

PROPOSED REPORTING FORMATS

FINAL REPORT

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Subject:	Final Report (Prep phase) – PACT MNE 1

Project Name:	PACT MNE 1
Grantee Name:	Center of Excellence in Finance
Grantee Contact Person:	Ana Frangež
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Final Report:**A. Summary of Project Status.**

This report builds on already accomplished and reported activities, presented in Inception Report and Progress Report 1, and covers the period from October to December 2015.

The financial data provided in the financial report, attached to this final report, covers the period from the beginning of the project till end of December 2015.

Project started with signing of donor contract on July 10, 2015 between Center of Excellence in Finance (CEF) and UNDP.

Ministry of Finance of Montenegro (Ministry) announced the call for application of tutors and translators, Ministry and CEF conducted test and interviews of the tutor candidates and suggested groups to be trained on particular substance modules as well as methodology. In line with CIPFA standards, CEF headhunts to ensure the hiring of high-quality local tutors. Well educated local tutors are especially important for reaching the goal of sustainability and independent running following the project's completion.

CIPFA developed the training materials. In total the material includes over 700 pages. A group of 4 translators and proof reader have worked in cooperation to ensure the material to be of best standard and have successfully completed this activity.

Ministry has developed the material of the National module, focusing on local legislation and taxation and final version of the material was sent with the previous report.

The selected group of tutor candidates was invited to attend Training of Tutors (ToT) on Methodology, which is focused on learning methods and styles, teaching and communication skills, motivation and organization of in class training and characteristics of powerful presentations.

Based on their interest, smaller groups of candidates attended ToT on substance for international modules – Financial accounting and Management accounting. Tutor candidates received all necessary training to be able to perform in class training for students during the envisaged Delivery phase of the project (subject to separate donation contract).

Localization working group performed several activities online by distributing the survey to a list of public sector bodies, evaluating the status of the accounting profession and training needs in the country. The members prepared overview of the existing legislative framework for accountants in public sector of Montenegro and worked on gathering the data on available educational programs for this profile in Montenegro. The group met at a working meeting to discuss the results of the survey and the findings are presented in the Pre-assessment study.

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).

ACTIVITY B: Development of training materials for training of public accountants in Montenegro

Activity B1: Development of international modules by CIPFA and National module by Ministry

Training materials for international modules are written and owned by Chartered Institute of Public Finance and Accountancy - CIPFA. This UK institute develops the materials and provides updates related to changes of international standards or best practice on a regular basis. CIPFA provided to CEF the materials for two international modules, totaling to over 700 pages for translation.

Activity B2: Translation and proof reading of training materials

CEF has purchased the materials and organized as well as monitored translation and proofreading performed by a group of translators and a proof-reader. The basis for translation the group used a glossary of terms, deriving from IPSAS, approved by the Ministry.

The initial Glossary has been updated with the terminology from the training modules and will serve as an important background document for all translations of the project related material and other documentation related to transition to IPSAS.

ACTIVITY C: Training of tutors

Activity C1: Selection of tutors

CEF received a number of applications from candidates for all training modules:

- 13 for National module,
- 10 for international module Financial accounting and
- 7 for international module Management accounting.

Several candidates applied for more than one module. Among the applicants for National module, there were several tutors already engaged with CEF at the Training of Internal Auditors in Public Sector - TIAPS in Montenegro, so candidates previously known to CEF were excused of some phases in the selection procedure described below.

Selection procedure involved a test prepared by CIFPA and administered by CEF. The intention was to evaluate that candidates have sufficient knowledge in the substance of training modules and to indicate the preferential module preference, based on their expertise. 7 candidates who showed good results at the test were invited to an interview, conducted by a commission composed of 2 representatives of CEF and one representative from the Ministry. This selection procedure allowed the interview committee to agree on the candidates who should continue the selection procedure at Training of Tutors - ToT.

