



THE MINISTRY OF FINANCE OF MONTENEGRO

INFORMATION ON THE ACTIVITIES WHICH HAVE BEEN REALISED IN THE PROCESS OF ESTABLISHMENT OF THE DECENTRALISED IMPLEMENTATION SYSTEM FOR THE MANAGEMENT OF EU FUNDS IN MONTENEGRO

I. INTRODUCTION

The process of the establishment of Decentralised Implementation System (DIS) for the management of European Union funds in Montenegro, as an exceptionally complex task which has been put in front of the Montenegrin administration, has officially started in February 2008. with the adoption of the **Information on the establishment of the Decentralised Implementation System (DIS)**, with the Indicative Planned Framework, by the Government of Montenegro. The information contained the description of the competencies and responsibilities of the structures, entities in charge and persons appointed for different functions, whose establishment is necessary, as well as the short description of the accreditation process of the above-mentioned structures.

After the suggestions received from the European Commission (EC), as well as the technical assistance which Montenegro has received within the CARDS 2006 project "The First Steps for a Decentralised Implementation System (DIS) in Montenegro", in January 2009 the Government of Montenegro has adopted the **Information on the second phase of establishment of the Decentralised Implementation System for the management of EU funds in Montenegro**, with the relevant conclusions, and the **Action Plan for the Conferral of Management of IPA funds** with the relative activities which are to be undertaken during the year 2009, **for the IPA component I**. The conclusions which have accompanied this Information have represented the basis for further steps which have been undertaken towards the fulfillment of the goal of the overall process – the conferral of the ownership of the management of funds from EC to Montenegro.

It is important to underline that the activities, included in the above mentioned Information, are related to the IPA components I and II, which are available to Montenegro as a potential candidate country towards the membership in the European Union (EU). Funds from the remaining three IPA components will be available to Montenegro after having been awarded a candidate country status.

II Realised activities and future activities which need to be undertaken

II-1 The key DIS actors

81000 Podgorica, Stanka Dragojevića no. 2
tel: +382 20 242 835; fax: +382 20 224 450; e-mail: mf@gov.me

A mandatory requirement, for introduction of DIS, is the nomination of the main actors in this process, as has been laid down by the Law on ratification of the "Framework Agreement between the Government of Montenegro and the European Commission on the rules for the cooperation regarding the financial assistance of EC to Montenegro under the implementation of the Instrument of Pre-accession Assistance" (*Official Gazette of Montenegro, No 01/08*). In line with the Framework Agreement, as well as with the IPA Implementing Regulation of the European Commission No. 718/2007 of 12. July 2007.(in continuation: IPA IR), the Montenegrin administration should appoint the following actors and establish the following structures:

1. National IPA Coordinator – NIPAC;
2. Competent Accrediting Officer – CAO ;
3. National Authorising Officer – NAO;
4. National Fund – NF;
5. Operating Structure - OS ;
6. Audit Authority - AA;
7. Strategic Coordinator for Regional Development component and the Human Resources Development component (IPA components III and IV).

In line with the Information of February 2008, NIPAC, CAO, NAO as well as the Programme Authorising Officer – PAO have been appointed. With the Decision of the Government of Montenegro No 03-13452, dated 22. January 2009, the appointments of NAO and PAO have been confirmed, and the responsible line ministries have been given the task to appoint the Senior Programming Officers – SPO and to establish the Project Implementation Units (PIUs), which will offer the technical support to PAO in the implementation of projects under DIS.

By the *Decision of the Ministry for European Integration* No 01/01-510, dated 01.10.2009, **Mrs Ratka Sekulović**, Deputy Minister for European Integration, Sector for cross-border cooperation programmes, has been appointed as the **Coordinator for cross-border cooperation programmes**.

The **National Fund** was formally established by the adoption of the amended Rulebook on Internal Organisation and Systematization of the Ministry of Finance on 25. September 2008, as a separate unit within the Treasury Sector at the Ministry of Finance, headed by the Deputy Minister acting also as the NAO. By the Rulebook on Internal Organization and Systematization of the Ministry of Finance, in force since 01. April 2009, 4 posts are planned for the NF. One of the requests of the EC is the appointment, in the shortest period possible, of the Deputy NAO who will act, at the same time, as the Head of the National Fund.

