you won't need to scramble to understand what's going on while you're recording notes.

iv. Decide how you want to record your notes. If you aren't comfortable relying on your pen and notepad, try using a tape recorder or, if you're a fast typist, take a laptop to the meeting.

b) During the Meeting

i. As people enter the room, check off their names on your attendee list. Ask the meeting lead to introduce you to a meeting with attendees you aren't familiar with. This will be helpful later when you are recording assigned tasks or decisions.

ii. Don't try to record notes verbatim — ifs not necessary. Minutes are meant to give an outline of what happened in the meeting, not a record of who said what. Focus on understanding what's being discussed and on recording what's been assigned or decided on.

iii. Record action items and decisions in your template as they happen — don't wait until after the meeting to pull them out of your notes or you could make a mistake. If you dont understand exactly what decision has been made or what action has been assigned ask the meeting lead to clarify.

c) After the Meeting

i. Review the notes and add additional comments, or clarify what you didn't understand right after the meeting. Do this while the information is fresh in everyone's mind. Type your notes out in the template you created before the meeting — this will make the notes easier for everyone to read and use. When you're writing out your notes, use some of the following tips from the International Association of Admmistratti e Professionals (IAAP).

ii. Number the pages as you go so you aren't confused later. Remember, though. that the minute-taker is responsible for providing good flow. Don't force yourself to write the minutes in the actual chronological order of the discussion - it may not work. - Focus on action items, not discussion. The purpose of minutes is to define decisions made and to record what actions are to be taken by whom and when.

iii. Be objective. Write in the same tense throughout and avoid using people's names except for motions or seconds. This is a business document, not about who said what.
- Avoid inflammatory or personal observations. The fewer adjectives or adverbs you use, the better. Dull writing is the key to appropriate minutes. - If you need to refer to other documents. Attach them in an appendix or indicate where they may be found. Don't rewrite their intent or try to summarize them. When you finish typing the minutes, ask the meeting lead to review the document for errors. Send the final copy of the minutes to attendees right away. Keep a copy of the notes (and the template) for yourself in case someone wants to review them later.

iv. Recording meeting minutes ensures that the decisions and actions resulting from a meeting aren't lost or forgotten. By taking the time to record proper meeting notes you'll make sure the time and effort that goes into a meeting isn't wasted.

Writing A Report

A report is information which has been thoroughly researched and presented in an orderly manner either orally or in written form. An oral report is simple and brief It is presented by word of mouth. However, the way one communicates here plays a very important role for it can easily be denied or misinterpreted. A written report on the other hand is a record of what has taken place. It can be short or long, can be kept as a permanent record and there is no fear of distortion. What has been documented cannot be denied.

Qualities Of A Good Report

Is about one clearly defined subject
- Is accurate and up to date
- Includes everything the reader needs to know
- Omits irrelevant information
- Is easy to read and understand Is clearly presented
- Follows the required format -Is written in a concise and simple style
- Is well organized and logical in its structure
- Does not contain too much jargon or technical detail

Presentation

- A report should be easier to read than an essay or article
- Will probably be read by several people Needs to be read quickly
- Needs to show links and connections
- Needs to be referred to quickly
- Will not always be read from start to finish
- Headings Numbering/indexing Layout indentations and spacing Typeface - plain or bold, underlined
- Be consistent

Style And Tone

- Factual • Objective
- Impersonal - passive constructions. the files were examined"
- Avoid personal pronouns, **I,** we, you
- Neutral no emotive words or expressions

Language

- Accurate
- Formal, appropriate
- Clear, unambiguous
- Simple
- Precise

Key Checklist

- Does it fulfill its purpose?
- is the structure correct?
- is all the information in the right selection?
- Is it set out properly and clearly

• Is its overall progression logical -Is it easy to read and follow?

MODULE 5: Project Planning / the Project Cycle

What is a project?

A project is a set of activities with a definite beginning and ending point. The activities must be done in a particular order and they take place in real time. The key concept that differentiates project planning from other types of planning is that the project is a one-time occurrence, an occurrence that will not be repeated daily.

A project is set of activities that must be coordinated and managed to achieve a specified objective. A project is time bound and is designed to deliver measurable benefits to a specified target group. Projects are the practical interventions that are designed to link policy and program objectives to problems faced by a particular group of beneficiaries. Program is mostly designed by a government or big organization (institutions). There fore programs are bigger than projects (projects subset of program)

Characteristics of a project

- Its time bound
- Must have targets to achieve (objectives)
- Must have a Budget

Types of projects and programs

1) Relief or humanitarian projects e.g. floods, earth quake victims

2) Rehabilitation and reconstruction projects e.g. building of houses, expansion of houses, replacement or repair

3) Social development or community development projects e.g. education services, clean and safe water, Health center

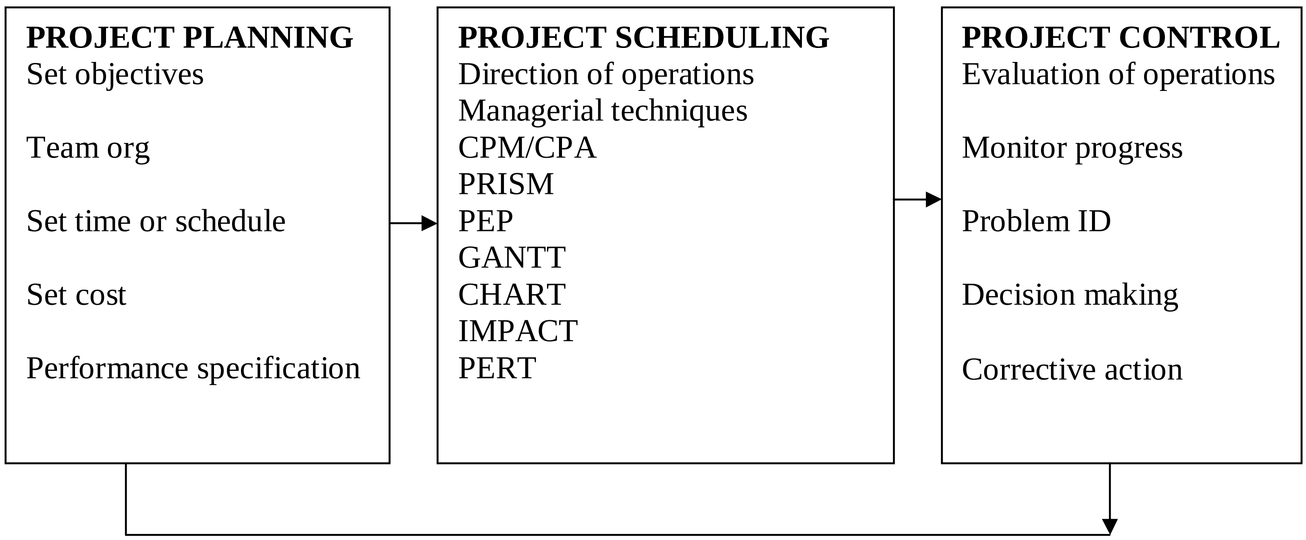
4) Economic/ commercial projects aimed at creating wealth towards improvement of economic conditions of individuals and communities and nations. Priority is given to those projects which are normally included in the presidential manifesto including those that are of immediate response like Health.

