



International Federation of Accountants

Assessment of the Regulatory and Standard-Setting Framework

Section 1 -- Introduction

The information required from member bodies for the IFAC Member Body Compliance Program will be collected in two parts:

1. Assessment of the Regulatory and Standard-Setting Framework (provides information about regulatory requirements and standard-setting processes in member body countries); and
2. Assessment of Compliance (provides information on compliance by member bodies with the Statements of Membership Obligations).

The content of this assessment relates to Part 1 and includes 138 questions, of which 23 relate to information IFAC regularly collects from its member bodies and the remainder relate to IFAC's Member Body Compliance Program.. The purpose of this assessment is to collect information on the roles of IFAC member bodies and other organizations (including government, regulatory or other appointed authorities) with respect to:

- a. setting auditing, accounting, ethics, public sector and education standards; and
- b. regulating the accountancy profession.

The deadline for completion of this assessment is June 1, 2004.

As indicated in the Compliance Working Group's recommendations to the IFAC Board, the IFAC staff will review completed assessments and validate the responses with external knowledgeable parties (for example, other member bodies, regional accountancy organizations, firms, or regulators) as necessary. Additionally, the information will be made available to the Public Interest Oversight Board.

Responses to certain questions may be common among member bodies in one country and for such questions IFAC encourages member bodies to minimize the duplication of effort.

In addition, certain questions may not apply to the role of certain member bodies and responses are therefore not required for such member bodies. Where necessary, please communicate with other member bodies in your country to minimize duplication or clarify your organization's need to respond to particular questions.

IFAC will publish the results of this assessment on its website and use the collected information to establish an understanding of the role of IFAC member bodies in standard setting and regulation of the profession.

Part 2 of the Member Body Compliance Program will also require member bodies to complete a self-assessment. The assessment tool will be distributed later in 2004. The information collected during Part 2 will be used in conjunction with the information submitted during Part 1 to evaluate how the member body complies with the Statements of Membership Obligations.

Completion of the assessments during Part 1 and Part 2 of the Compliance Program is

mandatory for all member bodies.

A "Certification of Chief Executive" must accompany the completed assessment. [Click here for certification and instructions](#) for completing it.

Section 2 -- Instructions and Definitions

General Instructions

IFAC requests that all member bodies complete the questionnaire electronically. You may also [download and print a PDF](#) version of the survey. This may be used as both a guide and a worksheet (see below).

Please submit all responses in English and make them as complete and as current as possible. IFAC understands that each member body exists in a unique environment, and that serving the public interest can be accomplished through various structures and systems. Every attempt has been made to structure this document to accommodate a variety of circumstances. Where, however, the form of the question does not permit you to adequately describe the situation in your country, please submit additional descriptions and other relevant information to enhance our understanding. If your organization (or any other organization) has prepared or published documents (in English) that contain some of the requested information, please submit those documents to IFAC. Please send all supplementary materials via e-mail, courier or postal mail identifying which questions they relate to by June 1, 2004:

Daria Koukhar
Technical Manager
Member Body Development
IFAC
545 Fifth Avenue, 14th Floor
New York, NY 10017 USA
E-mail: ComplianceAssessment@ifac.org

Electronic Questionnaire

The questionnaire has been programmed to provide the following features:

- To move forward to the next page or return to a previous page, use the "Previous" and "Next" buttons at the bottom of each page (do not use the Back and Forward keys).
- Each time you press "next" the information you provide will be saved to a database.
- You may skip questions and return to them later to complete; no previous information will be lost.
- You may edit questions previously answered.
- You may view your answers at any time during the survey completion process.
- You may save your answers to your computer's hard drive at any point during the survey completion process. However, you must return to the electronic version to continue answering questions.

You may exit from the questionnaire and then resume at any point; no information will be lost as a result.

Print Questionnaire

If you do not have the capability to complete this assessment via the Internet, you may print out

the PDF version and use it as an outline in preparing your response. Please prepare your responses in a Word (.doc) document, numbering each question consistent with the outline. A Word version of the assessment is available by contacting Daria Koukhar at the address or email below.

Please e-mail the Word document to complianceassessment@ifac.org. If electronic transmission of the file is not possible, please send a disk containing the file to Daria Koukhar at the address below.

Definitions

IFAC recognizes that the terminology used in this assessment (e.g., law, regulation, process, etc.) may be different in each member body's country. Each member body should respond in the context of what is applicable in their country and explain the differences.