Activities which need to be undertaken

81000 Podgorica, Stanka Dragojevića no. 2
tel: +382 20 242 835; fax: +382 20 224 450; e-mail: mf@gov.me

Because of the constitution of the new Government, establishment of new ministries, and changes regarding the persons who will carry out certain functions, after elections which took place in March 2009, it is necessary to **appoint NAO** once again, and after that it is possible to expect the appointment of the **Deputy NAO/Head of the National Fund**. Ministries have suggested **SPO officers and PIU members**, while the appointment of the SPO officers, according to the IPA IR, will be done by PAO.

II-2 Operating Structure for the IPA components I and II

According to the conclusions of the Government, dated January 2009, the **Operating Structure** for the IPA component I consists of:

1. **Ministry for European Integration** in regard to programming and overall coordination;
2. **Sector for Finance and Contracting of the EU assistance (CFCU)** acting as the Implementing Agency;
3. **SPO offices** in charge of providing technical support in programming and implementation of projects;
4. **Internal Audit Units** in all DIS bodies

On the other hand, the **Operating Structure for the IPA component II** will consist of the **Ministry for European Integration** in regard to programming and overall coordination, and the **CFCU** acting as the Implementing Agency for this component as well.

In line with the above mentioned Conclusion, and in accordance with the Rulebook on Internal Organization and Systematization of the Ministry of Finance in force since 01 April 2009, the Department for Finance and Contracting has been reorganised into the **Sector for Finance and Contracting of the EU assistance funds (CFCU)**. Head of the CFCU is PAO, who has the position of Deputy Minister.

The legal basis for the establishment of the Internal Audit Units, as a part of the Operating Structure, in the Public Sector bodies in Montenegro and therefore in all IPA bodies is the Law on the System of Internal Financial Controls in the Public Sector (*Official Gazette of Montenegro, No 73/08*), adopted by the Parliament of Montenegro on 26. November 2008. On the basis of this Law, on 01. March 2009., the Government of Montenegro has brought the Decision about the Establishment of the Internal Audit in the Public Sector (*Official Gazette of Montenegro, No 23/09*), laying down the criteria for the establishment of the internal audit in the Public Sector bodies. With this Decision, conditions have been created in order to establish the Internal Audit Units within the Public Sector subjects, i.e. all IPA bodies, as a part of the Operating Structure for the IPA component I until March 2010.

Activities which need to be undertaken

Besides the structures that have been mentioned, in accordance with the IPA IR and the Framework Agreement, the Government is obliged to establish the **Audit Authority** which shall be assigned for auditing the use of IPA funds. It was foreseen to establish the Audit Authority as integral part of the State Audit Institution (SAI). Therefore, there was a need to define, both in legislative and legal terms, the establishment of

the Audit Authority within the SAI, and for that purpose, a Draft of Memorandum of Understanding has been made between the Government of Montenegro and SAI, which should be signed between CAO, on behalf of the Government of Montenegro, and the President of the Senate of SAI. The signature of this Memorandum has been postponed because of the possibility that the Audit Authority could be established as a special unit in the Cabinet of the Prime Minister or as an independent agency, as it was suggested in the reports of the General Director for Enlargement and the General Director for Budget, following their visits in May and June 2009. After the establishment of this body, the Head of the Audit Authority shall be appointed and the staff will be employed.

II – 3 Mechanisms which define mutual competencies and responsibilities

In accordance with the Conclusion of the Government, dated 22. January 2009., and with aim of clear definition of the mutual duties associated with the given responsibilities in relation to the management, implementation and control of programmes and projects in DIS between NAO and PAO, as well as of PAO in relation to all SPOs within the IPA component I, on 06. May 2009., NAO and PAO have signed the **Implementing agreement**, whereas the signature of the **Operational agreement** between PAO and all SPOs has been planned for the period May-June 2009.

