



# ■ WeBER Indicator Summary

AREA: PUBLIC FINANCE MANAGEMENT

## MONTENEGRO

- **Author: Institut Alternativa**
- **Date: 02/07/18**

PAR Area	PUBLIC FINANCE MANAGEMENT	Country	MONTENEGRO
SIGMA Principle	<p><b>6. The operational framework for internal control defines responsibilities and powers, and its application by the budget organisations is consistent with the legislation governing public financial management and the public administration in general.</b></p> <p><b>8. The operational framework for internal audit reflects international standards, and its application by the budget organisations is consistent with the legislation governing public administration and public financial management in general.</b></p>		

WeBER Indicator	<b>PFM_P6_P8_I1: Public availability of information on public internal financial controls and the parliamentary scrutiny</b>
<b>Indicator approach</b>	
<p>The indicator measures availability and communication of essential documents and information on public internal financial control (PIFC) to the public and other stakeholders, and if reports on PIFC implementation are discussed in the Parliament.</p> <p>PIFC constitutive parts relevant for this indicator are: financial management and control (FMC), and internal audit, including Central Harmonisation Units (CHU) – units of the ministries in charge of finance tasked with consolidated reporting on PIFC and its harmonisation within public sector.</p> <p>All elements under this indicator are measured by analysing official websites and documents of relevant government institutions.</p>	
<b>Summary of the findings</b>	
<p>Both the 2016 and 2017 consolidated reports on Internal Financial Control in the Public Sector are adopted in June of their respective consecutive years, which suggests a 2-month delay from their delivery to the Government (according to the law) and their official adoption - which is caused either by initial lateness in preparing of the reports or the time it takes for them to be put on the agenda. The former seems more probable, as the materials are usually placed on the government's agenda the same week they are submitted and because no government commission (for personnel issues, economic policy, etc.) has to discuss this report beforehand.</p> <p>Website review returned no results for reports on the quality review of internal audit. Consultations with the representatives of CHU confirmed the initial hypothesis that these reports are not being published. The consolidated reports for 2016 and 2017 contain several paragraphs that state that quality reviews were done for both FMC and IA, with only a several sentences on the problems registered.</p> <p>When it comes to publishing of information related to financial management and control, the availability is fairly low. Out of 17 Ministries, only the Ministry of Sustainable Development and Tourism has the Risk Register and Book of Procedures published, and the Ministry of Human and Minority Rights has the Book of Procedures as well, while no Ministry published information on FMC manager.</p> <p>CHU does not proactively engage with the public: in the reporting period, there were no press release published, no media appearance by the CHU representatives, no booklets, leaflets, and other info material were produced, there were no reader-friendly digests or summaries of reports produced by the CHU or any promotional activity on the social media.</p> <p>The analysis of website of the Parliament and available documentation as well as the legislative framework, showed that the Parliament does not deliberate on the consolidated report on PIFC at all.</p>	
<b>Specific observations</b>	
<p>It is important to note that the consolidated PIFC reports are not available on the website of the Ministry of Finance at all, and that there is no special section of the website devoted to them. The website of the CHU itself is an integral part of the MoF website, with no special sections/features of its own. Therefore, the consolidated PIFC reports are available only on the central portal of the Government, at the webpages devoted to the sessions of the Government when they were on the agenda and adopted. This makes their accessibility significantly limited as the effort required to reach them is considerable.</p>	

<b>Indicator score</b>	<i>4 (out of 12 points)</i>
<b>Final indicator value</b>	<i>1 (scale 0-5)<sup>1</sup></i>
<b>Measurement period</b>	<i>2<sup>nd</sup> July, 2018</i>

---

<sup>1</sup> Conversion of points: 0-2 points = 0; 3-4 points = 1; 5-6 points = 2; 7-8 points = 3; 9-10 points = 4; 11-12 points = 5.