To assist member bodies, the following terms are defined for the purposes of completing this questionnaire:

"Enacting body" means (a) level of government and responsible ministry or department, or (b) other agency or regulatory body that published the "legal authority" (defined below);

"Legal authority" means laws, regulations, orders, directives, circulars, or other documents having the force of law;

"Listed entity" means an entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body;

"Regional organization" means an organization of accounting institutions of countries located within a defined region of the world. In cooperation with IFAC, a regional organization encourages, advises and coordinates the efforts of their member institutions to achieve the mission and work program of the regional organization as well as that of IFAC; and

"Your organization" means your member body.

You are encouraged to contact the IFAC staff if you have any questions or require clarification of any of the requested information. Questions should be directed to:

Daria Koukhar
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Member Body Development
IFAC
545 Fifth Avenue, 14th Floor
New York, NY 10017 USA
Direct: +1-212-286-9684
Main: +1-212-286-9344
Fax: +1-212-286-9570
E-mail: DariaKoukhar@ifac.org

Section 3 -- Member Body General Information

1. Country:

Montenegro

2. Name of member body:

The Institute of Certified Accountants of Montenegro

Or please specify name:
ICAM

3. Individual responsible for preparation:

Vesna Radunovic

4. Date member body became a member of IFAC:

Note: Please enter a numeric date (e.g., 12/2001, Month/Year)

05 / 2010

Section 3A -- Member Body Address

5. Physical location address:

Belvederska 107
81000 Podgorica
Montenegro

6. Address for correspondence (i.e., provide either a physical location or e-mail address):

E-mail: isrcg@isrcg.org

Mail / Courier: Belvederska 107
81000 Podgorica
Montenegro
www.isrcg.org

Section 3B -- Member Body Leadership Information

7. Name of Chief Executive:

Igor Pavicevic

8. Is the Chief Executive position a full-time or part-time position?

- Full-time
 Part-time

9. Name of current President or voluntary lay leader:

Mladen Ognjenovic

Section 3C -- IFAC Key Contact

10. Name of person at member body to be IFAC's main contact for all general correspondence:

Vesna Radunovic

11. Contact phone number:

Note: Include country code and city code

0038220227402

12. Contact fax number:

Note: Include country code and city code

0038220227402

13. Contact e-mail address:

richardm@t-com.me

Section 3D -- Primary Contact for Contents of this Assessment

14. Name of person at member body to be the contact for questions on this assessment:

Vesna Radunovic

15. Contact phone number:

Note: Include country code and city code

0038220227402

16. Contact fax number:

Note: Include country code and city code

0038220227402

17. Contact e-mail address:

richardm@t-com.me

Section 3E -- Member Body Revenue

18. Total annual revenue in local currency and US\$:

Please enter a whole number amount with commas and then select the appropriate currency from the menu.

142,753.98 Euro (EUR)
Other:

115,502.25 US\$

0.8091 Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

19. Last fiscal year ending:

Dec 2009

20. Indicate the percentage of total revenue for the last fiscal year from each of the following sources:

Please make sure your total equals 100%.

Source of Revenue	% of Total Revenue
Member Dues	5.85%
Journal Subscriptions	1.67%
Publication Sales	23.61%
Continuing Education Programs	30.82%
Other activities (<i>please describe</i>) Examinations for title	37.86%
Other activities (<i>please describe</i>) Interest	0.19%
Other activities (<i>please describe</i>) /	0%
Total	100 %

Section 3F -- Membership Categories

21. Please provide the following membership information for each membership category. For annual dues per person, only information about full / standard membership dues is required (where there are different dues for retired members, provisional members etc., such dues information is not required). *If NONE, write "0"*:

Membership Categories	Number of Members	Annual Dues per Person (local currency)
Certified or Chartered Accountants	144	80.00
Accounting Technicians	70	20.00
Accounting Students	390	00.00
Audit/Accounting Firms	/	/
Other (<i>please describe</i>) Management Accountants	80	50.00
Other (<i>please describe</i>) Associate members	262	20.00

22. Please provide membership information according to the following sectors. *If NONE, write "0"*:

Sector	Number of Members
Public Practice	N/A
Industry	N/A
Public Sector	N/A
Academia / Education	N/A
Other (<i>please describe</i>)	
Other (<i>please describe</i>)	

Section 3G -- Affiliations

23. Please list those [regional organizations](#) to which your organization belongs (e.g., FEE, CAPA, ECSAFA, IAA, etc.):

SEEPAD

 Section 4 -- Statutory Framework

Responses to this section will provide a description of the legal framework governing the commercial aspects of auditing and financial reporting in your country.