Project Planning and Control

It is a special case of general planning and this includes all those activities that result in developing a course of action. These activities guide future decision making, in project planning these planning activities guide the manager in future decision making about a specific project.
Project planning is done in phases, goals for the project including resources to be committed, completion times and results must be set and priorities established. Actual work responsibilities must be identified and assigned. Time estimates and resources required to perform the work activities must be forecast, Budgets are very useful in

planning projects and in controlling their costs. Finally, the project manager must make policies to determine which activities are most critical for project completion, how resources should be used and how additional monies for "crash" completion, should that course of action become necessary should be spent.

Project Planning and Control Flow Chart



Key issues
• PLANNING
• PERFORMANCE

There are three principal dimensions of the project and these three dimensions form the triple constraint concept in project management. The dimension include
o Performance specification - scope
o Time or schedule - time
o Budget or money - cost

Defining the Scope

- When you define the scope of a Program or Project, you set the 'boundaries'
- What is included and what is excluded. In order to scope the Program or Project, the following questions are addressed:
- What is the Program/Project responsible for delivering? What is the Program/Project not going to deliver?
- What are the main objectives? Why are you doing it?
- What needs to change in order to achieve these objectives?
- What will the effect of those changes be?;
- What will stay the same?;
- What other work or Programmes/Projects are there which might impact on this? You must agree boundaries, avoid duplication or omission of tasks or deliverables;
- Whose responsibility is it to put in place longer term mechanisms/reviews to evaluate the Program/Project?

The answers to these questions helps define the scope of the Program/Project and the interfaces needed to establish with other Programmes/Projects and stakeholders. Knowing what is included and what is excluded is fundamental for planning a Program or Project

The Project Management Life Cycle has four phases: Initiation, planning, Execution and Closure.
To pass through each project life cycle phase successfully, you'll need to complete a number of project activities. Each activity is listed below, providing you with an entire project management methodology for your use.

Project Management Process

1. Initiate
2. Define
3. Plan
4. Implement
5. Control
6. Monitor and Evaluate
7. Complete
8. Review

The first, two steps are not necessarily separate and sequential except when project initiator issues a firm, complete and unambiguous statement of desired project output in which case the organization that will carry out project may start to plan how to achieve it. It is more common to start with a proposed work definition which is then jointly renegotiated after preliminary planning elucidates some consequences of the initially proposed work definition. In fact the implementation phase must be considered before planning can be finished. Nevertheless the 5 steps process covers each required action and is a useful conceptual sequence in which to consider project management. The triple constraint, an extremely important notion for project management provides the defining parameters of a project.

The project cycle consists of the following steps

- indicative programming (IND)
- project Identification (ID)
- project Formulation (FOR)
- project Funding
- project Implementation
- project Evaluation

It is cyclical where activities or processes gone through at each step are similar and can be repeated for any project.

1. Indicative programming (IND) it sets the general lines of interventions of the organization, considering which priorities will be taken or chosen and how many projects could be handled according to the internal capacity of the organization etc.

2. Identification (ID) Here the project is defined as an idea or a possibility worthy of further investigation and study. And these ideas may come from the discovery of resources which could be exploited and needs or demands to be satisfied arising from analysis of existing problems**.** How ever may project ideas may be identified than can be handled through the project management cycle , there is usually a need for prioritization at this stage. And this prioritization may be based on criteria as most important, most urgent, least costly, most easily achievable or any combination of such factors.

3. Formulations. In project preparation stage where the priority project idea is planned covering such aspects as size, location, technical details, markets and institutional arrangements. Within the formulation phase certain clearly defined stages can normally be distinguished namely; outline design, Appraisal and detailed.

In the outline design preparation is carried out to a sufficient level of detail to allow the determination of technical, social and organizational aspects of the project; like environmental, administrative, gender or political impacts may have to be considered.

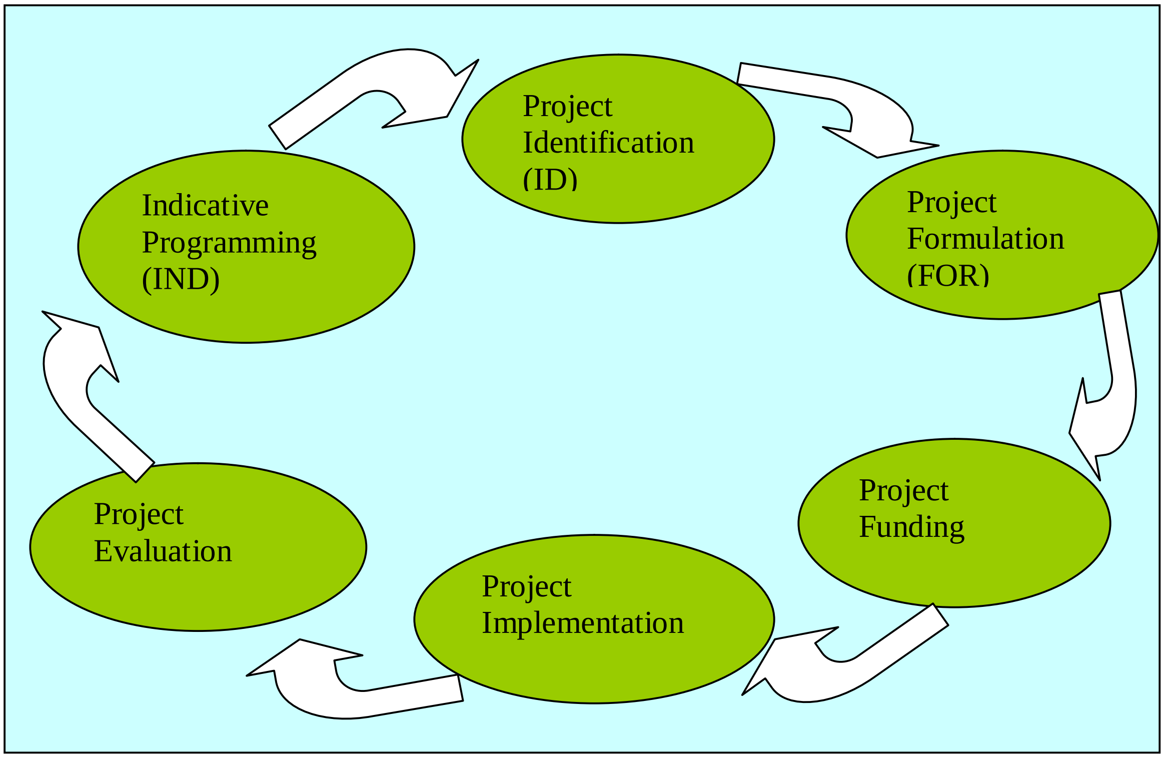
Formal appraisal; exercise is often done when external funding or aid funds are involved. And the decision making implied makes appraisal necessary for any project preparation phase in order to allow project workers to continually review and refine their proposals.

