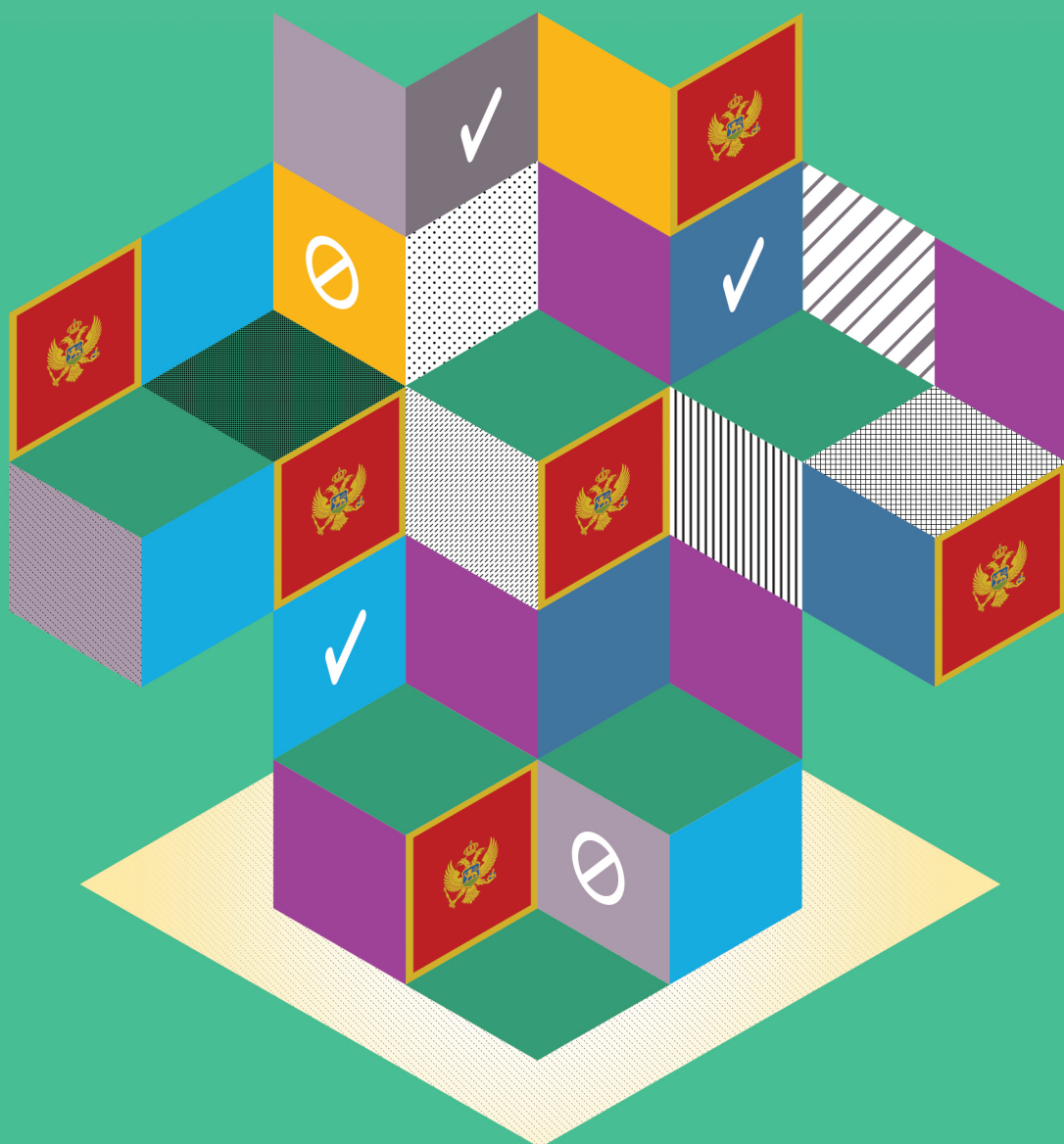


STOCKTAKING OF PUBLIC SECTOR ACCOUNTING
AND REPORTING ENVIRONMENT
IN PULSAR BENEFICIARY COUNTRIES

COUNTRY FACT SHEET:
MONTENEGRO



CFRR»

**Centre for Financial
Reporting Reform**



WORLD BANK GROUP

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In cooperation with:

Zurich University
of Applied Sciences



**School of
Management and Law**

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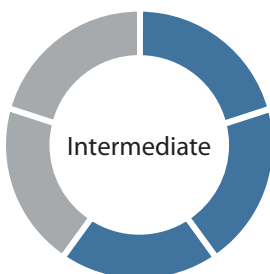