Section 4A -- The Companies Act or Commercial Code

The following questions concern the Companies Act (the Act) or Commercial Code (the Code) or similar [Legal authority](#) in your country. If no [Legal authority](#) exists, or the [Legal authority](#) does not address particular questions, please indicate "N/A" for Not Applicable.

24. What is the full name of:

- | | |
|---|---|
| a). the Act or the Code: | 1. The Law on Accounting and Auditing
2. Company Law |
| b). the Enacting body : | Parliament |
| c). date the Act or Code came into force: | 06 / 2002 |

25. How can IFAC obtain a copy of the Act or Code?

www.crps.me

26. Is the Act or Code available in English?

Yes No

27. What are the types of entities covered by the Act or the Code?

Please check all that apply.

- [Listed entities](#) Other (*please specify*):
- Private companies Other (*please specify*):

- Governmental Other (*please specify*):
- Not-for-profit Other (*please specify*):

28. Is there a requirement for the following entities to prepare annual statutory financial statements? If YES, please describe the financial reporting requirements including the accounting standards to be followed.

Please check all that apply.

	No	Yes	(If YES, please describe)
Listed entities	<input type="radio"/>	<input checked="" type="radio"/>	The national Law on Accounting and Auditing legally requires all legal companies to apply IAS/IFRS in financial reporting.
Private companies	<input type="radio"/>	<input checked="" type="radio"/>	The national Law on Accounting and Auditing legally requires all legal companies to apply IAS/IFRS in financial reporting.
Governmental	<input type="radio"/>	<input checked="" type="radio"/>	Rool book on preparing financial statements
Not-for-profit	<input type="radio"/>	<input checked="" type="radio"/>	The national Law on Accounting and Auditing legally requires all legal companies to apply IAS/IFRS in financial reporting.
Other (<i>please describe</i>)	<input type="radio"/>	<input type="radio"/>	
Other (<i>please describe</i>)	<input type="radio"/>	<input type="radio"/>	

29. Is there a statutory requirement for the following entities to be audited? If YES, describe the requirement including the auditing standards to be followed:

Please check all that apply.

	No	Yes	(If YES, please describe)
Listed entities	<input type="radio"/>	<input checked="" type="radio"/>	Audit of financial statements is obligatory.
Private companies	<input type="radio"/>	<input checked="" type="radio"/>	When legal entities have more than 50,000,000.00 EUR, more than 250 employee and more than 43,000,000.00 EUR assets. (need to fill 2 of 3 criteria listed)
Governmental	<input checked="" type="radio"/>	<input type="radio"/>	
Not-for-profit	<input checked="" type="radio"/>	<input type="radio"/>	
Other (<i>please describe</i>)	<input checked="" type="radio"/>	<input type="radio"/>	
Other (<i>please describe</i>)	<input checked="" type="radio"/>	<input type="radio"/>	

30. Are the auditors ("statutory auditors") that are appointed for audits required by the Act or Code ("statutory audits") appointed for a specific period?

- Yes No

If YES, please indicate the term of appointment: Year(s)

31. Who appoints the statutory auditors?

Please check all that apply.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Shareholders | <input type="checkbox"/> Management |
| <input type="checkbox"/> Board of directors | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Audit committee | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Government agency | <input type="checkbox"/> Other (<i>please specify</i>): |

32. Does the Act or Code require joint auditors for the statutory audit?

- Yes No

If yes, please describe the requirement:

33. Does the Act or Code require the rotation of the auditors or audit firms performing statutory audits?

- Yes No

If yes, please describe the requirement:

Section 4B -- Securities Market Regulations

Responses to this section will provide a description of the financial reporting and auditing requirements for [listed entities](#) in your country.

34. What are (a) the major items of [Legal authority](#) for such requirements, (b) the [Enacting body](#)(ies) and (c) the latest amendment date? Please identify the specific articles or sections that pertain to auditing and financial reporting:

- a. the major items of [Legal authority](#) for such requirements

1. Company Law
2. The Law on Accounting and Auditing
3. Law on Securities

- b. the [Enacting body\(ies\)](#)

1. Parliament
2. Parliament

3. Parliament

c. the latest amendment date?