Activities which need to be undertaken

The staff changes which have followed after the parliamentary elections, held in March 2009, have imposed the need of the new signature of the Implementing Agreement and have postponed the signature of the Operational Agreements until the new appointments of NAO and SPO officers.

Within the IPA component II, although it was not planned until now by the existing Action Plan, it is necessary to establish the mechanisms which will permit the division of duties among the actors which take part in the Operating Structure for the IPA component II, in form of an Operational Agreement, which will be made and signed by the representative of the Ministry for European Integration (NIPAC office – Sector for the cross-border cooperation programmes) and PAO.

II – 4 Manual of Procedures

With the Action Plan of January 2009, the development of the IPA Manual of Procedures – MoP with the standard templates, check-lists and audit trail for the IPA component I and II is foreseen. The elaboration of this document is almost finished. It is a document which covers horizontally all IPA bodies and will represent the basis for the work of each one of them. It includes all phases of the project cycle, and contains the specialized chapters on the human resources management, procurement, financial management, irregularities, risk management etc.

Because of the importance of the practical applications of the document, and considering that it is the basis for the work of every DIS structure, experts' help has been provided through the project financed from CARDS 2006

Activities which need to be undertaken

Besides the above mentioned the Action Plan, which has been adopted in January of this year, foresees the appointment of the **Coordinator for the IPA Manual of Procedures, Risk Manager, IT Coordinator** (in CFCU and line ministries), **Irregularity Officers** (in CFCU and line ministries), **Coordinator for the Human Resources Management** etc in all IPA bodies. The assignment of these functions has also been postponed due to the need for the new appointment of DIS actors.

II-5 National Road map for the establishment of DIS in Montenegro for the component I and II, made in line with the Map of the European Commission

In May 2009, the representatives of the General Directorates of the European Commission for Enlargement, Regional Policy, Employment and Agriculture have organized a fact-finding mission in Montenegro. The main purpose of the mission was to present the final „**Road map of the European Commission for the Decentralised Management of IPA funds**“ to Montenegrin authorities, which describes, in a compact manner, the process which should lead to the achievement of the final goal, i.e. decentralised management in the context of the Pre-accession strategy and represents the guide for beneficiary countries in the development and elaboration of their national Road maps towards the Decentralised Management.

The Road map of the European Commission for the Decentralised Management of IPA funds foresees 5 phases that each country must go through, on its road towards DIS:

- **Stage 0 - Establishment of the Management and Control System** – establishment of the general framework for the IPA management and control system, in line with the goals, principles and rules laid down in the IPA IR, which is done by the Competent Accrediting Officer – CAO
- **Stage 1 – Gap assessment** – verification of the defined operating structures and procedures, including the procedures on Public Internal Financial Control, procurement procedures, as well as the assessment of the alignment of the Public Internal Financial Control with the EU requirements. The results of this assessment and the relative recommendations are included in the Gap Assessment Report.
- **Stage 2 – Gap plugging** – whose goal will be the filling of the gap between the actual and required state, on the basis of the identified weaknesses and recommendations laid down in the Gap Assessment Report. In this phase, a detailed Action Plan will be made with

clearly defined responsibilities and deadlines for the execution of the mentioned activities, as well as manuals for financial management and control procedures and manuals for audit operations.

- **Stage 3 – Compliance assessment** – engagement of an independent auditor, on behalf of the national authorities, in order to assess the capability of the established DIS structures to obtain the national accreditation. The very process is planned in such a way that CAO will conclude a contract with the chosen independent auditor who will undertake this process. The auditor, with whom the contract has been signed, will deliver the Report which will contain his opinion on the award of the national accreditation.
- **Stage 4 – National Accreditation and Submission of Application for Conferral of Management** – on the basis of a positive opinion of the independent auditor, contained in the Compliance Assessment Report, CAO shall give the accreditation to the National Fund, i.e. NAO, and NAO shall give the accreditation to the Operating Structure, i.e. PAO. After that, NAO shall submit, along with the request for the Conferral of Management of EU funds, the Accreditation Package to the EC, which will contain the documents about the accreditation of the Operating Structure, as well as all necessary additional information that European Commission might request.
- **Stage 5 – Preparation for Commission Decision** – while the previous stages represent the obligation of the beneficiary country, this stage is exclusively obligation of EC.

