

## Acronyms and Abbreviations

IPA	Instrument for Pre-Accession Assistance
AFCOS	Anti-Fraud Coordination Service
BC	Beneficiary Country
CFCU	Department for Contracting and Financing of EU Funded Projects
CHU	Central Harmonisation Unit
COSO	The Committee of Sponsoring Organizations of the Treadway Commission
DG Budget	Directorate-General for Budget
DM	Decentralised Management
EC	European Commission
ERP	Economic Reform Programme
EU	European Union
FMC	Financial Management and Control
IA	Internal Audit
IIA	Institute of Internal Auditors
LSG	Local Self-Government
MA	Managerial Accountability
MoF	Ministry of Finance
MS	Member State
NPAA	National Programme for the Adoption of the acquis
NPI	National Program for Integration
OLAF	European Anti-fraud Office
OSIO	Obligatory Social Insurance Organisations
PAO	Programme Authorising Officer
PAR	Public Administration Reform
PE	Public Enterprise
PEFA	Public Expenditure and Financial Accountability
PFM RP	Public Finance Management Reform Programme
PIFC	Public Internal Financial Control
PL	Project Leader
PLAC	Policy and Legal Advice Centre
PP	Public Procurement
RTA	Resident Twinning Adviser
SAA	Stabilisation and Association Agreement
SCTM	Standing Conference of Towns and Municipalities
SECO	Sector Civil Society Organisation
SPO	Senior Programme Officer
STE	Short-Term Experts
TwF	Twinning Fiche

<b>ANNEX C1</b> <b>STANDARD TWINNING PROJECT FICHE</b>
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**1. Basic Information**

- 1.1 Publication notice reference: EuropeAid/ 138-374/ID/ACT/RS
- 1.2 Programme: National program for Serbia under the IPA – Transition Assistance and Institution Building Component for the year 2013
- 1.2 Twinning Number: SR 13 IPA FI 01 16
- 1.3 Title: Support to Further Development of Public Internal Financial Control (PIFC)
- 1.4 Sector: Public Administration Reform
- 1.5 Beneficiary country: Republic of Serbia

**2. Objectives****2.1 Overall objective:**

The overall objective of IPA sector support for 2013 is to have modern and efficient public finance management processes at all government levels, expressed in a more transparent use and savings of public resources of the Republic of Serbia.

**2.2 Project purpose:**

The purpose of this contract is to support improvement/modernisation of management of public finance system in Serbia with focus on PIFC and ensure systemic rollout of consolidated PIFC methodologies and procedures throughout public sector in line with applicable international standards and best EU practices.

**2.3 Contribution to National Development Plan/Cooperation agreement/Association Agreement/Action Plan:****Link with the Negotiating Position for Chapter 32**

National programme for the adoption of the EU *acquis* indicates that, according to the Negotiating Position, the Republic of Serbia will negotiate on the Chapter 32 and will be guided in the continuation of the process of alignment of the legislation with the *acquis* and in application of NPAA.

Negotiating Position for Chapter 32 has been submitted in August 2014 and negotiation was launched in December 2015. Even though the chapter was opened there are still issues that need to be tackled, namely: full implementation of control

management; further alignment of the PIFC with the international standards; adoption and implementation of the new PIFC strategy; strengthening the capacities of State Audit Institution, joining the Convention on the protection of the financial interests of the EU; adoption of the Strategy for the fight against fraud; sign the agreement with OLAF and ratification of the 1929. International Convention for combating the currency counterfeiting. The EU Common Position for Chapter 32: Financial Control states the following:

“The EU notes that Serbia has a PIFC strategy for the period 2009-14 in place. The EU further notes that the new public administration reform strategy from January 2014 covers PIFC to a certain extent. The EU welcomes Serbia's plans to ensure that the new PIFC strategy for the period 2015-19 and its action plan will be fully embedded in a wider public financial management reform programme. The EU invites Serbia to provide information on the revision of the PIFC strategy and the new action plans and their implementation on a regular basis.

The EU notes that the legal framework for PIFC is largely in place. The EU takes note of Serbia's plans to ensure the coherency of the legal framework by introducing amendments to the Budget System Law by the end of 2014 as well as to implementing legislation and the financial management and control and internal audit manuals by the end of 2016. The EU welcomes Serbia's plans to translate the managerial accountability principle more effectively into implementing legislation. In this context, the EU also welcomes Serbia's plans to effectively regulate irregularity management, which is an integral part of the managerial responsibility of the head of the budget user. The EU takes note of Serbia's plans to regulate the centralised budget inspection in line with the PIFC requirements by the end of 2015. The EU invites Serbia to ensure the necessary human resources and administrative capacity for the centralised budget inspection function.

As concerns the Central Harmonisation Unit (CHU), the EU takes note of Serbia's plans to conduct a gap assessment of the CHU's institutional and operational capacity in the short-term. The EU further takes note of Serbia's plans to reinforce the CHU's role as part of the new PIFC strategy, enabling the CHU to implement its core functions more proactively. The EU specifically welcomes the plans to transfer by the end of 2016 the responsibility for the organisation of training from the CHU to government bodies responsible for civil service training, while keeping the CHU responsible for the development of the training curricula. The EU recalls the importance of a more effective annual reporting by the CHU to the government on the implementation of PIFC, including concrete proposals to the government for corrective measures, and a more effective follow-up to government recommendations. The EU invites Serbia to provide regular updates on the follow-up to government recommendations. The EU stresses the need to ensure sufficient administrative capacity of the CHU.

The EU notes that the implementation of financial management and control is still at an early stage and that the management accountability principle is not yet fully embedded in the public sector management culture. The EU welcomes Serbia's plans

to ensure that irregularity management is properly incorporated and actively implemented in the public administration. The EU further welcomes Serbia's plans to develop risk management and to ensure its systematic application in practice. The EU underlines that Serbia needs to take active and continuous measures to ensure that the principle of managerial accountability will be fully embedded in the management culture, such that managers perceive internal procedures, controls, audit trails, risk registers and risk management as a necessary basis for improving organisational governance, including the management of public funds according to the sound financial management principle.

The EU takes note of Serbia's plans to improve both the quality and independence of internal audit through external peer reviews and awareness-raising among senior management. The EU recalls the importance of ensuring both the independence of internal auditors and the sufficient staffing levels in internal audit units. The EU underlines the need to improve the quality of internal audit training and certification, including possibilities for international certification, and to gradually ensure sufficient funding for it through the national funds.