1. 2008.
2. 2008.
3. 2006.

35. How can IFAC obtain a copy of the [Legal authority](#)?

1. www.crps.me
2. www.mf.gov.me/ministarstvo
3. www.scmn.me

36. Is the [Legal authority](#) available in English?

Yes No

37. Are there any additional or alternative financial statement reporting requirements for [listed entities](#) that are not described in your answer to Question 28?

Yes No

If YES, please describe the requirement:

Law on Securities ask from the listed entities quaternary disclosure of accounts information.

38. Are there any additional auditing requirements that apply to [listed entities](#) other than those described in your answer to Question 29 (e.g., additional GAAS requirements, additional independence requirements, requirements to report to those charged with governance, etc.)?

Yes No

If YES, please describe the requirement:

39. Who appoints the statutory auditors of [listed entities](#)?

Please check all that apply.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Shareholders | <input type="checkbox"/> Management |
| <input type="checkbox"/> Board of directors | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Audit committee | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Government agency | <input type="checkbox"/> Other (<i>please specify</i>): |

40. Are auditors who perform audits of [listed entities](#) appointed for a specified period?

Yes No

If YES, please indicate the term of appointment: Year(s)

41. Are joint auditors required for audits of [listed entities](#)?

Yes No

If YES, please describe the requirement:

42. Is rotation of the auditor or audit firm for audits of [listed entities](#) required?

Yes No

If YES, please describe the requirement:

Section 5 -- Auditing Standards

Responses to this section will provide a description of the legal and professional framework governing audit and other assurance standards in your country. The section focuses on the establishment of such standards. Please indicate the role your organization plays within this framework.

Section 5A -- Statutory Framework

43. Please provide the name of the [Legal authority](#) and/or self-regulatory rules that establish audit and other assurance standards in your country, the date of the last amendment of such authority or rules and the name of body responsible for setting audit and other assurance standards. If the standards are different for different entities (e.g., [listed entities](#), private companies, governmental bodies, not-for-profit organizations, etc.), please specify the details that apply to each:

Type of entity	Name of applicable legal authority	Date of last amendment (e.g. MM/YYYY 06/2001)	Name of body responsible for setting audit and other assurance standards
Listed entity	The Law on Accounting and Auditing	12/2008	ICAM
Other (please describe)			

Other (please describe)

Other (please describe)

a. How can IFAC obtain copies of these documents?

www.mf.gov.me/ministarstvo

b. Are the documents available in English?

Yes No

Section 5B -- Standard-Setting (ICAM)

44. For **ICAM**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

Private organization established by the profession.

b. Name of standards

Audit standards

45. How many voting members does the standard-setting body have?

5

46. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

Voluntary
 Employed
 Both - Please describe:

47. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Sector of the profession

48. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

Member body

49. What is the term of appointment for members?

4 Year(s)

50. For how many years has the standard-setting body been in existence?

3 Year(s)

51. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

N/A

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

N/A

52. To what entity is the standard-setting body accountable?

Commission which are dealing with ethical issues are accountable to the Institute of Certified Accountants of Montenegro. The ICAM is accountable to the Ministry of Finance by DECREE ON ENTRUSTING OF AFFAIRS OF THE PUBLIC ADMINISTRATION BODIES COMPETENT FOR ACCOUNTING AND AUDITING.

53. Describe the due process followed by the standard-setting body. Please include explanations of the following:

a. public exposure of standards

The standards were locally translated and published in the past and financed by USAID.

b. accessibility of meetings (i.e., public or private)

Public

- c. approval process for final standards (i.e., majority required to approve final standards)

No

- d. other relevant due process activities

The Government of Montenegro established the Council for accounting and auditing in order to consider and take positions concerning the issues of development and improvement of the accounting and auditing practice in Montenegro. ICAM has a member in the council (Vesna Radunovic). The national action plan in the short term predicts establish the national body responsible for setting audit and other assurance standards.

54. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

15 Day(s)

Section 6 -- Ethics

Responses to questions in this section will provide a description of the legal and professional framework governing ethics standards for accountants in your country. This section focuses on the establishment of such standards. Please indicate the role your organization plays within this framework.

Section 6A -- Statutory Framework

55. For each of the following types of professionals, please indicate the name of the [Legal authority](#) and/or self-regulatory rules establishing ethics standards for accountants and auditors in your country, the date of the last amendment of such authority or rules and the name of body responsible for setting the ethics standards.