Detailed design for implementation to go ahead is made following the appraisal of the project plans, and a decision to proceed. This design will include procedures and construction documents for the required physical facilities and building depending on the type of project.

4 Financing/ project funding: After successful appraisal and approval for loan consideration, the project plan may be subjected to further negotiations for loan disbursement.

5. Implementation: This is the stage at which the institutional framework for the project is established and facilities constructed. And this stage may involve largest disbursement of funds

6. Evaluation: This consists of investigating and reviewing the effects of the completed project, to determine whether the benefits which were planned to flow from it have indeed been realized and whether these benefits have had their intended consequences or have had impacts



Make cyclical for steps

Format for Project Proposal Writing

Any project proposal aimed at soliciting for funding must strictly follow the specific format of the possible donor, Format for project proposal for funding differs from donor to donor Nonetheless there are common elements in all the formats. It is therefore possible to give a general guideline of a basic format derived from our understanding of development planning and the integrated project management cycle just described.

1. Title

should be simple and clear, reflecting the authors understanding of the meaning of Project as distinct from program. Using the name of an organization as a project Title is unacceptable.

2. Executive Summary

It is a summary of the written proposal. It must consist salient points or critical elements in the proposal, the kind of things which a donor, selecting proposals for funding would want to know before reading the rest of the proposal, if time is available. Usually time is limited as the donor has to look at several proposals. A good summary should answer at least the following questions

- The project being proposed?
- Where it is located?

- What is the duration of the project?
- What the project is supposed to achieve?
- Who are the beneficiaries
- Who the implementers?
- What is the total cost of implementing the project?
- What are the sources of funding?
- What plan is in place for the sustainability of the project

3. Back Ground

A clear description of the geographical location of the project site, the population and demographic characteristics of the local community, and the cultural and socio—economic situations in the area, This should provide a good context and scenario for the project being proposed.

4. Problems and Needs

This is where a careful conceptualization is made of the needs to be addressed arising from the various development problems faced by the project beneficiaries, The causes—effects of these problems should be carefully analyzed. Project ideas are directed to the root causes of the problems, not the symptoms.

5. Selected Project

in the above several cases of action (or project ideas) would have been identified; these project ideas have to be prioritized in order to select the optimal courses of action to meet the identified needs. This step therefore represents the ability to priorities and selects the project which is on the top of the priority list using certain criteria which must be mentioned here,

6. Beneficiaries and Benefits

This is a description of who will gain from the project being formulated both directly and indirectly, and of what the gains will be.

7. Aim

This is the long—term desired situation that is to be achieved through several activities

8. Objectives

These are immediate targets, easily translated into concrete activities whose achievements will lead to the fulfillment of the project AIM. Objectives are specific, Measurable, achieved, Realistic and Time - bound (SMART)

9. Justification

This is to state why the project should be carried out now. Those are the preconditions which favor the implementation of this project in terms of local needs and aspirations. Available inputs, and existing government policy and socio—economic situation,

10. Outputs

these are the expected outcome from the successful implementation of the project. They should now evidence that the objectives have been achieved. They are directly lined to the activities required to achieve the objectives

11. Activities
These are actions or processes to be carried out in order produce the desired or expected outcome, leading to the achievement of the oh objectives

12. Work plan
This is the time—table for implementation of the project It involves giving each activity a time frame i.e. when to start and when to end, Usually some techniques of scheduling the activities like, Gantt chart, may be used

13. Strategies For Project Implementation And Operations
These entail identifying the project implementation team and evolving an organizational and administrative setup to successfully implement the project The strategies should include monitoring supervision and control during project orientation as well as arrangement for end of project(or ex post) evaluations

14. Inputs
These are all the resources required for the actions and processes to undertaken during project implementation and operation

15. Budget
This is an estimate of the cost of inputs in financial terms Under the budget estimates sources of funding or project financing plan should be indicated

16. Follow Up Plan
This is a statement of what you plan to do after implementing the project successful1y It should reflect some sense of activity

Feasibility Study and its Components

It is the study aimed at data and information to determining the viability/ possibility and it’s determine very comprehensive

Financial Feasibility

- Materials and inputs
- Production technology/appropriate technology
- Product mix-4ps: price, product(good, service), place (distribution channels) and promotion
- Plant capacity(include; Feasibility, availability capacity)
- Location site
- Machinery/ equipment(electrical, mechanical, processing equipments)
- Structures and civil works like parking yards, fence, flower gardens, stores and garages)

Financial Feasibility

- Cost of project
- Sources of budgeting/means of financing: grants, shares, loans, donations, savings, trade Credits, debentures, debt financing}.
- Cost of capital- interest on borrowed money
- Profitability
- Tax burden-VAT,PAYE or Graduated tax, income, excise and custom
- Financial projections/ flows- balance sheet, cash flow, income statement

Debentures- grant got after guaranteed by an organization.

Trade credits- goods taken on credits, then payments made later.

Debt financing- borrow from one to pay the other

Economic Feasibility

- Level of savings
- Level of investment
- Costs of benefits
- Level of employment
- Forex earnings(forex exchange)
- Government revenue
- Production capacity
- Pricing policy

Political feasibility

- Government programs, policies
- Legal frame work-laws,-regulations etc

Market Feasibility

- Market share e.g. MTN, Zain, Mango/UTL, Warid, Coke, Pepsi
- Aggregate demand i.e. who are you targeting
- Supply and competition
- Imports and exports
- Consumer preferences and attitudes
- Market policies

Social Feasibility

- Culture
- Religion
- Demographic factors(sex, age)
- Community support like attitude.
    - Leadership structure- schools, roads, hospitals)
    - Quality of life

Environmental feasibility (EIA)

- Natural (God made resources)
    - Social (environment within social: culture, language, colour (race)
- Man made (fashion, luxury, car, house, planes)
    - Shadow price (price that you can't see)
    - Recycling of wastes

Gender feasibility

- -Participation
- -Decision making
- -Roles and responsibility
- -Access to resources by both sexes
- -Power (dominion)

MODULE 6: Logical Framework Approach (LFA)

Basic Principles;

1. The Logical Framework should be concise. It should not normally take up more than two sides of paper.
2. The Logical Framework should be treated as a free-standing document and should be comprehensible to those coming to it for the first time. Acronyms should therefore be avoided.
3. If beneficiaries are included in the project, they should also take part in the design of the Logical Framework.
4. The Logical Framework will provide a basis for subsequent monitoring and evaluation. It must therefore be kept under regular review and amended whenever the project changes course.