The EU further underlines the importance of a regular exchange of information between the EU and Serbia on the basis of the relevant administrative agreements.”<sup>1</sup>

In period 2015 - 2018, the Ministry of Finance will work on enhancement of the programme budget, on improvement of indicator and establishment of monitoring and evaluation systems. For the purpose of further improvement of the budget process, and in accordance with the Law on Budget System, the aim is to introduce the programme budget or all beneficiaries of the budget resources.

### **Link with SAA**

The Article 92 of the Stabilisation and Association Agreement between the EU and Serbia refers to prioritizing of certain areas related to the *acquis* particularly in the fields of public internal financial control (PIFC) and external audit. With respect to SAA, the aim of Serbia is to develop transparent, efficient and economic PIFC (including financial management and control and functionally independent internal audit) and independent external audit systems, in accordance with internationally accepted standards and methodologies and EU best practices.

### **Link with Progress Report 2015**

Serbia Progress Report for 2015 emphasises that Serbia is moderately prepared in

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<sup>1</sup> Accession Document: European Union Common Position, Chapter 32: Financial Control, Conference on the Accession to the EU – Serbia, Brussels, Belgium, 3 December 2015.

chapter 32 – Financial control. Good progress was achieved in the past year, especially in external audit and protection of the EU’s financial interests. However, managerial accountability principle is not yet fully embedded in the management culture and responsibilities are not delegated. Significant efforts are needed to implement public internal financial control (PIFC) at all levels of administration and in state-owned enterprises. In the coming year, Serbia should in particular:

- Improve implementing legislation for PIFC in line with the international standards;
- Adopt and start implementing the new PIFC strategy and systematically ensure
- Implementation of the government's recommendations on the annual report on PIFC.

**Link with Indicative Strategy Paper for Serbia (2014-2020):**

The Indicative Strategy Paper for Serbia (2014-2020) stresses the necessity for adoption of comprehensive and sequenced public financial management reform strategy and an action plan, which would cover all the public finance systems at all levels. Despite the fact that structures for public internal financial control (PIFC) have been established, there is still a lack of practical implementation, particularly of the concept of managerial accountability. Furthermore, the Centralised budget inspection in line with PIFC remains to be established, whereas anti-fraud coordination structures are in the process of being established.

The main objective that is pointed out in the Indicative Strategy Paper is to support Serbia on its way to public financial management reform, in order to put in place a sound system of public financial internal control at all levels. Therefore, assistance for Serbia will be provided for implementation of a public financial management reform programme, which should cover all the relevant sub-systems in a comprehensive manner.

**Link with Economic Reform Programme ERP for 2015 (2016 – 2018):**

Serbia’s comprehensive strategy paper ERP for 2015, which covers 15 priority structural reform measures, states that efforts within different sub-systems of public finance management (PFM) are included in the Programme of Public Finance Management Reform 2016-2020 (the RPFM programme). The objective of the RPFM Programme is to provide a comprehensive and integrated framework for the planning, coordination, implementation and monitoring of progress in the implementation of sustainable activities in order to improve macroeconomic stability, ensure efficient and appropriate allocation and use of public resources for the achievement of national priorities and improve services provided by the public administration in the Republic of Serbia, while increasing transparency and the overall functionality of the public finance management, and the fulfilment of the necessary requirements for accession to the European Union (EU). Also, a draft strategy for the development of internal financial controls in the public sector covering the period 2015 to 2019 has been prepared.

### **Link with Public Administration Reform Strategy – PAR (2015 – 2017)**

The result of the Measure 3.3 under the PAR Strategy envisaged the adoption of the medium-term framework for implementation of the PIFC strategy.

PAR Strategy and accompanying action plan document envisage key measures as follows:

- The burning issue that has to be solved immediately is the adoption of a new Strategy the development of public internal financial control that encompasses the period 2015 - 2019, in consultation with the public key budget users and the European Commission.
- Assessment of professional, administrative and institutional capacity of the Ministry of Finance to ensure full functionalities of Internal Control and Internal Audit Department in order to continue with the implementation of the activities of CHU.
- Legal framework enhancement in terms of FMC so as to improve the control environment for strengthening managerial accountability.
- Transfer of accountability regarding administrative tasks related to the organization of trainings on financial management and control to the Public human resource management service.
- Improving the coordination and implementation of operational activities of the CHU.
- Defining the concept of irregularities by the Regulation on financial management control which will represent the appropriate framework for the irregularity management.

### **Public Finance Management Reform Programme - PFM RP (2016 – 2020)**

Reflecting on the state of play in PFM, as part of the PAR Strategy, the SIGMA PFM Report for 2015 states mild progress against the 16 Principles of PFM, highlighting weak commitment on the transparency of the national Budget for 2015, a lack of a new policy plan for developing Public Internal Financial Control (PIFC) in the coming period, a low awareness of the importance of Internal Audit within Public fund beneficiaries, a low percentage of implemented recommendations given by the State Audit Institution in the published Annual Audit Reports for 2013, some discrepancies in the regulatory framework for Public Procurement, even though largely aligned with

the acquis, as well as lower quality performance of the Public Procurement Office due to an excessive number of obligations assigned to the Office.

Furthermore, the PFM RP states that current situation regarding the managerial accountability (MA) as a legal obligation of managers of all level in all public fund beneficiary institutions to execute their tasks and responsibilities in a lawful manner observing the principles of efficiency, effectiveness, and transparency, and to report on actions. Conversely, to be considered accountable, public sector managers need to be granted greater authority and flexibility over management of budget resources on the level of budgetary beneficiaries. This will be challenging under the detailed level of current budgetary control over inputs. Introduction of managerial accountability will imply a shift in focus from control of budget allocation to a focus on budget management and improved public service delivery.

While overall progress has been acknowledged in the area of financial control, considerable efforts are still required for the full implementation of Public Internal Financial Control. A new PIFC Strategy for the period 2016 - 2019 needs to be adopted and the Anti-Fraud Coordination Service (AFCOS) needs to be fully operational.

In general, the Republic of Serbia has made slow but steady progress in implementing Public Internal Financial Control that is plugged in line with COSO framework. This is primarily reflected in a comprehensive legislative framework which is largely aligned with best European practices. Nevertheless, the EC Screening Report on Chapter 32 - Financial Control calls for improvements of the implementing PIFC legislation by strengthening the links with the Budget System Law and making the managerial accountability further operational in practice.