Type of professional covered	Name of applicable legal authority	Date of last amendment (e.g. MM/YYYY 06/2001)	Name of body responsible for setting ethics standards
Professional Accountants in Public Practice	The Law on Accounting and Auditing	12/2008	ICAM
Professional Accountants in Business			
Professional Accountants in the Public Sector			
Other (please describe)			

- a. How can IFAC obtain copies of these documents?

www.isrg.org

b. Are the documents available in English?

Yes No

Section 6B -- Standard-Setting (ICAM)

56. For **ICAM**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

Private organization established by the profession

b. Name of standards

Etics standards

57. How many voting members does the standard-setting body have?

3

58. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- Voluntary
 Employed
 Both - Please describe:

59. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

We chose the best experts of standards.

60. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

Member body

61. What is the term of appointment for members?

4 Year(s)

62. For how many years has the standard-setting body been in existence?

3 Year(s)

63. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

N/A

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

N/A

64. To what entity is the standard-setting body accountable?

Commission which are dealing with ethical issues are accountable to the Institute of Certified Accountants of Montenegro. The ICAM is accountable to the Ministry of Finance by DECREE ON ENTRUSTING OF AFFAIRS OF THE PUBLIC ADMINISTRATION BODIES COMPETENT FOR ACCOUNTING AND AUDITING. Standard-setting body is accountable to the Assembly of ICAM.

65. Describe the due process followed by the standard-setting body. Please include explanations of the following:

a. public exposure of standards

www.isrcg.org and in magazine publishing by ICAM

b. accessibility of meetings (i.e., public or private)

public

c. approval process for final standards (i.e., majority required to approve final standards)

assembly approve final standards

d. other relevant due process activities

N/A

66. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

15 Day(s)

Section 7 -- Education

Responses to questions in this section will provide a description of how education requirements for the profession are established. Please indicate the role your organization plays within this process.

Section 7A -- Education Requirements

67. Please describe in general terms the education system in your country including the different stages of education from early childhood education through to tertiary level study. Please indicate which aspects / levels are compulsory as part of the national education system:

Primary education - compulsory - 8 years duration

Second level (high school) - non compulsory - 4 years duration

Third level (university) - non compulsory - 4 years undergraduate degree

68. Is there a legal authority or regulation that specifies the requirements for an individual to operate as an accountant or auditor in your country?

Yes No

If YES, please provide the name and describe the requirements, including any relating to education, experience or qualifications.

An authorized professional accountant may acquire the professional title of certified accountant if he/she passes the exams set forth by the certification program adopted by the competent authority in accordance with the IFAC education standard. The certificate of an accountant may be acquired by the person who has: 1. passed the exams set forth by the certification program adopted by the competent authority, in accordance with the Education Standards of the IFAC, 2. a university degree, 3. three years of the work experience in accounting activities, 4. not been convicted of a crime that makes him/her unworthy to perform activities in the area of accounting. An auditor must be person with: 1. the professional title of certified accountant, 2. with minimum 3 years auditor experians and 3. no convicted of a crime that makes such person unworthy to carry out the activities in the area of accounting and auditing.

69. Please select from below all the relevant key levels of requirements to obtain certification

from your member body (i.e. to qualify as a certified or chartered accountant) and provide a general description of the requirement.

- Academic requirements
A university degree
- Professional examinations
9 examinations for chartered accountants + 5 examinations for certified accountants.
- Practical experience
3 years of practical experience on accounting (for chartered and certified accountants)
3 years of practical experience on auditing in audit firm (for auditors)
- Final qualifying examination
- Other (*please describe*)

70. Which of the following arrangements best describes who establishes the education requirements for the accounting profession in your country? Please select one option.

- A government ministry, department or agency establishes education requirements for the accounting profession with no additional requirements set by the member body(ies).
- A government ministry, department or agency establishes minimum education requirements for the accounting profession, and member body(ies) supplement these requirements.
- Member body(ies) establishes the education requirements for the accounting profession.
- Other (*please describe*)

71. Please provide the name(s) of the relevant body in the government ministry, department, agency and / or member body who establishes the education requirements.

ICAM - by means of the decree issued by the Government of Montenegro, the Institute of Certified Accountants was granted the authorisation to conduct the educational programme for acquisition of accounting titles.

- a. A general description of the role of the relevant body(ies) including how it operates and its due process in establishing the education requirements.

