

Healthy Finances: Strengthening Montenegro's auditing ability

Founded in 2004, Montenegro's State Audit Institution has introduced sound reforms to the country's financial system, raising trust in the public sector. However, progress has been slow in providing the institution's staff with the necessary training to actually carry out the audits effectively. Montenegro's official status as an EU candidate country has increased the pressure for progress in this area.

Through the project 'Strengthening Audit Structures in Montenegro', the European Union provided essential training, coaching and study visits, helping the Montenegro's State Audit Institution to function as a proficient auditor. An independent Audit Authority was also set up, guaranteeing the effective audit of EU funds by the Montenegrin authorities.

With the help of its counterparts in various EU Member States, the institution's employees have improved and streamlined their day-to-day business operations, as the trainings and mentoring sessions have served to raise the level of accountability of State Auditors. "We were always pointed towards more than one possible solution to any given problem, and then helped to find and apply the best solution," adds Dr Milan Dabovič, a member of the Senate of the State Audit Institution.

REAL PROGRESS, REAL FAST

In order to help the institution with providing higher quality services, the EU project focused on transferring know-how, improving the organisational structure and developing practical tools together with the Montenegrin State Auditors.

The internal audit manual, a common source of reference which enables State Auditors to support the development of internal audit, is one concrete example,

as it adds value to the auditors' work and helps to improve the delivery of public services.

Moreover, in order to achieve planned goals with minimum investment funds, a department which monitors the efficiency of the audits has been set up, and a strategic development plan has been prepared in order to improve the comprehensive functioning of the team. "Overall, the project has greatly helped us to introduce best practices for state audits," maintains Mr Miroslav Ivanišević, President of the institution's Senate.



Instrument for Pre-accession Assistance (IPA)

Montenegro

IPA – AN INVESTMENT IN EUROPE. AN INVESTMENT IN PUBLIC ADMINISTRATION REFORM.

Meanwhile, the Audit Authority is now regularly verifying and monitoring the management of EU funds, adopting methods that are in line with EU requirements. The authority is also cooperating within a network of similar bodies that have been established across the Western Balkans under the project.

A functioning audit identifies areas where improvements in financial management are needed in order to secure the appropriate and transparent use of resources.

PROJECT DETAILS –

Strengthening Audit Structures in Montenegro

Partners:

State Audit Institution in Montenegro
Audit Authority of the Republic of Montenegro

Total cost in €: 850,000

EU Contribution in €: 800,000 (94.1%)

Start date: May 2010

End date: June 2012

Results: Strategic Development Plan in place,
Performance Audit developed,
Audit Authority established,
Better organisational structure

Techniques: Training, coaching,
mentoring, study visits, shadowing,
meetings and discussions