Furthermore, Managerial Accountability will be further elaborated as part of the amendments to the Financial Management and control (FMC) Rulebook and FMC Manual in order to clarify and clearly reflect the role of FMC across the five COSO components to ensure a systematic approach in implementing internal control across the Serbian administration.

The principal focus of the Department for Internal Control and Internal Audit at the Ministry of Finance (the Central Harmonization Unit - CHU) has been on improving the Control Environment by setting up the legislative framework, issuing methodological guidance and providing on the spot training to high and operating-level FMC with regards to improving and enforcing Control activities. In accordance with the new Rulebook on Internal Organization and Systematization of Job Positions in the Ministry of Finance from February 2016, the CHU has systemized 10 job positions, out of which are 2 vacant positions.

Notwithstanding the evident benefits, the CHU should realign its focus in order to become the "strategic driver" for improving and developing the FMC and IA systems. In order to do so, the CHU needs to optimize the current focus on training and move

towards issues of networking and coordination, assessing the quality of FMC and IA systems and identification of systemic issues, and working with different counterparts in addressing those.

The development of PIFC is closely interdependent with developments in the budget system and overall of the Public Administration Reform. With the introduction of program budgeting, the practice promoted under the PIFC concept will need to expand from ensuring fiscal discipline and compliance into areas of efficiency and effectiveness. The PAR Strategy likewise encompasses a number of areas that will further shape the control environment for description.

### **3. Description**

#### **3.1 Background and justification:**

Activities related to work and improvements of capacities within institutions in charge of internal financial control have been gradually intensifying over the past several years.

The latest Strategy of Public Internal Financial Control (PIFC) for 2009-2013 in the Public Sector was adopted by the Government in 2009 in accordance with the NPI and as a tool for alignment with requirements of the *aquis* Chapter 32 in the area of PIFC. This strategy presented the key elements of the existing systems at that time and outlined a long-term plan for introduction and development of a comprehensive and efficient PIFC system leading towards prudent management of public resources, regardless of their source.

New PIFC Strategy (2016-2020) is in the drafting process and will be produced by the end of 3rd quarter of 2016 and adopted by newly formed Serbian Government. The Action plan associated with the Strategy encompasses the period by the end of the second quarter of 2016 and will be adopted in line with the Strategy.

As defined in the Sector fiche, adoption of the new PIFC Strategy and Action Plan for the period 2016-2020 is a necessary pre-condition for the implementation of the activities envisaged under the respective measure under this twinning fiche.

In the overall assessment of the PIFC system, it is observed that largely the Internal Audit has been the main focus of PIFC development in Serbia and notably on the central level, while in addition to this aspect much more weight has to be given to encouraging the managerial accountability underpinned by financial management and control systems. This translates into necessity to broaden the outreach of internal audits on local-level institutions as well as to further strengthen the CHU which develops respective methodologies and standards and to increase its cooperation with organisations responsible for overall PA and civil service reforms in order to root the concept of managerial accountability.

The core efforts in support for further development of PIFC system are to be concentrated on emphasizing the FMC usefulness and its incorporation in the practice of institutions of the public sector as this proved to be the greatest challenge so far. The support activities are to be invested principally in rising coherent implementation of financial management and control (FMC), including managerial accountability, further development of the system of internal auditing (with continual training and education and development PIFC in Territorial Autonomy and local self-government), and further strengthening of the central harmonization function (CHU) in networking with all PIFC stakeholders. Strengthening capacities for a more effective implementation of PIFC at all government levels (including local self-government) is needed once the new policy framework (PIFC Strategy and its action plan for the period 2016-2020) will enter into effect.

Another challenge for the new phase of PIFC reforms in Serbia concerns expansion of the coverage of audited institutions/organizations towards local-level administration and public enterprises, which are also required to perform in accordance with FMC principles. The CHU is expected to fulfil a demanding role in ensuring such outreach and standardization as a precondition for effective decentralization both horizontally (on the central level) and vertically (towards local self-government units/LSGs and public enterprises/PPs). This will only be possible with adapting a more proactive approach by the CHU to networking and promoting PIFC through presence in the field and discussions with other stakeholders, including the clear profiling within other strategic documents (such is the PAR Strategy). It is therefore seen that an uninterrupted support by the EU, including the assistance in the scope of IPA 2013, is crucial for ensuring sufficient leverage in the new phase of PIFC expansion and reform.

### **3.2 Linked activities:**

In August 2013, the third phase which started 7 March 2011 of EU funded project "Support to the development of PIFC" – IPA 2008 has been completed, marking a decade of development efforts in this area. This has resulted in visible impact on the central-level institutions, although the results are uneven. Fostering of all the pillars of the effective and efficient PIFC system (FMC – as a basis for implementation of the managerial accountability concept; functionally independent and decentralised Internal Audit; and the CHU – Central Harmonization Unit responsible for preparation and promotion of internal control and internal audit methodologies in accordance with internationally accepted standards and best practices) is clearly the responsibility of national institutions, currently undergoing preparations for negotiations with the EC on Chapter 32 (Financial Control). The upcoming negotiations and the candidate status itself are bringing about a more stringent type of scrutiny on the progress achieved and a more pressure to consolidate the approach with the reform steps ahead.

The 2014 PLAC project (Policy and Legal Advice Centre) funded by the European Union, was launched to support the CHU and public sector in terms of introducing the best practices and approaches in development of strategic planning, the linkage between strategic planning and risk management and development of coordination role of the Finance and Budget Departments in budgetary organisations in order to support

managers in accepting their managerial accountability. CHU already finished one of the segments within the PLAC project support, related to Risk management. CHU already provided Risk management training to Central level internal auditors and to line management of MOF.

Further development of the PIFC system shall be conducted in line with findings and recommendations of relevant assessments (notably EC and SIGMA reports), and also based on the experiences gained in previous period, when the total of 36 consolidated annual reports (2009, 2010, 2011, 2012, 2013 and 2014) were published, and relying on a solid base of knowledge rooted with the competent institutions. The new PIFC Strategy should bring more into focus the mechanisms for monitoring and follow-up on findings and recommendations outlined in consolidated annual reports of the CHU on the state of play of PIFC in Serbia. Due attention will also have to be paid to the interaction and collaboration of the CHU with other institutions competent for different types of audits, inspections, monitoring in public sector and legal proceedings and actions arising from such controls (such as - external audit, budgetary inspection, PP, etc.), all with the view of achieving systemic changes and improvements in transparency and accountability in public sector.