According to the opinion of the EC representatives, Montenegro is currently implementing Stage 0. During their visit, they pointed out the importance of having formally completed the Gap Assessment before going to the Compliance Assessment; the stage which is the most important for national accreditation. Therefore, it is planned to carry out the Gap Assessment in the last quarter of 2009, while the final report, which will contain the relevant marks and recommendations, as the basis for the implementation of the next stage, is expected in December of this year.

In line with the auditor's evaluation, the following phase (Gap Plugging) will be implemented. For the removal of all gaps which have been detected through the Gap Assessment stage, and the fulfillment of the further accreditation criteria, DIS bodies will be provided with the experts' help through the project „ Strengthening of the Management and Control System for the EU financial assistance to Montenegro“, financed from IPA 2009. Project will be related to components 1 and 2, as well as to the components 3 and 4.

On the basis of the recommendations provided by the auditors and changes which occurred in the previous period, staff and organizational above all, the Action Plan, adopted with the Information on DIS II phase, has been revised and aligned with the stages of the „EC Road map for Decentralised Management of IPA funds“. Thus created Action Plan, assumes the characteristics of the **NATIONAL ROAD MAP FOR INTRODUCTION OF DIS FOR THE IPA COMPONENT I AND II**, which has to be done as EC auditors have insisted. Considering that each stage of the Road map requires time for implementation, deadlines set up by the existing Action Plan have been postponed. It is estimated that the approximate duration of the first three stages of the Road map (establishment of the management and control system, gap assessment and gap plugging) would be from 18 to 24 months; duration of the third and fourth stage (compliance assessment and national accreditation and submission of application for conferral of management) from 4 to 6 months, while the last stage could last 5 months.

II – 6 First steps towards the establishment of the Structures for the IPA component III and IV

Considering that, on 15. December 2008., Montenegro has submitted its application for the candidate country status award , as well as the fact that this status will allow the use of funds from the remaining IPA components (III,IV,V), the procedure of the establishment of necessary structures has already begun. In line with the requests laid down in the above mentioned Framework Agreement, as well as the IPA Implementing Regulation of the European Commission, with the Decision of the Ministry for European Integration No 01-511, of 01.10.2009, Mr Aleksandar Drljevic, the Assistant to the Minister for European Integration, Sector for programming, monitoring and evaluation of the EU technical and financial assistance, has been appointed for the Strategic Coordinator for the Regional Development and Human Resources Development components (IPA III and IV).

UPDATED ACTION PLAN FOR THE CONFERRAL OF MANAGEMENT OF IPA FUNDS FOR COMPONENTS I AND II
NATIONAL ROAD MAP FOR THE INTRODUCTION OF DIS FOR IPA COMPONENTS I AND II

ACTION	DEADLINE	INSTITUTION OR PERSON RESPONSIBLE	STATUS
STAGE 0: ESTABLISHMENT OF THE FRAMEWORK FOR THE MANAGEMENT AND CONTROL SYSTEM			
1. Appointment of the persons involved in the component I and II (by position)			
1.1 Competent Accrediting Officer (CAO)	Done	Government of Montenegro	Decision of Government No: 03-2504/4
1.2 NIPAC – National IPA Coordinator:	Done	Government of Montenegro	Decision of Government No: 03-2504/3
1.3 National Authorising Officer (NAO):	October 2009	Ministry of Finance	Decision of MF No: 01-2193/1 (because of the change of the officer who acts as NAO, it is necessary to make a new appointment)
1.4 Deputy National Authorising Officer (Head of the National Fund)	October 2009	NAO	The appointment of NAO shall be followed by the appointment of the Deputy
1.5 Programme Authorising Officer (PAO):	Done	The Ministry of Finance	Decision MF No 01-2194/1
1.6 SPO officers:	October 2009	Line Ministries in cooperation with PAO, who should appoint SPOs according to the EC requests	Due to the elections which took place in March 2009, and the constitution of the new Government, as well as the new Ministries, SPOs are once again proposed by their line ministries.