COUNTRY FACT SHEET: MONTENEGRO

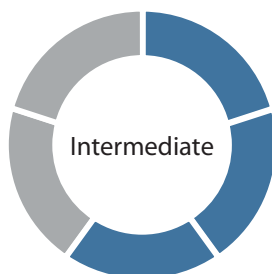


SELF-ASSESSMENT

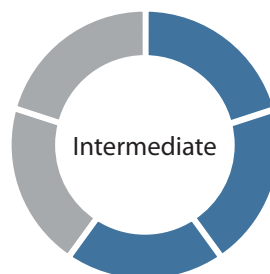
GOVERNMENT
BUDGETING CYCLE



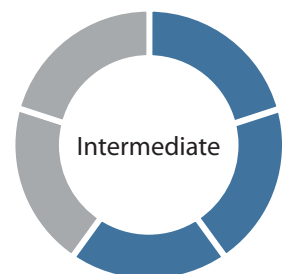
ACCRUAL ACCOUNTING
PRINCIPLES



FINANCIAL MANAGEMENT
INFORMATION SYSTEMS



IPSAS
ACCRUAL



BUDGET

- Budget available to public
- Recognition Basis
- Method of Publication

- Regular in-year budget reporting
- Comparability of budget execution reports and financial reports
- Envisaged budget reforms

Yes

Cash

Within the Financial Statements as a comparison of budget and actual amounts

Yes

Yes

No answer



ACCOUNTING

- Recognition Basis
- Current accounting basis and reporting standard
- Financial reporting standard setter
- Coverage of Consolidation

Cash

National standards based on national legislation

Ministry of Finance

Ministries and other federal/ central government departments, agencies, independent boards and commissions, Social security fund(s)

Envisaged Accounting reforms

- Accounting basis
- Reporting standard

Under preparation

National standards using IPSAS as a reference point

AUDIT

<input type="checkbox"/> Risk-based methodology and professional standards exist	Yes
<input type="checkbox"/> SAI opinion is provided	Yes, according to international standards
<input type="checkbox"/> Professional license or education required for audit personnel	No answer
<input type="checkbox"/> SAI conducts compliance audits	No answer
<input type="checkbox"/> SAI conducts performance audits	No answer
<input type="checkbox"/> External auditors have specific expertise in national public sector accounting standards	No answer

CAPACITY DEVELOPMENT & PROFESSIONAL EDUCATION

<input type="checkbox"/> The PAO contains a unit, membership tier, or committee focused on the Government Sector	No answer
<input type="checkbox"/> Government sector accountants subject to minimum CPD requirements	Yes
<input type="checkbox"/> Standards and/or frameworks that are followed in the delivery of PSA education	CIPFA



GOVERNMENT FINANCIAL STATISTICS

<input type="checkbox"/> International GFS Guideline	No answer
<input type="checkbox"/> Reconciliation between GFS & financial statement	Yes
<input type="checkbox"/> Frequency of GFS reporting	No answer



FINANCIAL MANAGEMENT INFORMATION SYSTEMS

<input type="checkbox"/> Elements of IFMIS	Budget Preparation and Execution, Treasury Single Account, Debt Management, Accounting and Reporting, Procurement
<input type="checkbox"/> Entities' degree of autonomy	All direct budget users are connected to Treasury SAP system for budget accounting and execution
<input type="checkbox"/> IT governance standards	There is a unique accounting system in Treasury Directorate
<input type="checkbox"/> IT system used for consolidation	Manual consolidation using excel or a similar software

Mechanisms for implementation of standards & guidelines related to Public Financial Management

 Financial reporting requirements	Law, Regulation, MoF circular
 SoEs	IFRS
 CFS	Regulation
 External audit requirements	Law

Required to follow a code of conduct

 Internal auditors	Yes
 Public sector accountants	Yes

 **Transition to accrual accounting**

ACRONYMS

CIPFA	Chartered Institute of Public Finance and Accountancy
IFMIS	Integrated Financial Management Information System
SAI	Supreme Audit Institution
CFS	Consolidated Financial Statement
CPD	Continuing professional development
GFS	Government Financial Statistics
IFRS	International Financial Reporting Standards
IPSASs	International Public Sector Accounting Standards
MoF	Ministry of Finance
PAO	Professional accountancy organization
PSA	Public Sector Accounting
SoEs	State-owned Enterprises



THE PULSAR PROGRAM IS

MANAGED BY:




CFRR >>
**Centre for Financial
Reporting Reform**



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Republic of Austria
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 **Schweizerische Eidgenossenschaft
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Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO