Pursuant to Article 15, paragraph 5 of the Law on internal financial controls in the public sector ("Official Gazette", no. 73/08, 20/11, 30/12 and 34/14), the Ministry of Finance brought

**INSTRUCTIONS ON**

**THE CONTENT ANDTHE MANNER OF REPORTING FOR FINANCIAL MANAGEMENT AND CONTROL**

1. This instruction prescribes the content of the Six Monthly and Annual Reports for the implementation of planned activities in the establishment and development of financial management and control.

2. The Six Monthly Report referred to in point 1 above requires:

* Information about the organisation; and
* Information on the implementation of planned activities in the establishment and development of financial management and control.

3. The Six Monthly Report referred to in point 1 shall be submitted on Form PGI-FMC, which is an integral part of this Rulebook.

4. The Annual Report referred to in point 1 requires:

* Information about the organisation; and completion of
* The Self-Assessment Questionnaire on financial management and control.

5. The Annual Report referred to in point 1 shall be submitted on Form GI - FMC which is an integral part of this Rulebook.

6. The Six Monthly and Annual Reports referred to in point 1 shall be submitted in writing or electronically.

7. On the day that this Rulebook comes into force this instruction shall supersede the previous instruction about the content of the Annual Report on the implementation of planned activities on the establishment and development of financial management and control. ("The official Gazette", No. 55/12).

8. The revised Rulebook comes into force eight days after publication in the "Official Gazette of Montenegro".

Number:

Podgorica, March 20, 2015.

**M I N I S T E R**

**PhD Radoje Žugić**

**FORM PGI-FMC**

**SIX MONTHLYREPORT ON THE IMPLEMENTATION OF PLANNED ACTIVITIES IN THE ESTABLISHMENT AND DEVELOPMENT OF FINANCIAL MANAGEMENT AND CONTROL FOR       YEAR**

|  |  |
| --- | --- |
| **1. INFORMATION ABOUT THE ORGANISATION** | |
| Name and surname of the head of entity: |  |
| Contact phone: |  |
| e-mail : |  |
| **2. INFORMATION ON THE IMPLEMENTATION OF PLANNED ACTIVITIES ON THE ESTABLISHMENT AND DEVELOPMENT OF FINANCIAL MANAGEMENT AND CONTROL** | |
| 1. Provide the name and the title of the person responsible for the establishment, implementation and development of financial management and control. |  |
| 2. State the mission and key objectives of your organisation. |  |
| 3. How do you follow realization of defined objectives? |  |
| 4. Please provide 3 main achievements within your subject during reporting period. |  |
| 5. Provide 3 main risks within your subject. |  |
| 6. Explain how did you react on risks during implementation period ( by accepting, mitigating or avoiding risks)? |  |
| 7. Provide the internal act that formally define the responsibility and authority for each manager. |  |
| 8. Have the heads of organizational units been given authorizations for managing budget funds. |  |
| 9. Has your organisation adopted a plan for continued implementation and development of financial management and control? |  |
| 10. Specify the number of adopted internal rules and procedures. |  |
| 11. Do the procedures include all the steps (including the audit trail) for the effective functioning of business processes? |  |
| 12. Specify the activities that you have started in the implementation of the risk management process. |  |

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| *----------------------------------------------------------------*  *Signature of the person who prepared the report*  ----------------------------------------------------------------    Signature of the Head of the Organisation |

**FORM GI-FMC**

**ANNUAL REPORT ON THE IMPLEMENTATION OF PLANNED ACTIVITIES IN THE ESTABLISHMENT AND DEVELOPMENT OF FINANCIAL MANAGEMENT AND CONTROL**

for       year

|  |  |
| --- | --- |
| **INFORMATION ABOUT THE ORGANISATION** | |
|  |  |
| Name of the person responsible for the establishment, implementation and development of financial management and control: |  |
| Ph. number: |  |
| e-mail: |  |

**SELF-ASSESSMENT QUESTIONNAIRE ON FINANCIAL MANAGEMENT AND CONTROL**

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| --- | --- | --- | --- |
| **QUESTIONNAIRE** | **YES/**  **NO** | **If the answer is Yes, describe how it is achieved** | **Reference to documents**  **Please, provide evidence for each answer**  **Name and number of act** |
| **Control environment** | | | |
| 1. Has the entity adopted an ethical Code of Conduct adapted to its specific circumstances? |  |  |  |
| 2. Is procedure of familiarising staff with the Code of Ethics respected? |  |  |  |
| 3. Did the subject is define mission, and key objectives? |  |  |  |
| 4. Are all employees familiar with the organisation’s mission and objectives? |  |  |  |
| 5. Do you have an rulebook on internal organization and systematization? |  |  |  |
| 6. Do you have an internal act which lays down the responsibility and authority for each manager? |  |  |  |
| 7. Is there personnel policy for the recruitment of suitable staff? |  |  |  |
| 8. Is there an annual evaluation of all employees? |  |  |  |
| 9. Is there a plan for training of all employees? |  |  |  |
| 10. Are all the employees provided with professional training? |  |  |  |
| 11. Do managers attend trainings on techniques and skills of managing? |  |  |  |
| 12.Do the managers attend trainings on financial, accounting and budget processes? |  |  |  |
| 13.Are the heads of organizational units included in budget planning and allocation of approved funds/ in which manner: participated in preparation, they were consulted or they were not included? |  |  |  |
| 14. Do you have adopted plan for establishement of financial management and control for reporting period? |  |  |  |
| **RISK MANAGEMENT** | | | |
| 1. Are the heads of the organizational units involved in the process of identifying risks? |  |  |  |
| 2. Do you have risk register? |  |  |  |
| 3. Please specify 3 main risks within your subject? |  |  |  |
| 4. Explain how did you react on risks during implementation period ( by accepting, transferring, mitigating or avoiding risks)? |  |  |  |
|  |  |  |  |
| 5. Is the risk register updated regularly? |  |  |  |
| 6. Do you prepare reports about the risks? |  |  |  |
| 7. Do employees attend trainings in area of risk management? |  |  |  |
| **CONTROL ACTIVITIES** | | | |
| 1. Do you have adopted Book of procedures with operational written instructions and determined responsibilities for main business processes? |  |  |  |
| 2. Do procedures consist of all steps (audit trail) for effective functioning of business processes? |  |  |  |
| 3. Do you have procedure which determines reporting of subjects which you supervise? |  |  |  |
| 4. Are different staff involved in the verification of documents and to authorise or approve the disbursement of funds and recording of business transactions? |  |  |  |
| 5. Are all procurements during year recorded at the time of procurment? |  |  |  |
| 6. Is there an annual stock check to verify the accuracy of the asset register and identify discrepancies? |  |  |  |
| 7. Are the entity’s assets protected against unauthorised access and use? |  |  |  |
| 8. What new procedures will be prepared and adopted in the next year? |  |  |  |
| **INFORMATION AND COMMUNICATION** | | | |
| 1.Do employees receive clear and precise guidelines and instructions for tasks? |  |  |  |
| 2. Does the head of the entity receive timely adequate information for making decisions? |  |  |  |
| 3. Do the heads of organizational units , after budget adoption, receive information on funds for realization objectives within their competences for current year? |  |  |  |
| 4. Do the heads of organizational units before making obligations check available funds for that purpose? |  |  |  |
| 5.Do the heads of organizational units have information on liabilities and budget execution? |  |  |  |
| 6. Do the heads of organizational units prepare financial reports on realization of objectives? |  |  |  |
| 7. Are prepared reports analyzed and on which way? |  |  |  |
| 8. Is there a system for reporting errors, irregularities, misuse of funds, fraud or unauthorised activities? |  |  |  |
| **MONITORING AND ASSESSMENT** | | | |
| 1 Do FMC manager report to head of subject about state and development of financial management and control system and on which way? |  |  |  |
| 2. Is the plan for establishement of financial management and control regularly updated? |  |  |  |
| 3. Are the employees allowed to give suggestions and recommendations for improvement system of internal controls? |  |  |  |
| 4. In which manner are the heads familiar with importance and role of internal audit in order to develop internal controls? |  |  |  |
| 5. Are the internal audit recommendations implemented? Provide the number of accepted recommendations and average days of their implementation? |  |  |  |
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| -----------------------------------------------------------------------  Signature of person who completed the questionnaire  -------------------------------------------------------  Signature of Head of the Organisation |