The Log Frame is a document; the Logical Framework Approach is a project design methodology.
All three terms refer to a structured meeting process which we will refer to as LFA.

Logical framework document
The logical framework document is a 4 column by 4 row matrix. The cells of the matrix contain text that describes the most important features of a project. And its some times referred to matrix .LFM approach involve situation analysis, stakeholder analysis and developing hierarchy objectives and selecting a preferred implementation strategy.

Logical Frame Work Matrix

Narrative Summary	**Objectively verifiable Indicators – OVIs**	**Means of verification MOVs**	**Risks and Assumptions**
Goal			
Purpose			
Outputs(Results)			

1. 2.			
Activities 1. 2.			
Inputs 1. 2.			

Objectively Verifiable Indicators (OVIs): These are the measures, direct or indirect that will verify to what extent the objectives have been fulfilled. The term objectively implies that if these should be specified in a way that is independent of possible bias of the observer.

Means of Verification (MOVs): These statements specify source of the information or the measurements or verification specified in the indicators column. For example will statistics from an external source be used for the verification or will project resources be used to gather the statistics.

External Factors (Assumptions): These are important events, conditions, or decisions which are necessarily outside the control at the project, but which must remain favorable for the project objective to be attained. The implication here is the design team has an obligation to consider what might derail their efforts and to plan responsibly to reduce that risk of derailment.

Development Objective (Goal): The higher level objective that the project is expected to contribute to. The addition of the word contribute implies that this project alone is not expected to achieved the development objective. Other projects immediate objectives are expected to also contribute.

Immediate Objective (Purpose): The effect which is expected to be achieved as the result of the project delivering the planned outputs. There is a tendency for this to be expressed in terms of the change in behavior' of a group, or institution and the project outputs are expected to facilitate this change.

Outputs: These are the 'deliverables the tangible results that the project management team should be able to guarantee delivering. The objective statements should specify the group or organization that will benefit. Outputs are delivered, usually on certain date or dates.

Activities: These are the activities that have to be undertaken by the project to produce the outputs. The activities take time to perform.

Inputs: These are the resources that the project "consumes" in the course of undertaking the activities. Typically they will be human resources, money, materials, equipment, and time.

Advantages of the Logical Framework

- It brings together in one place a statement of all the key components of a project (this is particularly helpful when there is a change of staff)
- It presents them in a systematic, concise and coherent way, thus clarifying and exposing the logic of how the project is expected to work
- It separates out the various levels in the hierarchy of objectives, helping to ensure that inputs and outputs are not confused with each other or with objectives and that wider ranging objectives are not overlooked
- It clarifies the relationships which underlie judgments about likely efficiency and effectiveness of projects
- It identifies the main factors related to the success of the project
- It provides a basis for monitoring and evaluation by identifying indicators of success, and means of quantification or assessment
- It encourages a multidisciplinary approach to project preparation and supervision.

MODULE 7: Project Implementation and Scheduling

Once the project has been identified, prepared and appraised the next important stage is implementation. Implementation is usually done by the organization or ministry that formulated the project and received funding for it. Such an organization is called an implementing agency.
The term implementation refers to the whole process of translating of broad policy goals or objectives into visible results. It is a process of organizing project activities and coordination of the execution of these activities. Similarly, implementation can be understood as process of convening resource [material, financial and human resources into goods and services., It should be noted that implementation of any project will largely depend on its size and type. For instance, a small project covering a small area and manned by say 2 people will normally take off easily without extensive documentation as compared to large ones. Such projects may include poultry, brick-smoking projects, etc which are normally run by a small group of people. On the other hand, projects which are large and probably national in character require multi-sectoral participation when implementing them. This will require extensive documentation to clearly define roles and responsibilities so that there is no waste, duplication of services or conflict between different sectors.

Requirements for implementation

Projects tend to become uneconomical, resources are not available to support other projects, and economic development is adversely affected. What can be done to minimize time to and cost over-runs and thereby improve the prospects of successful completion of projects?

1. **Adequate formulation,** through thorough field investigation, assessment of inputs use of correct cost and benefits estimation methods ,proper assessment of project linkages and the need for adequate experience and expertise.

2, **Sound Project Organizations,** Sound organization for implementing the project is critical ton its success. The characteristics of such an organization are: led by a competent leader who is

accountable to project performance. Adequate attention is paid to human side of the project
-Systems and methods are clearly defined -Rewards and penalties to individuals are related to performance.

3. **Proper Implementation Planning,** It is necessary to do detailed implementation planning before commencing the actual implementation. Such planning should seek to: develop comprehensive time plan for various activities e.g. land acquisition, tender, Evaluation , recruitment of personnel construction of buildings, erection of plant, arrangement for utilities, trial production run, etc. Estimate meticulously the resource requirements [manpower, materials, money, etc] Define clearly the inter linkages between the various oc5viEes of the project Specify cost standards

4. **Advance Action**, when the project appears to be viable and desirable, advance action on the following activities may be initiated: -Acquisition of land -Securing the essential clearances -identifying the technical collaborators/consultants -Arranging for infrastructure facilities -preliminary design and engineering -Calling of tenders

5. **Time availability of Funds** - once a project is approves, adequate funds must be made available to meet its requirements as per the plan of implementation-it would be highly desirable if funds are provided even before the final approval to initiate advance action.

6. **Judicious Equipment tendering and Procurement**- How much should we rely' on foreign suppliers and how much should we depend on indigenous suppliers. Over-dependence on foreign suppliers may mean considerable outflow of foreign exchange and inadequate incentive for the development of indigenous technology and capacity while over reliance on indigenous suppliers may mean delays and higher uncertainty about Technical performance of the project. A judicious balance therefore must be sought which moderates the two. In any case, the number contract packages should be kept to minimum in order to ensure effective coordination.