Furthermore, legislative basis for reinforcing of the PIFC has recently been improved with the adjustment of notion/definition of managerial accountability in the Budget System Law (as amended in December 2014) and is now more consistent with relevant by-laws as well as with the requirements of DG Budget, which provides for more manoeuvring space for insisting on incorporation of this approach in everyday practice of institutions of public sector.

In order to strengthen cooperation in the area of financial management and internal control a closer interaction has been established between the Central Harmonization Unit (CHU) and the SAI in the format of cooperation which is closely monitored and supported by SIGMA. Likewise, the CHU has established cooperation with the Association of Internal Auditors of Serbia, the branch office of the Institute of Internal Auditors (IIA).

Scrutinized control system of public expenditures in future period is seen as one of the main objectives of the Fiscal Strategy for 2015 including projections for 2016 and 2017. The Strategy stresses that the focus will be on efficient public internal financial control. Subsequently, the key issue will be the further development of public internal financial control, especially regarding the introduction of financial management and control across the public sector and the implementation of internal audit in all central and local level sub-systems. Additionally, the key performance priority will be functional improvements of the budget inspection in terms of financial management and control system of the public sector.

### 3.3 Results:

#### **Result 1: Improved level of managerial accountability – financial and management control**

Managers of all levels in both public income and spending centres should be accountable for the activities they carry out - not only in operational but also in financial management and control policies. The first level of control should be at the level of the manager/spender. This means that each public manager is responsible for establishing and maintaining adequate financial management and control (FMC) systems to carry out the tasks of planning, programming, budgeting, accounting, controlling, reporting, archiving and monitoring.

Measurable indicators:

- Increase in the number of submitted reports on FMC on annual level (to be compared against the number of submitted reports for the previous year);
- Increase in % of the number of public funds' beneficiaries that have established a system of FMC by the end of the project implementation period in comparison to the number in the baseline year<sup>2</sup>;
- One compliance assessment of FMC per year in minimum 20 public funds' beneficiaries successfully implemented.

#### **Result 2: Improved independent internal audit function**

Budget and spending centres should be equipped with functionally independent internal auditors in order to support management through the provision of objective assessments and recommendations for improvement of the internal control systems in place.

It can be indicated that the twinning should also dedicate some resources/activities towards analysis on how best practices from EU funds management can be rolled out to national budget users (e.g. as a compendium of recommendations and plan for the implementation of corresponding actions). Namely, in the several recent years, significant resources have been invested in the establishment of the system for decentralised management (DM) of EU funds (IPA) in the Republic of Serbia. This provides for a great opportunity to compare national procedures and the functioning of PIFC with the DM environment, and to possibly “import” into national procedures of

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<sup>2</sup> The CHU disposes of gender sensitive statistics when it comes to data on certified internal auditors. Presently there are 112 women (67%) and 67 men (33%) among certified internal auditors. This type of statistics is annually updated and trends on gender representation monitored.

financial controls good and applicable elements of the system tailored for the EU funds (e.g. to look into the good practice, manuals, checklists of DM; to inspire the upgrading of manuals, checklists, etc. for budget beneficiaries, obviously by adjusting it to national rules). Apart from this the good practices of the other member states should be addressed and potentially incorporated in the national system.

Measurable indicators:

- Increase of the number of certified internal auditors on annual level;
- Training roadmap for IA elaborated and implemented.

### **Result 3: The position of Central Harmonisation Unit strengthened**

Given the length of time required to fully implement PIFC and the scope of the task of harmonising the approach across all levels of government, it is vital to have in place central structure – referred to as the Central Harmonisation Unit (CHU) – that is empowered to manage the development of PIFC. Since the CHU is responsible for developing and promoting internal control and audit methodologies on the basis of internationally accepted standards and best practice and for coordinating the implementation of new legislation on managerial accountability (financial management and control systems) and internal audit, certain improvements must be conducted.

It is important to bear in mind that throughout public service procedures for public procurement, contracting and payments are important features to any budget management manual. When such manuals are developed by budget users, the mentioned elements need to fit the Public Procurement (PP) Law. Thus, there is a strong link between efforts of the CHU in helping budget beneficiaries to develop good quality manuals and the requirements defined under PP regulations. This is why the synergy has to be ensured in actual implementation through coordination of the twinning under the Measure 1.1 and the technical assistance for the PP envisaged within the scope of Measure 2 of the Sector Fiche for the Public Administration Reform IPA 2013.

Measurable indicators:

- Improved relevant legal acts from the area of PIFC (laws, by-laws, rulebooks, charters, etc.);
- Programme for development of skills and instruments for CHU for networking and promotion of PIFC successfully implemented.

At least two major visibility events will be organized in the course of the implementation of the project; Kick-off meeting at the start of the implementation and the Final meeting at the end of the implementation of the project activities.

The MS will propose additional visibility actions as stand alone or associated with training workshops etc. as may be deemed appropriate.

### **3.4 Activities:**

**The activities listed below represent the minimum activities to be implemented in the course of the Twinning project. Member State(s) may propose additional activities in line with the methodology elaborated in its proposal.**

#### **Activities<sup>3</sup> to achieve the Result 1:**

- Develop and implement detailed plan and organisational models for systemic introduction and implementation of FMC in the public funds' beneficiaries
- Carrying out a pilot exercise with public funds' beneficiaries to define exactly how FMC should be implemented and what impact it would have on managerial structures, budgets, information requirements and reporting arrangements
- Further trainings and consultations for public funds' beneficiaries on their responsibility in disposing with public funds and causality between efficiency and effectiveness of related spending and achievements
- Providing trainings and on-the-spot assistance in risk management and audit trails in the public funds' beneficiaries
- Organizing extensive managerial accountability trainings and workshops for public funds' beneficiaries
- Exercising compliance assessments of FMC in public funds' beneficiaries
- Trainings/workshops on Self-Assessment Questionnaires for public funds' beneficiaries with the aim of improving their capability to respond to them.

