

## PROPOSED REPORTING FORMATS

**Model Progress Report  
Suggested Template**

Date:	30.11.2016
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To:	UNDP Slovakia Alena Srankova
Subject:	<b>Project Progress Report 2 – PACT MNE 1 – delivery phase</b>

Project Name:	<b>PACT MNE 1 – delivery phase</b>
Grantee Name:	Center of Excellence in Finance
Grantee Contact Person:	Ana Frangež
Project Value:	145.010 USD
Project Start Date	15.3.2016
Report Number:	3 – Progress Report 2

**Project Progress Report:****A. Summary of Project Status.**

The Progress report 2 covers the period from July 1, 2016 till October 31, 2016. The progress report provides an overview of the activities implemented in stated period and builds on the Progress Report 1, submitted on July 31, 2016.

In-class training finished with the Management Accounting module (MA) in October 2016. A lot of project activities in the reporting period were devoted to preparation of the exam papers and examination results, conducted in the previous or current reporting period.

The project activities were delivered according to agreed schedule and were conducted online from the office as well as in the field in Podgorica, Montenegro.

**B. Activities planned and completed in this reporting period and results achieved (please refer to the table on deliverables in Annex B2 and targets as per Annex C of the Grant Agreement- Performance Indicators).**

In July and August 2016 there was no in-class training scheduled due to summer holidays. Students, who weren't successful at the 1st exam sitting of international module Financial Accounting (FA) end

of June 2016, had the time during the summer months to invest in a study of the FA substance and prepare for the re-sit exam in September 2016. Those who passed the exam started reading the material of the next international module Managing Accounting (MA) to prepare for the in-class lessons which started in September. 10 day in-class was delivered according to the enclosed Agenda (Att 1, 2 – Agenda, sign sheets). The initial obligation of tutors was to hold 10-day in-class training (Att 3 – ToR), but they invested additional effort to deliver extra lessons to students to assure that the complex substance was covered in enough detail. In October, one extra in-class day with local tutor and 3 in-class days with international tutor supervisor (ITS) were delivered (Att 4 – sign sheets). The purpose of the training was to work on the open issues and practical exercises, to focus on preparation for the exam. At the same time the ITS evaluated tutors' performance, student's knowledge and motivation and their engagement in the training (Att 5 – ITS report). The work with ITS was originally planned for September, but local tutors evaluated that students need more time to absorb delivered lessons and appropriately prepare for the work with ITS, so they requested the consulting days to be postponed for couple of weeks to October 2016. This caused minor additional costs, since the travel for ITS was previously organized and paid, but the CEF evaluated that the benefit of postponing the ITS visit would be bigger, since it would assure that students will be well prepared for it.

The 1st exam sitting for FA, organized on June 30, 2016. The exams were marked by local tutors and marks checked by CIPFA in July 2016, so the results were published on July 13, 2016 (Att 6 – results). The exam paper was structured as multiple choice questions (MCQ) exam. 38 students were present at the exam and 17 of them achieved at least 60% of the possible marks, while the overall exam pass rate was 45%.

The FA exam paper for the 2nd sitting, held on September 8, 2016 (Att 7 – Invigilator's report) was drafted by CIPFA in July 2016 (Att 8 – exam), translated to Montenegrin in August 2016 and the terminology was examined by local tutors. The exam was attended by 15 students, of which 7 passed it successfully (47% pass rate) (Att 9 – results). In total, 24 students out of 40 enrolled in the training, successfully passed the FA exam which in total after two attempts has a 60% pass rate.

The MA exam paper for the 1st sitting was drafted by CIPFA end of August 2016. In September the exam paper was translated to Montenegrin and sent to tutors for additional language examination to be ready in time for the exam sitting on October 27, 2016. 35 candidates attended the exam and the results will be published in early November 2016 (Att 10 – Invigilator's report). The exam paper for the MA 2nd sitting, that will be organized on November 17, 2016, was drafted by CIPFA in October 2016.

End of September 2016, the National module exam paper was submitted by local tutors for the 2nd exam sitting, held on October, 6, 2016. Only 4 students attended the exam and 3 of them were successful (35 students passed the NM exam in the 1st sitting held on 4 May 2016). The results of the exam were published on October, 12, 2016 (Att 11 – results). In total, 38 candidates were successful in NM exam.

According to the localization working group (LWG) plan for the 2016 (Att 12 - LWG plan), a report on SWOT analysis was drafted during summer months and final version in Montenegrin language was submitted in September 2016 (Att 13 – SWOT report). The meeting of the LWG, that was scheduled for September 15, 2016, resulted in the final confirmation of the SWOT report and brainstorming on the strategy of localization of PACT training (Att 14, 15 – Agenda, sign sheet). The SWOT report

mentions 4 possible options related to the need of certification of accountants in public sector of Montenegro:

**1. Legal obligation of certification of accountants in public sector.**

In order to avoid the weaknesses of accounting in public sector and inadequate implementation of international standards it would be necessary to provide the legal obligation of certification to also raise a higher level of responsibility for employees in these positions.

**2. Establishment of the organizational unit / training center for accountants** (and internal auditors) in public sector as a contractor for training and certification, under the jurisdiction of the Ministry of Finance, which would be the holder of the training.

**3. Financial remuneration for certified accountants** in the public sector who bear responsibility. This would increase the level of motivation of employees in these positions and so the quality of services provided.