7. **Better Contract Management,** since a substantial portion of the project is typically executing contracts, the proper management of contracts is critical to the successful implementation of the project. The following can be done in this context: -The competence and capability of all the contractors must be ensured- Proper discipline must be inculcated among contractors end suppliers by insisting that they should develop realistic and detailed resource and time plans which are congruent with project plan penalties must be imposed for fai1ure to meet contractual obligations and incentives given to good performance

8. **Effective Monitoring**, In order to keep a lab on the progress of the project, a system of monitoring must be established. This helps in • Anticipating deviations from the implementation plan • Analyzing emerging problems • Take corrective action

Causes of ineffective project implementation

1. ***Factors related to the content of the project plan***

- -Many project plans arte more or less "doubled to failure from the start because of their content and mode of presentation stemming from imperfect formulation of a problem through the use of inappropriate models, making wrong assumptions or wrong criteria.

- -Project plans are frequently too vague and provide little guidance for implementers
- -Project plans are also influenced by conflicts between politicians and outside funding agencies. The need to strike a compromise design always produces projects which are difficult to implement
- -Projects sometime fail if they are designed to meet the objectives of funding agencies than those of the local people/ intended beneficiaries.
- -Projects implementation may also fail because of delays and cost overruns if they are deliberately under
- -Costed. This is normally done to make them appear more attractive propositions as the cost benefit ratio appear more favorable.
- -In many projects it is very difficult to monitor and evaluate development projects because project designers do not collect baseline data

NB: Development projects need to be realistic in terms of laying out attainable targets, capacity and resources available to implement the activities
Also the needs and attitudes of the intended beneficiaries need to be pro determined.

2. Factors Related to the Method of Implementation

The main problems related to the method of project implementation include: Viewing planning and implementation as two separate and unrelated activities
• Lack of logical flow of stages from project identification, appraisal to courses of action and actual activities
• Failure to monitor and evaluate implementation performance and feedback information thus gained into the decision making process.
• Lack of popular participation- most project leaders take implementation to be a one mans show.
• Lack of coherency in case of partial implementation process Excessive delays in implementation
• Administrative factors i.e. incompetence of the implementation staff
• Lack of management information system.

MODULE 8: Problem Analysis and Needs Assessment

Problem arises from a need; where there is unmet need we get a problem. The main focus of the project is to solve such a need through a problem solving. A problem refers to a situation hardship and its something difficult to understand and deal with. It there fore calls for scientific and logical use of empirical data in order to understood. Developmental projects there fore are usually proposed on the basis of carefully analysis of problems. They are proposed as a response to addressing and over coming developmental problems.

Problem analysis involves; identifying what the main problems are and establishing the cause effect relation ship between these problems. The key purpose of analysis is to try and ensure the root causes are identified and subsequently addressed in the project design. A sound foundation on which to develop a set of relevant and forecast project objectives are of the main tools used in problem analysis is a *problem tree*.(PROBLEM TREE ANALYSIS)

Problem Tree Analysis

This is a replica of a holistic model approach that brings together all possible factors that cause an effect. There are two main approaches that can be used to focus to the problem

1. **Focal problem method;** where developmental problems or constraints are brainstormed by a group and this group identifies a core problem and undertakes effect analysis which pivots around the focal problems.

2. **Objective oriented methods:** this is where a broad high level development objective is specified at the beginning of the analysis and constraints achieving these objectives are brainstormed analyzed and sorted out into cause effect logic.

Both approaches are valid but which one is largely used depends on the individual's preference and circumstances pertaining at the time or any given time. Problem analysis should be undertaken as a group learning activity involving all stakeholders and mainly the beneficiaries of the target group. This target group can contribute relevant technical and local knowledge. A workshop environment is usually appropriate form for developing a problem tree analyzing the results and proposing solution. It may be appropriate to undertake problem analysis exercises with different stakeholders to help determine different perspectives and how priorities vary.

Preparation Steps

1) Clarify the scope of the investigation or analysis .If you are participating in the project, preparatory mission, others will have already identified at least some extent the main development problems they are concerned with or the opportunities they have seen. Understanding this will help us forecast the direction of the analysis that we will want or we be able to deal with in order to avoid range of problems and this information should help us identify either an appropriate objective of focal problem.

Steps Involved In Problem Analysis

1. Comprehend the case situation

2. Define the problem

3. Identify the causes

4. Generate alternative solutions

5. Make decisions

6. Take actions

Classification of Needs

Felt needs: these are needs directly or indirectly verbalized by the communities concerned .this is usually over longer period of time.

Expressed need: are those manifested by the communities by search for help in solving a particular problem e.g. hunger strike, in the community in search for food.

Assume need: theses are needs usually arrived at by using of conventional ideas and are determined from real life situations. they are more or less imposed needs. They look those prescribed during colonial times and the time the governments were centralized and treat all situations as homogenous

Assessed need: are requirement assessed by people with professional training. These professional usually give qualified opinion e.g. physicians in diagnosis

Problem analysis / needs assessment: refer to care full studies of community requirements. Theses mark the beginning of any project/ program development

MODULE 9: Project Monitoring and Evaluation

Monitoring generally refers to the process of regularly checking on the status of the program by comparing the actual implementation of activities against a work plan, including whether the activities are being completed as planned, whether they are being conducted with in the time frame specified, whether the budget is being spent according to plan, whether any changes are needed in the management or implementation of the activities, and whether the work plan should be modified.

Evaluation on the other hand is directed at measuring progress toward the achievement of program objectives and the impact of the program (whether the intended long term changes have occurred).This includes measuring the extent to which the changes that have occurred are attributable to your programs activities. Although there are differences between monitoring and evaluation, the two processes work together to lead to the same end, which is to produce information that can be used to improve the management of a program and achieve the intended short term objectives and long-term results.

Monitoring of a program or intervention involves the collection of routine data that measure progress toward achieving program objectives. It is used to track changes in program performance over time. Its purpose is to permit stakeholders to make informed decisions regarding the effectiveness of programs and the efficient use of resources. Monitoring is sometimes referred to as process evaluation because it focuses on the implementation process and asks key questions:

- How well has the program been implemented?
- How much does implementation vary from site to site?
- Did the program benefit the intended people? At what cost?

Examples of program elements that can be monitored:

- Supply inventories

- Number of vaccine doses administered monthly

- Quality of service

- Service coverage

 Patient outcomes (changes in behavior, morbidity, etc)

The purpose of evaluation is that Evaluation helps program managers identify what is and is not working as well as how to make the projects work better. It also provides a means of demonstrating project staff and donor agencies, the extent to which the project is achieving its objectives. it provides many benefits to social programs. It permits us to;

- identify successful strategies
- modify or discontinue interventions that do not yield desired results
- share findings with programs in other countries or regions
- provide donors/ funders with evidence of the result of their investment
- demonstrate the organization's interest in accountability

Evaluation can answer three basic questions,

- How well has the project been implemented?
- Has the desired change been achieved?
- If the change has been achieved, to what extent can the change be attributed to the projects?