2. Development and Signature of Agreements			
2.1 Implementing Agreement NAO - PAO	October 2009	NAO, PAO	Because of the change of the officer acting as NAO, it is necessary to sign the new Implementing Agreement
2.2 Operating Agreement PAO – SPO	19. October 2009	PAO and SPOs of all line ministries	Operating Agreement has been developed, but for his signature it is necessary to appoint SPOs (by PAO) which is planned to be done by the end of October 2009
2.3 Operating Agreement PAO – NIPAC office (CBC, component II)	November 2009	PAO, CBC coordinator within MEI	Development of the Operating Agreement for the component II in progress
3. Formal establishment of the Programme Implementation Units (PIUs)			
3.1 Internal systematisation of the Line ministries involved in the IPA process	December 2009	Line Ministries	Line Ministries are obliged, by the Decision of the Government, dated 22.01.2009 to foresee a Programme Implementation Unit in their systematisation
3.2 PIU staff	December 2009	Line Ministries	Line Ministries have proposed at least two officers to be employed in PIU s. Line Ministries are obliged, by the Decision of the Government, dated 22.01.2009 to foresee a Programme Implementation Unit in their systematisation
4. Formal establishment of the Internal Audit Units within IPA bodies			
4.1 Decision on the establishment of the Internal Audit	Done	CHU – Central Harmonisation Unit in the Ministry of Finance	Decision on the Establishment of the Internal Audit in the Public Sector (<i>Official Gazette of Montenegro, No 23/09-01. March 2009</i>)
4.2 Establishment of the Internal Audit Units (IAUs) within IPA Line Ministries	March 2010	Line Ministries with support of CHU of the Ministry of Finance	Based on the Decision, IAUs should be established in this period
4.3 Recruitment of the IAU staff	March 2010	Line Ministries with support of CHU of the Ministry of Finance	Based on the Decision, IAUs should be established in this period
4.4 Basic training of internal audit	Not completed	CHU	After the establishment of the IAU and staff recruitment, the training will be organised
5. Formal definition of the role of the Audit Authority (AA)			

5.1 Decision about the definition/establishment of the Audit Authority	Not completed		It is not defined whether the AA will be established within the SAI or as a special unit in the Prime Minister's Cabinet / independent agency
5.2 Recruitment of staff	Not completed	After the establishment of the AA, recruitment of staff will take place	It is not defined whether the AA will be established within the SAI or as a special unit in the Prime Minister's Cabinet / independent agency
5.3 Appointment of the Head of AA	Not completed	After the establishment of the AA, this appointment will take place	It is not defined whether the AA will be established within the SAI or as a special unit in the Prime Minister's Cabinet / independent agency
6. Staffing in all IPA bodies		All IPA bodies	After the visit of the independent auditors within the Gap Assessment stage, and their report which will be developed in December 2009, a detailed plan of the future activities will be made and the criteria will be fulfilled according to their instructions
6.1 WLA and Appraisal on necessary number of Staff	December 2009	All IPA bodies	
6.2 Recruitment of staff	Not completed	All IPA bodies	
6.3 Job descriptions	December 2009	All IPA bodies	
6.4 Training plans	December 2009	All IPA bodies	
6.5 Substitution plans	December 2009	All IPA bodies	
6.6 CVs of the staff in required format	Not completed	All IPA bodies	
6.7 Declaration of Confidentiality & Impartiality signed by the staff	Not completed	All IPA bodies	The officers already employed in IPA bodies will sign, until the 19. October 2009. godine the statements and every new employee will be obliged to sign it during the 7 days period which starts with the date of employment..
7. Development of the Manual of	MoP is a document which covers horizontally all bodies which are involved in IPA programme. It includes all phases		