**4. Assessment of state property**

In order to ensure adequate implementation of international accounting and auditing standards and adequate basis for the application of knowledge of certified accountant in the public sector, with the aim of creating the most realistic and updated picture of public finances, it is necessary to make a comprehensive and consistent assessment of state property. With this the financial reports in public sector would be more accurate as a basis for decision making about the state property.

**C. Activities planned but not completed in this reporting period and reasons for delay**

All planned activities were implemented and expected deliverables received.

**D. Activities planned to be completed in the next reporting period.**

In the next reporting period from November till December 2016, the following activities are planned:

1. The results for the 1<sup>st</sup> sitting exam for MA module will be published latest by mid-November 2016.
2. The exam paper for the MA 2<sup>nd</sup> sitting will be finalized (translated and reviewed by local tutors) before the exam sitting, planned for November, 17, 2016. The results will be published latest by December 2016.
3. Final report of LWG (Strategies and guidelines) will be submitted in November 2016 and translated to English by end of November.
4. The LWG will finalize the localization report in November and submit it to the Ministry of finance of Montenegro. It will include the strategy and guidelines for localization and institutionalization of the program in Montenegro.

**E. Experience, lessons learnt and issues in this reporting period.**

1. Analysis of evaluation questionnaires completed by 26 students (out of 40 enrolled) after the FA training give following results (*Att. 16*):
  - a. 96% of students think that tutors exceeded or at least fulfilled their expectations.
  - b. For half of students training was too short and they wished to have been better disbursed considering the scope of the study material and the complexity of the substance. They would also wish that training would include more practical work, as working in smaller groups of up to 10 students.
  - c. Although tutors received excellent evaluations, 61% of students complained that they

- didn't have enough time for discussion and questions due to the quantity of material to be covered by lessons.
- d. ALL students emphasized that training was very helpful for preparation for the exam and 92% of them are convinced that the gained knowledge will help them at their everyday work assignments.
  - e. Local tutors were evaluated very well: 80% to 92% of students think that tutors' performance at the in-class training was excellent or good.
  - f. 62% of students claim, that the material contributed to implementation of study goals.
  - g. 86% of students believe that their background (knowledge and practical experience) allows them to comprehend the substance and enables them to successfully finish the training.
  - h. Almost 83% of students complained that they were burdened with everyday obligations and therefore didn't have enough time to study the demanding substance. On the other hand, almost half of them got the approval from the employer to take days off for study.
  - i. 61% of students are extremely or very much motivated to successfully finish the training, while 30% of students feel that they are motivated enough or to a certain extent.
2. As a part of the localization process the representatives of Montenegrin Human Resources Authority were constantly involved in the invigilation process at the exams. They were very motivated for the cooperation and helpful at the invigilation. CEF's work in the field and in the office, which refers to coordination of localization activities and facilitation of localization working group, exceeded the originally planned scope of the work. Additional costs, due to the increased work, are recorded in financial report under category "Facilitation of the working group" (E.3.). More precisely, CEF invested more time as initially planned for the following activities:
    - a. Additional meeting in the field;
    - b. Coordination of SWOT analysis report finalization;
    - c. Facilitation of localization working group and
    - d. Coordination of drafting the final LWG report
  3. CEF used more days as initially envisaged for making sure that assessments were checked before exam in terms of methodology given that this are the first multiple choice questions (MCQ) exams run in Montenegro. The thorough checking was done in terms of methodology and terminology with local tutors. The format of exams was changed by CIFPA compared to previous implementations of PACT in other countries, where the exams were partially MCQ and partially narrative. In addition to this, CEF worked intensively with the local coordinator for the project to effectively transfer the knowhow on training implementation and open questions. All this results in more CEF staff days used as initially envisaged, which is indicated in the financial report.
  4. Prolongation of the MA in-class training days and postponement of the ITS visit was a good example of high motivation of all actors involved in the training:
    - students, who were grateful for extra lessons and additional time for study, and eager to come well prepared for the exam;
    - tutors, who were prepared to additionally engage in the training and deliver lessons without being extra paid;
    - ITS, who was prepared to reorganize obligations and come to the field on the changed dates;
    - local coordinator, Ms Valentina Bojović, internal auditor in the department for Harmonization of Public Internal Financial Management and Control who was prepared to reorganize the reservation of the location of the training (which is a demanding task, due to limited premises and dates), and to inform all students about the change.

**F. List of supporting documentation attached to the report.**

1. Agenda for Management Accounting
2. Sign sheets from MA in-class training
3. Sample of Terms of Reference as part of the contract of tutor leader
4. Sign sheets from MA in-class training with ITS
5. The report from ITS for MA module
6. The results of FA exam (1<sup>st</sup> sitting)
7. Invigilator's report for FA exam (2<sup>nd</sup> sitting)
8. Sample of FA exam (2<sup>nd</sup> sitting)
9. The results of FA exam (2<sup>nd</sup> sitting)
10. Invigilator's report for MA exam (1<sup>nd</sup> sitting) + 10a. MA Exam
11. The results of NM exam (2<sup>nd</sup> sitting)
12. LWG plan for 2016
13. LWG Report on SWOT analysis
14. Agenda of the LWG meeting in September 2016
15. Sign sheets from the LWG meeting in September 2016
16. Questionnaire Analysis after FA module training