Depending upon which question we want to answer, we choose one of the three evaluation types.

Why Is M&E Important?

Monitoring and evaluation helps program implementers to make informed decisions regarding program operations and service delivery based on objective evidence Ensure the most effective and efficient use of resources objectively assess the extent to which the program is having or has had the desired impact, in what areas it is effective, and where corrections need to be considered. Meet organizational reporting and other requirements, and convince donors that their investments have been worthwhile or that alternative approaches should be considered.

Examples of questions that M&E can answer:

 Was the program implemented as planned?

 Did the target population benefit from the program and at what cost?

 Can improved health outcomes be attributed to program efforts?

 Which program activities were more effective and which less effective?

When Should M&E Take Place?

M&E is a continuous process that occurs throughout the life of a program. To be most effective, M&E should be planned at the design stage of a program, with the time, money, and personnel that will be required calculated and allocated in advance. Monitoring should be conducted at every stage of the program, with data collected, analyzed, and used on a continuous basis. Evaluations are usually conducted at the end of programs. However, they should be planned for at the start because they rely on data collected throughout the program, with baseline data being especially important. One rule of thumb is that 5-10% of a project budget should be allocated for M&E.

Important of the M&E Plans

M&E plans are very important because they state how a program will measure its achievements and therefore provide accountability by documenting consensus and providing transparency to guide the implementation of M&E activities in a standardized and coordinated way of preserving the institutional memory.

M&E Plan Components:

Typically, the components of an M&E plan include:

- The introduction
- The program description and framework
- A detailed description of the plan indicators
- The data collection plan
- A plan for monitoring
- A plan for evaluation
- A plan for the utilization of the information gained
- A mechanism for updating the plan

MODULE 10: Cost Structure and Budgeting

Characteristics of a good budget

- A budget is primarily a planning and control devise
- A budget is prepared in monetary terms and or quantitative terms
- A budget is prepared for a definite future period
- It shows planned income and expenditure and also the capital to he employed
- Purpose of the budget is to implement the policies formulated by arrangement for attaining the given objectives

Objectives of Budgeting

Planning: a budget provides a detailed plan of action for business/organization over a definite period of time. By planning many problems are anticipated long before they arise and solutions can be sought through careful study.

Communication: A budget is a communication device. The approved budget copies are distributed to all management personnel, which provides not only adequate understanding and knowledge of programmes and policies to be followed but also gives knowledge about the restrictions to be adhered to. It is not the budget itself that facilitates communication, but the vital information is communicated in the act preparing budgets and participation of all responsible individuals in this act. **Motivation**: A budget is a useful devise for motivating managers to perform in line with company objectives. If individuals have actively participated in the preparations of budgets, it acts as a strong motivation force to achieve the target.

Control: Control as applied to budgeting is a systematized effort to keep management informed of whether planned performance is being achieved or not. For this purpose a comparison is made between plans and actual performance. The difference is reported to management for corrective action.

Performance evaluation: A budget provides a useful means of informing mangers how well they are performing in meeting targets; they have previously helped to set. This helps in rewarding employees on the basis of achieving the budget target or promotion of managers may be linked their budget achievements.

Advantages of Budgeting

a) Budgeting compels managers to think a head to anticipate and prepared for changing conditions
b) Budgeting co-ordinates the activities or various departments and functions of he organization
c) It increases production efficiency nominates waste and controls the costs
d) It pin points efficiency or lack of it.
e) Budgetary control aims at maximization of profit through careful planning and control
f) It provides a yard stick against which actual results can be compared
g) It shows management where action is needed to remedy a situation.
h) It ensures that working capital is available for the efficient operation of the organization or business.
i) It directs capital expenditure in the most profitable direction
j) It instills into all levels of management a timely careful and adequate consideration of al factors before reaching important decisions
k) A budget motivates executives to attain the given goals
1) Budgetary control system assist in the delegation of authority and assignment of responsibility
m) Budgeting creates cost consciousness and introduces an attitude of mind in which waste and efficiency cannot strive.

Limitation of Budgeting

The list of advantages given above is impressive, but a budget is not a cure all for the organization ills. Budgeting suffers from certain limitations and those using the system should be fully aware of them.
(i) The Budget plan is based on estimates. Budgets are based don forecasts and forecasting cannot be an exact science. Absolutes accuracy therefore, is not possible in forecasting and budgeting.

(ii) Danger of rigidity: A budget programmes must be dynamic and continuously usefulness if they acquire rigidity in the changing environment.

(iii) Budgeting is only a tool of management. Budgeting cannot take place of management but is only a tool of management. The budget should be regarded not as a master, but as a servant." Sometimes its believed that introduction of an budget of a budget programmes is alone sufficient to ensure its success. Execution of a budget will not occur automatically. Its necessary that the entire organization must participate enthusiastically in the program for the realization budgeted goals.

Essentials of Effective Budgeting

A budgetary control system can prove successful only when certain conditions and attitudes exists, absence of which will negate to a large extent the value of the budget.

The conditions are:

1. Support of top management if the budget system is to be successful it must be fully supported by every member of management and direction must come from the top management
2. Participation by responsible executives, Those entrusted with the performance of the budgets should participate in the process of setting the budget figures. This will ensure proper implementation of budget programmes.
3. Reasonable goals: The budget figures should be realist and represent reasonably attainable goals.
4. Clearly defined organization. In order to derive maximum, benefits from the budgetary system, well defined responsibility centers should be built up within the organization. The controllable costs for each responsibility centers should be separately shown.
5. Continuous budget education. The best way to ensure the active interest of the responsible supervisors is continuous budget education in respect of objectives. Potentials and techniques of budgeting this is through meetings, manuals etc.
6. Adequate accounting system, There is close relationship between budgeting and accounting. For the preparation of budgets one has to depend on accounting department for reliable historical data which forms a basis for many estimates.
7. Constant vigilance, Reports comparing budgets and actual results should be promptly prepared and special attention focused on significant exceptions-figures that are significantly different from those expected.
8. Maximum profits
9. Cost of the system. The budget system should not cost more than its worth. Since it’s not practicable to calculate exactly what a caution against adding expensive refinements unless their valued clearly justifies them

Preliminaries in the Installation of Budget System

Pre-requisites for the successful implementation of **a** budgetary control system are as follows:

(a) Creation of budget centers: A budget centers is a section for the organization of an undertaking. A budget centre may be a department or apart thereafter. Budget centre must be clearly defined because **a** separate budget has to be set for each such **a** centre with the help of the head of department concerned.

(b) Information of adequate accounting records: The account system should be so designed as to be able to record and analyze the information required. The budget procedure must also emphasis the same classification of revenues and expenses as the accounting department. Comparisons can be made if the classifications do not coincide. A chart of accounts corresponding with the budget centers should be maintained.