Procedures (MoP) with standard templates, check-lists and audit trail; MoP should cover following matters	of the project cycle and will represent the basis for the work of every single DIS structure. MoP is made with help of experts who work on the project: "First Steps for a Decentralised Implementation System (DIS) in Montenegro", in english, which represents the version valid for EC. However, the funds for the translation of this document are expected to be provided by the end of the year from other projects.		
7.1 Generalities and Preamble	Done*	All IPA bodies	*It is necessary to translate the document developed in English
7.2 Legal basis	Done*	All IPA bodies	*It is necessary to translate the document developed in English
7.3. Institutional framework	Done*	All IPA bodies	*It is necessary to translate the document developed in English
7.4 Internal organization with organization charts	Not completed	All IPA bodies	The Model is made with the help of experts. Every IPA body should make the organization chart, but that is not possible at the moment due to the inexistence of the systematisation made in line with DIS process.
7.5 Human resources	Done*	All IPA bodies	Model is created by the above mentioned experts. Each IPA body should complete the model provided
7.6 Risk management (including development of risk management methodology and risk assessment exercise by IPA bodies)	Done*	All IPA bodies	Model is created by the above mentioned experts. Each IPA body should complete the model provided
7.7 On-the-spot checks	Done*	Mainly for CFCU, NF and the Ministry for European Integration	Model is created by the above mentioned experts. Each IPA body should complete the model provided
7.8 Communication and reporting (system)	Done*	Mainly for the Ministry for European Integration	
7.9 Financial Management	October 2009	Mainly for CFCU, NF	
7.10 Accounting	Last Quarter of 2009	Mainly for CFCU, NF	
7.11 Procurement	October 2009	Mainly for CFCU, SPO/PIU	
7.12 Irregularities reporting	Done*	All IPA bodies	Model is created by the above mentioned experts. Each IPA body should complete the model provided

7.13 Administrative issues	Done*	All IPA bodies	
7.14 Setting up of the secure IT environment and the development of the IT chapter	November 2009	Mainly for CFCU, Ministry for Information society	Due to the presence of certain technical problems, whose solving is in progress, it is not possible to set up the secure environment and develop the manual
7.15 Information, publicity and visibility	Done*	Mainly for CFCU, MEI	
7.16 Programming	Done*	Mainly for MEI, SPO	
7.17 Monitoring (Contract monitoring and project/programme monitoring)	Done*	Mainly for CFCU, MEI	
7.18 Evaluation	Done*	Mainly for CFCU, MEI	
7.19 Recording exceptions	Done*	Mainly for NAO, PAO, SPOs	
7.20 Audit and correction of weaknesses in the internal control system	October 2009	Mainly for the Ministry of Finance, internal audit	
7.21 Statement of assurance	Done*	Mainly for NAO, PAO, SPOs	
7.22 Development of the integral part of the Manual of Procedures which is specific for the cross-border cooperation – CBC (Manual for the Joint Technical Secretariat – JTS)	November 2009	Mandatory exclusively for CFCU, Ministry for European Integration – CBC sector, JTS	
8. Amendments to the secondary legislation			
8.1 Directions on State Treasury Operations	Done	Ministry of Finance	<i>(Official Gazette of Montenegro, No 80/08)</i>
8.2 Directions from NAO on irregularity reporting	Done	NAO	In line with the Framework Agreement, NAO is obliged to develop the Directions. MoP contains the chapter related to irregularities.
9.1 Description of “IPA” functions in all IPA bodies			
9.1 Risk Managers and Risk Coordinator within the National Fund	End of October 2009	CFCU, NF, Line Ministries	Appointment of Risk Manager is in progress. Decisions of Government of 22.01.2009 foresee the IPA bodies which are obliged to make this appointment