#### **Activities to achieve the Result 2:**

- Preparation and implementation of the programme for further decentralisation, independence and objectivity of Internal Audit (IA) function in the public funds' beneficiaries
- On-the spot support to improving the quality of performance and reporting in IA
- Elaboration and implementation of a training roadmap for IA
- Support to certification process of new internal auditors (this activity should help overcome the risk of the mismatch between the volume of candidates' interest for certification and the actual frequency of certification)
- Performing mentoring sessions and pilot audits in a manner of advanced training – certified auditors working in pair with experts

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<sup>3</sup> Given that the new Strategy on PIFC (2016-2020) has not yet been adopted, specific activities cannot be outlined at this point. However, preliminary outline of the basic groups of indicative activities to be undertaken within the scope of the Twinning is presented

### **Activities to achieve Result 3:**

- Prepare and implement the programme for further evolution of the CHU as the standard-setting body
- Prepare and implement the programme for development of skills and instruments for CHU for greater networking and promoting PIFC throughout public funds' beneficiaries
- Strengthening of the CHU role in monitoring and the follow-up activities deriving from annual consolidated reports and provision of recommendations for PIFC subjects (public funds' beneficiaries)
- Support for the CHU with further normative activities (possible modifications of relevant legal acts and elaboration/adaptation of by-laws, rulebooks, charters, etc.)
- Defining and implementing networking and promotion/visibility activities related to PIFC

### **3.5 Means / Input from the MS Partner Administration:**

The project will be implemented in the form of a Twinning contract between the beneficiary country – Serbia and EU Member State(s). The implementation of the project requires one Project Leader (PL) with responsibility for the overall coordination of project activities, one Resident Twinning Adviser (RTA) to manage project activities and the pool of short-term experts to provide support to the project leader and RTA in specific fields.

#### **3.5.1 Profile and tasks of the Project Leader**

Project Leader should be a high ranking senior official from the respective MS body and is expected to devote a minimum of 3 days per month to the project in his/her home administration with an on-site visit at least every 3 months.

#### PL tasks:

- Overall management and coordination of the project with MS, beneficiary institutions, other partners and stakeholders
- Project reporting
- Ensuring backstopping and financial management of the project in the MS
- Ensuring timely, effective and efficient implementation of the project and achievement of results, through proposed activities
- Coordination of deployment of short-term experts
- Coordination (with the MS RTA) of the Project Steering Committee meetings
- Participation at the Steering Committee meetings (every three months)
- Assuring compatibility with EU requirements

#### Profile of the Project Leader

Requirements:

#### Qualifications and skills:

- University degree in Law, Public Finance, Economics, Public administration or Business Administration (where a university degree has been awarded on completion of four years of study in a university)
- Fluent command of both written and spoken English;
- Full computer literacy.

#### General professional experience:

- Minimum 10 but preferably 12 years of working experience within Public administration.

#### Specific professional experience:

- Minimum 7 but preferably 9 years of practical experience in the field of public financial management and control and internal audit and/or managing CHU;
- Project management and supervisory skills

#### Assets:

- Experience in implementing PIFC in a candidate country or an EU member state;
- Knowledge of program budget planning process; Knowledge of Serbian language.

### **3.5.2 Profile and tasks of the RTA**

#### RTA tasks:

- Responsible for monitoring project implementation and proposing corrective management actions if required
- Support and coordination of all project activities in BC in line with the agreed work program to enable timely completion of project results and delivery of the outputs
- Advise on related EU policies and best practices, legislation and regulations
- Establish and maintain cooperation with all beneficiaries involved in the implementation of the project and other related projects (ensuring the avoidance of overlapping), in close co-ordination with the Project Leader
- Nomination, mobilization and supervision of the short-term experts, together with the Project Leader
- Facilitation of the contacts with peer institutions in EU member states in order to stimulate a proper exchange of information and data
- Organization of visibility events (kick-off and final event)
- Responsible for organization of the Project Steering Committee meetings and reporting on the project progress in close cooperation with the Project leader  
Identifying and reporting to the Contracting authority, at early stage, all difficulties that may jeopardize the implementation of the project and the achievement of its results

### Requirements:

#### Qualifications and skills:

- University Degree in Law, Public Finance, Economics, Accounting, Business Administration or Public Administration (where a university degree has been awarded on completion of four years of study in a university);
- Fluent command of both written and spoken English;
- Full computer literacy.

#### General Professional Experience:

- Minimum 7 but preferably 10 years of working experience within Public administration, in the field of public internal financial control.

#### Specific Professional Experience:

- Experience in establishing PIFC on a government level in a management, operational or advisory capacity;
- Minimum 5 years of practical experience working in a CHU in the areas of financial management and internal control and internal audit;
- Working experience with EC internal control procedures including financial management and control and internal audit.

#### Assets:

- Experience in implementing PIFC in a candidate country or an EU member state.

The duration of the RTA secondment is 24 months.

### **3.5.3 Profile and tasks of the short-term experts (STE)**

The twinning partners will decide on the profile, number and involvement of STEs during the drafting of the project work plan. There should be a pool of STEs to ensure smooth implementation of the project during the overall implementation period. STEs should be identified by the Project Leader/RTA and have to be agreed with the beneficiary administration in the course of designing and delivery of the project. Team of short-term experts should be mobilized according to agreed work plan. Detailed profiles and tasks of short-term experts, including the duration of their assignment will be provided in the Twinning Work Plan.

#### Profile of the Short-term experts

### Requirements:

#### Qualifications and skills:

- University Degree in Law, Public Finance, Economics, Business Administration or Public Administration (where a university degree has been awarded on completion of four years of study in a university);
- Fluent command of both written and spoken English;
- Full computer literacy.

#### General Professional Experience

- Minimum 5 years of experience in financial controls and risk management or internal audit.
- Proven contractual relation to public administration or mandated body, as defined under twinning manual 5.4.5

#### Specific Professional Experience

- Minimum 5 years of experience in the PIFC related projects or work experience in the field of PIFC in public administration.

#### Tasks of the Short-term experts:

- Close cooperation with the Serbian experts in undertaking all activities;
- Advance preparation and familiarization with relevant documentation;
- Participating in relevant activities under the scope of the project in cooperation with other experts.

## **4. Institutional Framework**

Support for further development of PIFC is to be implemented by the Department for Internal Control and Internal Audit of the Ministry of Finance. In accordance with best practices of EU candidate countries, CHU was established in 2010 for the purpose of harmonising of the FMC system and of the methodology of internal audit (IA). CHU ensures the quality and independence of different functions within the PIFC in public sector and is in charge of promoting and providing assistance in the development of FMC and IA. It is also in charge of PIFC-related training coordination of managers from all subject organisations, of the employees dealing with the FMC and of the internal auditors. CHU operates as the “centre of competence” concerning PIFC issues. In such capacity, it is in charge of following best practices, international standards as well as EC standards. The activities of the FMC and IA are functionally clearly separated in the internal structure of the CHU. The head of the CHU (Assistant Minister) reports on the state of play and developments in PIFC in Serbia.