Activity C1: Activity C1: Selection of tutors

A group of 7 selected tutor candidates were invited to **ToT Methodology**. Tutors engaged in TIAPS, who already attended this class few years ago, did not need to repeat it again. It is focused on learning methods and styles, teaching and communication skills, motivation and organization of in class training and characteristics of powerful presentations.

ToT methodology took place during October 19-21, 2015 in Podgorica. It was delivered by tutors Mr Gary Gilbert from CIFPA and Ms Ana Frangež from CEF who spent full 3 in-class days tutor candidates, engaging them in individual and group work as well as practical exercises in delivering a sample class session.

Due to important synergies between the certification of accountants in public sector and ongoing certification of internal auditors in Montenegro, PACT tutor candidates were joined by some of their younger colleagues who recently took over small assignments as junior members in tutor teams at TIAPS certification. Their experiences additionally improved the in-class methodology experience and knowledge sharing.

Activity C2: Training of tutors and selection of International tutors supervisors

Candidate tutors were grouped according to their interest expressed in the application and during interviews and were invited to attend 3 day ToT on substance for international modules in Podgorica.

Under the guidance of CIFPA tutor Mr Gary Gilbert, 3 candidate tutors attended ToT for the module **Management Accounting (MA)** during November 2-4, 2015.

ToT for the module **Financial Accounting (FA)** was organized for 5 candidate tutors, during November 30 and December 2, 2015, performed by Mr Gilbert as well.

Local tutor candidates were trained by CIFPA and CEF, and **International tutor supervisors (ITS)**, who provided additional support to training of tutors, specifically in terms of lessons learned as well as support in terms of language. CEF selected ITS among Slovene experts who know the region and the language, so they can engage in ToT and assist CIFPA tutor and local tutors. For the module MA CEF engaged an expert with over 20 years of experience in accounting and auditing and in tutoring different CIFPA modules. The expert has been working in different institutions of Slovene public sector and is

engaged as a contractor at KPMG Slovenia. For the module FA CEF engaged a former employee of the Ministry of finance of Slovenia, now retired, who has been teaching accounting modules based on CIPFA materials in Slovene certification programs for several years. ITS experts attended the ToT together with the local tutor candidates and worked together with CIPFA tutor to transfer best the knowledge and examples. They evaluated the tutor candidates and helped CEF and CIPFA identify best candidates for different roles in the tutor teams (leader, co-leader, and member). They played an important role in bringing forward the discussions regarding the material and exercises at the ToT, experience in mock exams and marking assignments. Their help and coordination of candidate tutors, of whom some also worked on translation of the materials, was of additional value, when they worked closely with the group to align the terminology, agree it with the Ministry and finalize the Glossary.

The training of tutors included thorough evaluation of the tutor candidates and lots of coordination of activities between ToT tutor, tutor candidates and international tutor supervisor, which made this activity more labor intensive as initially envisaged. This resulted in several more office days, as indicated in the expenses report.

In the continuation of their mission during Delivery phase of the project, ITS will help local tutors online and spend up to 3 days on a field mission to Podgorica, for each of the in-class trainings on international modules. The ITS's role is to monitor the delivery of training to local tutors, offer support in difficult areas of material, share experience from other groups and supervise the teaching procedure in the field. They will also evaluate performance of each member of the tutor team and suggest any needed improvements.

Tutor candidates are now equipped with all necessary knowledge to be able to perform in class training during the envisaged Delivery phase of the project (subject to separate donation contract). Some of the candidate tutors expressed interest in more than one module, so they were invited to substance ToT for both international module, to make sure that the pool of tutors is big enough to support the envisaged generation and future generations of training. Not necessarily all of the tutor candidates will get involved in the first generation, but are ready to step in if needed and train future generations.

Taking into account profiles and backgrounds of the tutor candidates and their obligation to pass different phases of selection procedures, CEF, based on evaluations received from CIPFA, ITS and own observations at interviews prepared a suggested final list of 11 selected candidates tutors available, where 7 of them come from different departments of Ministry of finance, one is partially working on another ministry and business school, one comes from private bank, one from university and one from state institute.