9.2 IT coordinators	October 2009	CFCU, Line Ministries	Appointment of IT coordinator in Line Ministries is in progress; until now seven LMs have appointed the IT coordinator. Decisions of Government of 22.01.2009 foresee the IPA bodies which are obliged to make this appointment
9.3 Irregularity officers	End of October 2009	CFCU, Line ministries	Decisions of Government of 22.01.2009 foresee the IPA bodies which are obliged to make this appointment. The appointment of the irregularity officers has still to take place
9.4 Manual of Procedures Coordinators	Until June 2010	All IPA bodies	The appointment of the MoP Coordinators has still to take place
10. Preparatory activities for Stage 1 – Gap Assessment (GA)			
10.1 Submission of the request to the EC for financial aid for the GA stage implementation	Done	CAO,PAO	MF letter, No 01-4270/1, of 29.05.2009
10.2 Submission of the request to the EC for GA	Done	NAO,PAO	MF letter, No 06-2105/1, of 03.07.2009
10.3 Development of the project fiche for GA	Done	EC Delegation, in consultation with PAO	
10.4 Tendering and contracting with an external auditor	Not completed	PAO, EC Delegation	This process is in the final stage.
II. STAGE 1 – GAP ASSESSMENT	The Gap Assessment stage should last until December 2009		
1. Independent audit of the gap assessment of IPA institutions			
1.1 CAO, NAO, NF			
1.2 Operating Structure for IPA 1 (CFCU, PIU, NIPAC office, IAUs)			
1.3 Operating Structure for IPA 2 (CFCU, NIPAC office, JTS, JMC – Joint Monitoring Committee)			
1.4 Audit Authority			
2. Development of reports	End November/beginning of	Auditor which undertakes the Gap Assessment	Auditor which undertakes the Gap Assessment must make two separate reports for both IPA components

	December 2009		
3. Discussion with NAO and EC on Gap Assessment Report	December 2009		Auditor which undertakes the Gap Assessment must make two separate reports for both IPA components
4. Submission of the Final Report on Gap Assessment	December 2009		Auditor which undertakes the Gap Assessment must make two separate reports for both IPA components
III STAGE 2 – GAP PLUGGING	In line with the auditor's opinion the Gap Plugging stage will be implemented, with the goal of removing the weaknesses detected in the previous stage and it usually lasts 4-10 months. It is foreseen that the stage in question should last until 01.06.2010. i.e. 5 months		
1. Development of the Action Plan for every recommendation included in GAR, with detailed timetable	January/February 2010		
2. Implementation of the Action Plan by the IPA bodies			
2.1 Improvement of the IPA Manual of Procedures, standard templates, check-lists and audit trails	Second Quarter of the 2010		
2.2 Amendments to the secondary legislation, if necessary			
2.3 Amendments to the Agreements, if necessary			
3. Additional trainings, study visits etc	By the end of May 2010		
4. Preparatory activities for Stage 3 – Compliance Assessment (CA)	By the end of May 2010		
4.1 Planning of the national funds for CA in the State Budget	Last Quarter 2009		
4.2 Development of the project fiche for CA	February 2010		
4.3 Tendering and contracting with the external auditor by MF	March-May 2010		
IV. STAGE 3 – COMPLIANCE ASSESSMENT	It is foreseen that the Compliance Assessment stage lasts from June to October 2010		
1. Independent audit assessment of the			

goal of IPA institutions			
1.1 CAO,NAO,NF			
1.2 Operating Structure for IPA 1 (CFCU, PIU, NIPAC office, IAUs)			
1.3 Operating Structure for IPA 2 (CFCU, NIPAC office, JTS, JMC)			
1.4 Audit Authority			
2. Development of the Draft of the Compliance Assessment Report (CAR) for each component.			
3. Discussion with CAO and NAO about the CAR draft			
4. Development of the Action Plan for every recommendation of the CAR, with detailed timetable			
Submission of the Final Report on the Compliance Assessment	October 2010		
V. STAGE 4 – NATIONAL ACCREDITATION BY CAO AND NAO	The National Accreditation stage should last until 01.12.2010		
1. Decision about National Accreditation of NAO and NF by CAO	Until 31.10.2010		
2. Decision about National Accreditation of the Operating Structure for IPA 1 by NAO	Until 31.10.2010		
3. Decision about National Accreditation of the Operating Structure for IPA 2 by NAO	Until 31.10.2010		
4. Preparation of documents required for the submission of applications for DIS (List of documents as laid down in the Annex to the EC Road map for Decentralised Management of IPA funds)	Until 30.11.2010		
5. Preparation of additional documents, if required by the EC	December 2010/January 2011		
VI. STAGE 5 – PREPARATION FOR THE EC	The mentioned stage depends exclusively on EC, usually lasts up to 6 months		

DECISION (Conferral of management)			
1. Preparatory activities for the audit check by the EC	December 2010/January 2011		