(c) Preparation of an organization chart: Proper organization is essential for a successful budget system. An organization chart should be prepared which clearly shows the plan of the organization. Each member of management should know the exact scope of his authority and responsibility and his relationship to other members

(d) Establishment of budget committee: In large organizations, the direction and execution of the budget is delegated to budget committee which reports directly to the top management. The financial controller is usually appointed to serve as the budget director. The heads of department forms the finance committee

Functions of a Budget committee

- To provide historical data to all departments regarding requirements, dates of submission of estimates etc.
- To define the general policies of the management in relation to the budget system
- To receive budget estimates from various departments for consideration and review
- To discuss difficulties with departmental heads and suggest possible revisions
- To evaluate and revise the estimates before preparing the final budget. To make recommendations or budget matters where there is conflict between departments
- To prepare a master budget after functional budgets have been approved
- To inform departmental heads of any revisions made in their budgets by the committee.

- To co-ordinate all budget work
- To analyse variances and recommend corrective action where necessary

Budget Terms and Concepts
(a) Budget Manual

A budget manual is a form of a source document which contains information that helps one to prepare a budget. It contains the following among other things.

- Procedures are forms for preparing a budget
- Who is responsible for preparing a budget?
- When **a** budget should be prepared
- The length of **a** budget period (normally **a** year)

(b) Budget Period, control period and Budget Centre

(i) Budge period: A budget period refers to the time interval for which budget estimates are made. Normally budgets are prepared for a year but this does not mean that shorter or longer time intervals are not used. For example, the National Development Plans normally have a planning period of 5 years and have budget estimates to that effect which are supported by shorter budgets estimates yearly budgets)

(ii) Control Period: A budget centre is any division of an enterprise/ organization for which a budget is required for example budgets are normally prepared for departments such as finance, production, marketing, personnel etc. these departments can be considered as budget centers.

(c) A Master Budget: A master budget is a budget which summaries other related budgets. A master budget does not give all the details of the source budgets. For example it could just only the cash balances of the control periods for say marketing, finance and personnel departments and not all the expenses and vote allocations.

(d) Operational Budget: An operation budget is one which shows periodic (daily or monthly or quarterly) operations estimates in terms of input (material) cost of input and quantity of output. As such it has three sub-budgets
(i) Production unit budgets (showing the estimates of sales in units)

(ii) Materials usage budget
(iii) Material purchases budget (showing the cost of input)

(e) Cash Budget: A cash budget is an estimate of cash flows (cash receipts) and cash out flows (cash expenses) for a given period. It is only concerned with cash movements due to activities undertaken. For each control period you get cash deficit or surplus which is a closing balance for one period and an opening balance for the following period.

(f) Interrelated Budgets and linking Budgets: Interrelated budgets are those budgets which have cause effect relationship. For example - sale budget and a production budget have cause effect relationship. An increase in one budget leads to an increase in the other budget.

Budgeting Techniques for operations:
(a) **Zero-based Budgeting (ZBB)**: This looks at the Organization's activities and priorities a fresh. The previous year's resource allocation are not automatically considered the basis of this year's resource allocations, instead, each manager tries to justify his/her entire budget requests. Zero base budgeting involves allocating an organization's funds on the basis of a cost benefit analysis of each organization's major activities.

(b) **Incremental Budgeting:** This is the type of budgeting where the additions and subtractions on the previous budget is done. Therefore the current budget is usually based on the previous budget.

(c) **Program Planning and Budgeting Systems (PPBS):** Non-profit seeking organizations such as local and central government hospitals, charities often prepare detailed conventional budgets showing the different categories of expenditure classification by classification. As consequence the budgeting process frequently just compares current expenditure to budgeted expenditure with little or no attempt to compare expenditure against performance achieved.

(d) **Economic measure approach technique**

(e) **Output oriented budgeting (OOB) and result oriented management (ROM)**

Types of Budgets
There are only two types of budget that is Recurrent Revenue and expenditure and capital *budgets.*

(a) Recurrent revenue and Expenditure budget
This type of budget in the one that handled the day today activities in any organization and by life span they take a short time usually one financial ear or less than one financial year examples include, cash budgets, raw material budget production budget, sales and marketing budget, revenue and expenditure budget to mention but a few.

(b) Capital Budgets

These are long term budgets. They usually take more than one financial year. These are usually for investment purposes and acquisition of capital assess of the organization.

Government Budgeting and its Cycle:
Budget is an important element of financial planning control and evaluation process of public sector entitles. It is a means of allocating resources to achieve the objectives of a public sector entity. It is management tool for planning and for controlling funds to make sure than the stated objectives are met. Parliament is responsible for approving the public sector budget and for authorizing the executive to incur expenditures within the overall level of expenditure.

Key Factors that Make Public Budgeting Process Effective

1. Transparency: The budget documents should provide clear link between objectives and expenditures. All the participants in the budget process should be clear about their roles and responsibilities. The budget process should be simple and well documented. The department or entity targets and resources should be allocated clearly indicated an explained.
2. Management: The management and monitoring of the budget are important and emphasis should be in results to be achieved.
3 Decentralizations: Decision making should be decentralized to line Ministries,- departments and Local Governments.
4. Co-ordination and Co-operation: This links between recurrent and development budgets and the process in the financial management system should all be clearly spelt out.
5. Flexibility: The process should allow responses to charge circumstances. The responses should be built into the system so that implications of any changes are sufficiently analyzed and to fit within the overall objectives and priorities.
6. Discipline
(i) There should be effective control over expenditures
(ii) Any changes to the budget should be carefully analyzed and justified
(iii) Use of supplementary estimates should be limited
(iv) Penalties of breach of rules and regulations should be spelt out
7. Accountability and Credibility
(i) Role parliament and the Executive in Budget process should be clear
(ii) Top and senior managers should be involved in the process
(iii) Budget ceiling should be determined and communicated to all stakeholders
(iv) Budgets should be reliably close to actual outcome
8. Comprehensive: The budget process and documents need to include all revenue and expenditures including aid and donor funds.