In accordance with the Act on internal structure and systematisation of the Ministry, the Department for Internal Control and Internal Audit is working as the Central Harmonization Unit and it consists of two pillars: Unit for coordination of financial management and control and Unit for coordination of internal audit. Each Unit has

five staff. With the Assistant Minister heading the Department and his personal assistant, in total there are twelve working staff.

When it comes to PIFC network outside the CHU as its focal point, based on the consolidated report elaborated by the CHU for year 2014, out of the total number of budget users on the level of the Republic, 63 of them have reported that a person has been appointed or a working group for introduction or strengthening of the financial management and control has been established. In accordance with the same report, internal audit has been established in all 16 ministries, 3 obligatory social insurance organisations (hereinafter referred to as: OSIO) and in 48 public funds beneficiaries at the republican level. internal audit units with In 16 ministries there were 62 posts systematised, and internal audit was conducted by 41 auditors, in 3 OSIO's there were 36 posts systematised, and internal audit was conducted by 33 internal auditors, and in the remaining 48 public funds beneficiaries there were 174 posts systematised, and audit was conducted by 149 internal auditors. In the public sector in the Republic of Serbia there are in total 243 certified internal auditors.

Given that systemic rollout of consolidated PIFC methodologies and procedures throughout public sector requires active involvement of institutions and bodies other than the main beneficiary, the indirect beneficiaries of the project shall be as follows: Ministries in charge of economy, regional development and local self-government, labour, employment and social affairs, education, science and technology development, health, energy, environment, youth and sport, justice and public administration, agriculture, forestry and water management; also obligatory social insurance organisations several state owned enterprises; as well as the cities of Belgrade, Novi Sad and Nis and several SLG.

The results of the project will not lead to a change of the institutional framework.

## 5. Budget

<b>Support to Further Development of Public Internal Financial Control (PIFC)</b>	<b>IPA Community Contribution</b>	<b>National Co-financing</b>	<b>TOTAL</b>
Twinning Contract	95% 1.900.000,00 EUR	5% 100.000,00 EUR	2.000.000,00 EUR

*The co-financing requirement foreseen under IPA will be considered fulfilled according to the provision of the relevant Financing Agreement.*

The total budget for this project amounts to 2.000.000 EUR, out of which 100.000 EUR shall be provided by the Ministry in charge of finances as the financial contribution in accordance with the requirements of de-centralised management of funds. Since the Twinning contract, by its nature, requires the obligatory in-kind contribution (at least 5% of the total value of a contract) this shall be ensured by the beneficiary institution (Ministry) throughout the implementation of the twinning.

The beneficiary will provide the MS twinning partner with adequate office space for RTA and experts, meeting rooms and equipment necessary for relevant everyday activities and training foreseen in twinning fiche.

Translation of the project documents (e.g. recommendations/reports/etc.) will be provided only in cases where beneficiary finds it necessary. It is recommended that the costs for the translation will not cover more than 6% of the budget of the project, which should be calculated in the twinning working plan budget.

## **6. Implementation Arrangements**

### **6.1 Implementing Agency responsible for tendering, contracting and accounting:**

#### **Ministry of Finance**

#### **Department for Contracting and Financing of EU Funded Projects (CFCU) -**

3-5, Sremska Street

11000 Belgrade, Serbia

Mrs Jelena Stojovic – Programme Authorising Officer (PAO) Acting/Head of CFCU

Phone: +381 11 202 13 89

E-mail: jelena.stojovic@mfin.gov.rs

Mr. Darko Vasić, Twinning National Contact Point

Phone: +381 11 2021 412

E-mail: twinning@mfin.gov.rs

### **6.2 Main counterpart in the BC:**

#### **Senior Programme Officer (SPO)**

Mrs Verica Ignjatovic, Acting Assistant Minister at the Ministry of Finance in the Department for International Cooperation and European Integration

20, Kneza Milosa Street

11 000 Belgrade, Serbia

Phone: +381 11 3642 632

E-mail: verica.ignjatovic@mfin.gov.rs

#### **BC Project Leader**

Mrs Larisa Zdravkovic, Assistant Minister at the Ministry of Finance, responsible for Department for Internal Control and Internal Audit (CHU)

20, Kneza Milosa Street

11 000 Belgrade, Serbia

#### **RTA Counterpart**

Mr Zoran Zivojinovic, Head of the Group for Internal Audit

Ministry of Finance  
20, Kneza Milosa Street  
11 000 Belgrade, Serbia

### **6.3 Contracts**

The project will be implemented through one twinning contract.

### **7. Implementation Schedule (indicative)**

- 7.1. Launching of the call for proposals: September 2016
- 7.2. Start of project activities: June 2017
- 7.3. Project completion: 2 June 2019
- 7.4. Duration of the execution period (number of months): 24 + 3 months.

### **8. Sustainability**

The overall sustainability of this project is given by the fact that all envisaged activities are deeply rooted within the mainstream of the overall public administration reform currently undergoing in the country and will be backed up by PIFC Strategy (2016 - 2020) which will anticipate desired effects of planned interventions in medium to long term and is as such integrated in the medium-term working plans of the Ministry of finance.

Institutional sustainability will be encouraged through the mentoring, training and support given to the staff of the CHU in carrying out the internationally recognised tasks of this type of organisation. Through its ongoing roll out of implementation of standards for internal audit and internal control it will contribute to the Government's policy for a more transparent and focussed use of public funds.

The creation of decentralised internal audit teams in large line Ministries and the decentralisation of financial and other controls to line Ministries will present challenges for implementation and sustainability. The project with the CHU will work together in ensuring that appropriate institutional arrangements are established in line Ministries and they will be provided with the practical and theoretical support needed to allow them to gradually operationalise new processes as a matter of routine.

The plan to certify both public internal auditors and finance managers via a mixed scheme of theoretical training and a practical demonstration of acquired skills application should create an immediate nucleus of people who can then apply new PIFC techniques throughout the wider public sector. A certification scheme would be an ongoing activity, being continually updated for new standards and practices as these emerge. Therefore, a sustainable professional and practical training scheme will remain after project activities cease.

Furthermore, improvement of the certification scheme towards the CHU certification process being accredited by internationally recognised body will no doubt be a powerful driving force to the sustainability and viability of developing a professional pool of internal auditors in the public sector. Long-time existence the PIFC chapter in Budget system law with three rulebooks, have deep impact on development in this

area. Their permanent changes and improvement follow the best European practice and streams in PIFC.

