



Ministry of Finance of Montenegro

Audit Oversight System in Montenegro

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Targeted Assistance for Montenegro

- The Project for implementation of the Capacity Building for Effective Audit Oversight (CBEA) under the IDF Grant funded by World Bank
- Key features



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Project Overall Objective

- to establish a system for public oversight and quality assurance for the statutory audit function in Montenegro, and
- to build the capacity of the accounting and audit profession



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Components of The Project

- **Component 1:** Establishing effective audit oversight system and developing capacity of Ministry of Finance policy making in corporate financial reporting
- **Component 2:** Developing the capacity of the audit profession in Montenegro
- **Component 3:** Project Management



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Component I

- Establishing effective audit oversight system and developing capacity of Ministry of Finance policy making in corporate financial reporting
- Ministry of Finance of Montenegro was the main beneficiary of the Component I



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Objective of Component I

- to adopt and implement audit quality assurance and public oversight arrangements that meet the requirements of the Directives 2014/56/EU and 2013/34/EU.
- to develop the capacity within the Ministry of Finance to transpose the accounting and auditing corporate financial reporting acquis communautaire into national law, and effectively monitor compliance on the part of the competent authorities in Montenegro with its implementation.



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Activities under Component I

- Developing the public oversight authority in Montenegro
- Structure and guidance for public oversight authority
- Develop capacity of public oversight board
- Design Quality Assurance Review Program (“QARP”) for statutory audit in Montenegro
- Develop Quality Assurance Methodology



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Activities within Component I

- Training of Quality Assurance Inspectors
- Public Outreach activities
- Support alignment of financial reporting laws with EC Directives and Regulation
- Development of system for monitoring institutional performance in Corporate financial reporting
- Support to MoF and MoE to clarify regulation provision of accounting education
- Support to MoF in negotiating *acquis communautaire* with EC



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Implementation activities within Component I

- Prepared and Finalized Law on Accounting and Law on Auditing
- Developed and delivered a training course for potential QA inspectors
- Audit council was appointed
- Etc



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Thank you for your attention!

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