According to the availability and project needs, up to 3 tutors per module will be grouped in teams to deliver in class training and contracted at the beginning of Delivery phase.

ACTIVITY D: Delivery of PACT training

Activity D1: Enrollment of students

To complete the preparatory phase of the project, the Ministry selected and enrolled candidates for training upon their priority and requirements. Ministry provided a list of 43 applicants to the PACT certification. The Ministry explained there is a big interest in the certification, as the Ministry can easily identify candidates for another generation of certification, should funding for it become available.

The enrollment process will be wrapped up by an official opening ceremony in the Delivery phase,

where Ministry will be given the opportunity to announce their strategy and actions in boosting the public accounting capacity.

Activity D2: Assistance to local training institution

Local coordinators at the Ministry received constant support from CEF staff regarding project activities related to delivering the training program. At this point (preparatory phase) local training institution is meant by Local coordinator who from the side of the beneficiary is responsible for activities and with whom CEF works on a daily basis. CEF has assisted to local coordinator of the project in organizing the training process of tutors and necessary steps for completion of the preparatory phase (call for students/training participants and their enrollment, selection of training candidates and their evaluation and other daily activities of local coordinator).

In the second phase (delivery) the Localization working group together with the Ministry will identify possible entity/department/institution/association to be chosen and should gradually take over the delivery of training program in Montenegro.

ACTIVITY E: Localization

Establishment of Localization working group

Minister of finance of Montenegro established the Localization Working group for certification of accountants in public sector of Montenegro in September 2015. It consists of 2 representatives of the Ministry, 2 representatives of Human Resources Management Authority of Montenegro (one responsible for finance), 2 experts in accounting (one from a private bank and the other from academia) and 2 representatives of CEF as facilitators of the working group. The members have worked on planned activities, described in the action plan for 2015.

Activity E1: pre assessment study

The Working group evaluated existing training programs in accounting, assessed the expert capacities in public accounting in Montenegro and reviewed current legislation.

The working group distributed a survey among public sector bodies, to establish the understanding of the training needs in the public sector of Montenegro, mostly related to the strategy that envisages that budget users will need to adapt to the gradual introduction of accrual accounting.

Analysis of the survey required some extra manual work for preparing the data in the format applicable for reporting, thus CEF spent an extra office day on that.

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

According to schedule the activities should be completed by January 2016, however CEF managed to complete all planned activities ahead of schedule.

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

Linked to this donor contract, CEF has accomplished all planned activities.

If a new contract is granted CEF will be able to deliver the remaining part of the project activities (delivery phase) in the next reporting period:

1. Official enrollment of students and Kick off meeting with media coverage.
2. Start of training activities for National module and examination

3. Localization working group will continue to work on the action plan activities for 2016, completing the SWOT analysis, working on the open questions related to institutionalization and localization of the program and completing the recommendations for the final report.
4. Project beneficiary will identify a takeover institution and the framework for knowledge transfer will be established.

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

1. Local project team is very responsive and committed to make this project work, which makes the work simple and effective.
2. Translation of materials is a lengthy and complex activity that requires lots of attention and support from the implementing partner, therefore CEF needed to engage more than planned on coordination of translators, monitoring of work delivered and making sure translators have all the support needed. Also the volume of material used for budgeting purposes was smaller than the actual refreshed material submitted for translation, so to be able to contract quality translators CEF needed to raise the translation fees compared to the budgeted ones. For finalization of the glossary, updated with the expressions newly found in the training material, lots of coordination from CEF was required in terms of observance of deadlines and reaching the group agreement among translator teams and Ministry. It turned out to be more labor intensive assignment as planned.
3. The initial delays in starting activities caused postponement of submission of the deliverables to the donor (First progress report), however after other activities were accomplished quicker as expected, so CEF was able to complete the project activities ahead of schedule.