Moreover, a further way to approach identification of recommended/best solutions within this fiche would be to carry out a piloting exercise with one or a group of selected representative beneficiary organisations to define exactly how FMC should be implemented in an organisation and the impact that this would have on managerial structures, budgets, information requirements and reporting arrangements. This would then provide a practical Serbian model that could subsequently be followed throughout the public sector and contribute to sustainability of the project.

## **9. Crosscutting issues**

Crosscutting issues (equal opportunity, environment, etc.)

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Equal participation of men and women during the implementation of the project will be assured.

The activities of the objective have no negative impact on the environment.

Equal Opportunities and non-discrimination

In the implementation of activities under this Twinning Fiche, the principles of equal opportunities and non-discrimination shall apply, so that participation in the project will be guaranteed on the basis of equal access regardless of sex, ethnic origin, religion or belief, disability, age, etc. Gender equality incentives are incorporated particularly in activities concerning capacity building, as well as through the monitoring mechanism, whereby some of the indicators are structured so that data shall be disaggregated by gender, etc.

Environment and climate change

The activities under this Twinning Fiche do not have a direct global impact to the protection of the environment. For all the activities, however, recycling of paper and the reduction of paper-based activities is recommended.

Minorities and vulnerable groups

This Twinning Fiche does not deal with minorities and vulnerable groups in any direct manner, but as a general principle, sensitivity towards minorities and vulnerable groups, where meaningful, should be reflected in the improved provision of public services.

Civil Society/Stakeholders involvement

The involvement of civil society organisations and other relevant stakeholders has already been ensured notably in the design phase of the Sector Fiche through their participation in the programming working group for PAR. As the SECO mechanism

(Sector Civil Society Organisation) grew more operational, the feedback from CSOs became more substantial and timely. When it comes to local level administration, which is an important interested party, beside involvement of local level counterparts which will be ensured directly by the central-level institutions, the Standing Conference of Towns and Municipalities (SCTM) shall be consulted as a partner organisation.

#### **10. Conditionality and sequencing**

Adoption of the new PIFC Strategy and Action Plan for the period 2016-2020 is a necessary pre-condition for the implementation of the activities envisaged under this Twinning fiche, given that the project is supposed to support exactly the priorities to be defined by the Strategy and the AP.

The CHU will need to be supported by the Ministry of Finance in terms of appropriate levels of financial and human resources and in providing political support so that the role and authority of the Unit is recognised across the public sector. During the implementation of the project the key conditionality will be to maintain the existing political consensus which is supportive and committed to giving PIFC reforms a higher priority and as such, create the opportunity to move from concepts to realities.

#### **ANNEXES TO PROJECT FICHE**

1. Logical framework matrix in standard format
2. List of relevant Laws and Regulations

## Annex 1. Logical framework matrix in standard format

Support to Further Development of Public Internal Financial Control (PIFC)		Programme name and number: IPA 2013	
Ministry of Finance Department for Internal Control and Internal Audit (CHU)		Contracting period expires: 3 years following the date of conclusion of the Financing Agreement	Execution period expires 6 years after the date of conclusion of the Financing Agreement
		Total budget: 2.000.000,00 EUR	IPA financing: 1.900.000,00 EUR (95%) National co-financing: 100.000,00 EUR (5%) <sup>4</sup>
Overall objective	Objectively Verifiable Indicators	Sources of Verification	
The overall objective of IPA sector support for 2013 is to have modern and efficient public finance management processes at all government levels, expressed in a more transparent use and savings of public resources of the Republic of Serbia.	<ul style="list-style-type: none"> <li>PI - 20 PEFA indicator: effectiveness of internal controls for non-salary expenditure. Baseline score: C+, upon 2010 Serbia PEFA assessment; baseline score: C+ upon 2014 Serbia PEFA assessment - target: improving the score to B/B+ in Serbia PEFA assessment measured in year of the project completion;</li> <li>PI - 21 PEFA indicator: effectiveness of internal audit. Baseline score: B, upon 2010 Serbia PEFA assessment; baseline score: C+ upon 2014 Serbia PEAF assessment - target: improving the score to B+ or ideally to A in Serbia PEFA assessment measured in year of the project completion.</li> </ul>	<ul style="list-style-type: none"> <li>Public Expenditure and Financial Accountability Assessment;</li> <li>Public Financial Management Performance Report for Serbia published in years after project completion;</li> <li>Any other report on Public Financial Management for Serbia applying PEFA methodology and published in years after project completion.</li> </ul>	
Project purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions
The purpose of this contract is to support for improvement/modernisation of management of public finance system in Serbia with focus on PIFC and ensure systemic rollout of consolidated PIFC	<ul style="list-style-type: none"> <li>Ratio between implemented and issued recommendations on Internal Audit on annual level (expressed in %);</li> <li>PI - 20 (ii) PEFA indicator: comprehensiveness, relevance and</li> </ul>	<ul style="list-style-type: none"> <li>Consolidated reports on PIFC in the Republic of Serbia;</li> <li>Public Expenditure and Financial Accountability Assessment;</li> <li>Public Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>Support by top-level decision-makers to embark with systemic internal financial controls in public sector;</li> </ul>

<sup>4</sup> The total amounts of the IPA Community Contribution and National Co-financing stipulated in the above table represent the total maximum amounts and therefore, they may be reduced at the level of the Twinning contract, while the relevant ratio (percentages) should be maintained as fixed. The co-financing requirement foreseen under IPA will be considered fulfilled according to the provision of the relevant Financing Agreement.

methodologies and procedures throughout public sector in line with applicable international standards and best EU practices.	understanding of other internal control rules and procedures. Baseline score: C, upon 2010 Serbia PEFA assessment; baseline score: C, upon 2014 Serbia PEFA assessment - target: improving the score to B or B+ in Serbia PEFA assessment measured in year of the project completion.	Performance Report for Serbia published in years after project completion; • SAI reports;	
<b>Results</b>	<b>Objectively Verifiable Indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
Result 1: Improved level of managerial accountability – financial and management control.	<ul style="list-style-type: none"> <li>• Increase in the number of submitted reports on FMC on annual level (to be compared against the number of submitted reports for the previous year);</li> <li>• Increase in % of the number of public funds' beneficiaries that have established a system of FMC by the end of the project implementation period in comparison to the number in the baseline year;</li> <li>• One compliance assessment of FMC per year in minimum 20 public funds' beneficiaries successfully implemented.</li> </ul>	<ul style="list-style-type: none"> <li>• Twinning project reports;</li> <li>• Consolidated Annual Reports on the conditions of the Internal Financial Control in the Public Sector in the Republic of Serbia.</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate human and financial resources available;</li> <li>• Commitment of the parties involved and good cooperation among interrelated institutions;</li> <li>• Availability of BC experts to participate in trainings.</li> </ul>
Result 2: Improved independent internal audit function.	<ul style="list-style-type: none"> <li>• Increase of the number of certified internal auditors on annual level;</li> <li>• Training roadmap for IA elaborated and implemented.</li> </ul>		
Result 3: The position of Central Harmonisation Unit strengthened.	<ul style="list-style-type: none"> <li>• Improved relevant legal acts from the</li> </ul>		