MODULE 11: Performance measurement

Budget for both recurrent and development should be based on input-output relationship.
Budget cycle with specific reference to Uganda in Uganda, the budget cycle is as follows
a) Top Management Retreat: This budget retreat for top management of Ministry of Finance, Planning and Economic Development (MFPED) to discuss the budget outlook for the next financial year. The retreat discusses the macroeconomic outlook, expenditure

issues, new policies and budget process for the coming year.
b) Updating the medium Term expenditure framework (MTEF): After the top Management retreat, the medium term expenditure framework is updated to provide a starting point for the new budget process. The process includes extending the framework to include a new financial year and updating the first two years of the framework in light of unfolding economic conditions.
c) First budget consultative budget framework workshop: The workshop provides an opportunity for all stake holders to discuss the budgetary outlook for the next three years. The participants come from all line Ministries local Government Officials, members of Parliament, donors NGO's Private Sector and Civil society. The workshop also initiates the formulation of sector working groups which examiners they key objectives and priorities within a sector.
d) Sector working group discussions: The sector working groups need regularly to discuss the key issues within the sector.
The groups look into overall strategy and objectives of the sector, past performance key policy issue for cabinet approval and the medium term budget. The groups also formulate output and outcome targets for the medium term and to relate them to their budget allocations
e) Consultations with members of parliament: This meeting aims to inform MPs of progress in the budget process, to seek their involvement in setting of priorities and to gather more information on public perceptions of the budget process.
1) Second consultative budget framework workshop: This is a second workshop which provides an opportunity for the sector working groups to present their draft reports for discussion by all stakeholders. This meeting focuses specifically on Local Government issues. Key officials of the Local governments are invited for the workshop.
g) Local Government Budget framework process: The Local Government Budget framework paper involves two sets for regional workshops, which aim at providing training to Local Government officials in the areas of planning and budgeting. They also provide an opportunity for local governments to provide feedback to central government on key issues and constraints that they face, including implementation of the guidelines for conditional grants.
h) **Inter-Ministerial discussion on the sector budget framework paper:** A number of consultations take place between Ministry of Finance, Planning and Economic Development and the various sectors before finalizing the budget framework paper. These consultants, who have been held at higher and lower technical levels as well as ministerial level, have aimed to present and discuss the draft budget framework papers. And sector budget framework to build a consensus on areas to be found for the next financial year an on which activities must be postponed for future years, and to build strategies for improving efficiency and effectiveness of government expenditure.
i) Consultations and finalization of the budget framework paper: The aim of the budget framework paper is to provide cabinet with **a** clear view of the current budgetary outlook including budgetary options for the next financial year **for** their consideration. Budget framework paper includes the final version of the sector working groups' reports as well as discussion on the macro-economic outlook and cross-cutting issues.
j) Preparation of the budget call circular: The budget call circular presents the medium term ceiling an guidelines to line ministries to enable them to make a detail breakdown within the ceiling.
k) Discussion of the budget framework paper with donors. After the budget framework paper had been discussed and endorsed by cabinet, it is presented to and discussed with donors including NGOs. The aims for the donor funds, to discuss sector priorities in particular those funded by donors and to affirm the financial commitments from donors for both budget support and project funding.
1) Submission of indicative budget allocations to parliament: Under the budget Act,

Ministry of Finance, Planning and Economic Development is to submit a Parliament estimates of Revenue and Expenditure for the next year by the l April. This should include fiscal and monetary programs and plans for economic and social development over the medium term period. Comments by Parliament are then collected and submitted officially to the president by 1st May.

m) Review of parliamentary consideration and operation of cabinet memo on the **Budget:** Under the Budget Act MFPEM is required to review the recommendations put forward by the Parliamentary Budget Committee ad to prepare a cabinet Memo on the Budget not late than the 7th June.

n) Presentation of the Budget: Once all the consultations are complete, MPPED proceeds to prepare the appropriate documents for presentation to parliament. These documents include the background to the budget and the budget speech. The background to the budget highlights the major achievement on the previous year. Setbacks register and their causes. The budget speech gives details of the budget and the set targets over the medium term period. At the same time, MFPED also presents the status of loans and grants to Uganda.

o) Submission of Policy Statement by the Line Ministries: By end of June, the line ministries are required to submit their ministerial policy statements for discussion by parliament.

p) MFPED is required to reports on supplementary expenditure within four months of the period of expenditure. Similarly, MFPED is also required to provide a report to Parliament of all expenditures from Budget contingency provision, within 14 days from the date of authorization of the advances from the provision.

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AFRICA POPULATION INSTITUTE
PUBLIC SECTOR ACCOUNTING
PAPER CODES: **APDFA 402, APDPA 401**

1. a) What do you understand by "measure" as used in financial statements?
   b) With examples discuss 3 measurement bases used to measure financial statement elements.

2. a) Examine the different ways in which government expenditure can be financed
   b) Explain the effects of a fiscal policy in any economy

3. a) Discuss the elements/components of the 2 main financial statements (income statement & balance sheet)
   b) Account for the concept of capital and capital maintenance

CIVIL SERVICE ADMINISTRATION
PAPER CODES: **APDPA 402**

1 b) Discuss the role of the public sector in ensuring the development of a country.
 b) Explain the various policies that your government has put in place to enhance development.

2. a) Explain the core challenges that civil servants face.
   b) How can these challenges be overcome.
   c) Discuss the different types of accountability.

3. a) Explain the mechanism that the regulatory agency uses to function properly
   b) Briefly explain Max Weber's analysis of bureaucracy.
c) Explain the 7 principles that govern bureaucratic organizations.

DISASTER PREPAREDNESS AND MANAGEMENT
PAPER CODES: **APDSW 405, APDPM 404, APDIR 404, APDPA 403**

1. a) Differentiate between crisis management and risk management
   b) Explain the different types of Disaster
   c) How has the population growth affected the disaster control?

2. a) As someone responsible for disaster response in your country; you are informed that river Nile has burst its banks, how would you handle the situation?
   b) Distinguish between personal mitigation and personal structural mitigation

3. a). Global warming is a great concern as a result of environmental degradation, what are the causes of environmental degradation in your country?
   b) Identify and elaborate the different types of crisis.

APPLIED ROJECT PLANNING AND MANAGEMENT

PAPER CODES: **APDSW 401, APDPM 401, APDPA 404 APDHR 402**

1. a) Human/people are the greatest and most expensive asset to an organization. Discuss.
   b) Discuss the role of the human resource manager in the organization
   c) Discuss some of the barriers to effective communication

2. a) Compare and contrast project programs and project giving with relevant examples.
   b) Mention some of the project planning and programs giving examples in your country.
   c) Outline and discuss the different leadership styles

3. a) Why is project monitoring and evaluation done in organization
   b) With a clear labelled diagram explain project management life cycle
   c) Discuss different steps followed in project life cycle management.

APDPA 405 Field Attachments
Internship report Template

1. Give a brief background of the institution where you were attached
2. Give a brief description of roles you were assigned
3. State the opportunities you encountered during the field excursion
4. Explain how you exploited those opportunities
5. Discuss the challenges that you encountered during the internship
6. State how you dealt with such challenges?
7. Suggest the recommendations to the institution where you were attached
8. What advice would do you give to Africa Population Institute