	<p>area of PIFC (laws, by-laws, rulebooks, charters, etc.);</p> <ul style="list-style-type: none"> <li>• Programme for development of skills and instruments for CHU for networking and promotion of PIFC successfully implemented.</li> </ul>		
<p>Activities</p> <p><b>The activities listed below represent the minimum activities to be implemented in the course of the Twinning project. Member State(s) may propose additional activities in line with the methodology elaborated in its proposal.</b></p>	Means	Specification of costs	Assumptions
<p><b><u>Activities for Result 1:</u></b></p> <ul style="list-style-type: none"> <li>• Develop and implement detailed plan and organisational models for systemic introduction and implementation of FMC in the public funds' beneficiaries</li> <li>• Carrying out a pilot exercise with public funds' beneficiaries to define exactly how FMC should be implemented and what impact it would have on managerial structures, budgets, information requirements and reporting arrangements</li> <li>• Further trainings and consultations for public funds' beneficiaries on their responsibility in disposing with public funds and causality between efficiency and effectiveness of related spending and achievements</li> <li>• Providing trainings and on-the-spot assistance in risk management and audit trails in the public funds' beneficiaries</li> <li>• Organizing extensive managerial accountability trainings and workshops for</li> </ul>	Consultations, analyses, preparation of documentation, trainings, workshops, etc.	<p>Twining project: 2.000.000,00 EUR</p>	In line with the assumptions specified for results.

<p>public funds' beneficiaries</p> <ul style="list-style-type: none"> <li>• Exercising compliance assessments of FMC in public funds' beneficiaries</li> <li>• Trainings/workshops on Self-Assessment Questionnaires for public funds' beneficiaries with the aim of improving their capability to respond to them</li> </ul> <p><b><u>Activities for Result 2:</u></b></p> <ul style="list-style-type: none"> <li>• Preparation and implementation of the programme for further decentralisation, independence and objectivity of Internal Audit (IA) function in the public funds' beneficiaries</li> <li>• On-the spot support to improving the quality of performance and reporting in IA</li> <li>• Elaboration and implementation of a training roadmap for IA</li> <li>• Support to certification process of new internal auditors (this activity should help overcome the risk of the mismatch between the volume of candidates' interest for certification and the actual frequency of certification)</li> <li>• Performing mentoring sessions and pilot audits in a manner of advanced training – certified auditors working in pair with experts</li> </ul> <p><b><u>Activities for Result 3:</u></b></p> <ul style="list-style-type: none"> <li>• Prepare and implement the programme for further evolution of the CHU as the standard-setting body</li> <li>• Prepare and implement the programme for development of skills and instruments for CHU for greater networking and promoting PIFC throughout public funds' beneficiaries</li> <li>• Strengthening of the CHU role in</li> </ul>			
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<p>monitoring and the follow-up activities deriving from annual consolidated reports and provision of recommendations for PIFC subjects (public funds' beneficiaries)</p> <ul style="list-style-type: none"> <li>• Support for the CHU with further normative activities (possible modifications of relevant legal acts and elaboration/adaptation of by-laws, rulebooks, charters, etc.)</li> <li>• Defining and implementing networking and promotion/visibility activities related to PIFC</li> </ul>			
			<p>Preconditions: Adoption of the Strategy and Action Plan on PIFC (2016-2020).</p>

## Annex V List of relevant Laws and Regulations

PIFC in the Republic of Serbia is regulated basically by the following:

- Budget System Law (Official Gazette of RS No 54/2009, 73/2010, 101/2010, 101/2011, 93/2012, 62/2013, 63/2013 - corrective, 108/2013, 142/2014, 68/2015 and 103/2015);
- Rulebook on Joint Criteria for Organisation and Standards and Methodological Instructions for the Conduct and Reporting of Internal Audit in the Public Sector (Official Gazette of RS No 99/2011 and 106/2013 );
- Rulebook on Joint Criteria and Standards for Establishing, Functioning and Reporting of the System of Financial Management and Control in the Public Sector (Official Gazette of RS No 99/2011 and 106/2013 )
- Rulebook on conditions, mode and procedure of examination for acquiring the title of authorised internal auditor in the public sector (Official Gazette of RS No 9/2014 ) an integral part of the Program for training and examination to acquire the title of authorised internal auditor in the public sector;
- Regulation on common criteria and standards for establishing a functional financial management control system in public sector (Official Gazette of RS No 82/07);
- Regulation on common grounds, criteria and tasks for the operation of the financial service of direct budget user (Official Gazette of RS No 123/03);
- Regulation on budget accounting (Official Gazette of RS No 125/03 and 12/06);
- Rulebook on standardized classification framework layout of chart of accounts for budgetary system (Official Gazette of RS No 125/03 20/07...3/09);
- Rulebook on the method of preparation, drafting and filing of financial statements of budget beneficiaries and beneficiaries of funds of mandatory social insurance (Official Gazette of RS No 125/03 51/07 and 14/08);
- Rulebook on the use of funds on the sub-account or other accounts of consolidated account of the Treasury of the Republic and on reporting channels on the investment of funds by the budget and mandatory social insurance (Official Gazette of RS No 3/04, 140/04 and 1/06);
- Rulebook on conditions and methods for opening and closing the sub-account of the consolidated treasury account at the Treasury (Official Gazette of RS No 92/02 and 8/06);
- Rulebook on common criteria for organization, standards and methodological guidelines for the conduct of internal audit in the public sector (Official Gazette of RS No 82/07);
- Internal Audit manual;
- Manual for financial management and control;
- Manual for budgeting which refers to each calendar year;
- User guide on operation of the public finance management system, issued on January 2008;