Committee of the ICAM adopted an CORS-1 (Montenegrin Educations Accounting Standard modeled on ACCA).

- b. How many voting members does the relevant body(ies) have

five (5)

- c. Are the members of the relevant body(ies) involved on a voluntary basis or employed by the standard-setting body?

- Voluntary

- Employed
- Both - Please describe:

d. For how many years has the body been in existence?

3 Year(s)

72. How would you describe the authority that the education requirements have?

- Requirements are legally-based
- Requirements are set in the constitution, by-laws or other rules of the relevant body (ies).
- Requirements are set in member body(ies) policy document(s).
- Other (*please describe*)

72 a. How can IFAC obtain copies of these documents?

www.isrcg.org

72 b. Are these documents available in English?

- Yes
- No

73. Are the education requirements for accountants and auditors the same throughout your country, or do they differ among regions, provinces or states?

- Same
- Different

If different, please briefly describe the main differences:

74. Please indicate the scenario that best describes who delivers the education and examination process for members of the profession. *Please only select one option.*

- The education program and final examination are delivered by the member body.
- The education program and final examination are delivered by the member body and other education institutions (e.g., universities, colleges, and others).
- The education program and final examination are delivered by education institutions (e.g., universities, colleges, and others).
- Other (*please explain*)

75. Once qualified as a member of your professional body, can members offer their services directly to the public?

Yes No

Section 7B -- Licensing

76. Are there licensing requirements for auditors in your country?

Yes (continue with Question 77) No (proceed to Section 8)

77. Who sets the requirements to obtain a license?

Law on Accounting and Auditing

78. What are the requirements to obtain a license (please select all relevant requirements.)?

- Academic study specific for obtaining a license
- Practical experience
- Licensing examination
- Final qualifying examination
- Other (*please describe*)

An auditor must be a person with:

1) the professional title of certified accountant

2) minimum 3 years of auditor experience

3) no convicted of a crime that makes such person unworthy to carry out the activities in the area of accounting and auditing.

79. Are there ongoing requirements to retain a license?

Yes No

If YES, please select all relevant requirements.

- Continuing professional development
- Re-examination
- Other (*please specify*): **Mandatory annual liability insurance**

80. What entity grants the license?

Ministry of Finance on the recommendation of ICAM.

81. Describe any additional licensing requirements for auditors of [listed entities](#) (e.g., additional education requirements, registration, etc.).

N/A

Section 8 -- Public Sector Accounting Standards

Responses to this section will provide a description of the legal and professional framework governing public sector accounting standards in your country. The section focuses on the establishment of such standards. Please indicate, where appropriate, the role of your organization within this framework.

Section 8A -- Statutory Framework

82. Please provide the name of the [Legal authority](#) and/or self-regulatory rules establishing public sector accounting standards in your country, the date of last amendment and the name of the body responsible for setting public sector accounting standards. If the standards are different for different entities (e.g., whole of government, ministry/department, statutory authority/agency, profit entity owned by government, state governments, local governments, other [please specify]), please specify the details that apply to each.

Type of entity	Name of legal authority	Date of last amendment (e.g. MM/YYYY 06/2001)	Name of body responsible for setting public sector accounting standards
Whole of government	Roobook on preparing financial statements	03/2009	Ministry of Finance
Ministry/department	Roobook on preparing financial statements	03/2009	Ministry of Finance
Statutory authority/agency	Roobook on preparing financial statements	03/2009	Ministry of Finance
Profit entity owned by government	MSFI		
State governments	N/A		
Local governments	Law on local government financing	12/2007	Ministry of Finance
Other (please describe)			
Other (please describe)			

a. How can IFAC obtain copies of these documents?

www.mf.gov.me/ministarstvo?alphabet=lat

b. Are the documents available in English?

Yes No

Section 8B -- Standard-Setting (Ministry of Finance)

83. For **Ministry of Finance**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

Government body

b. Name of standards

Budget Accounting, International accounting standards for public sector

84. How many voting members does the standard-setting body have?

N/A

85. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- Voluntary
 Employed
 Both - Please describe:

86. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

N/A

87. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

N/A

88. What is the term of appointment for members?

Year(s)

89. For how many years has the standard-setting body been in existence?

Year(s)

90. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

N/A

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

N/A

91. To what entity is the standard-setting body accountable?

N/A

92. Describe the due process followed by the standard-setting body. Please include explanations of the following:

a. public exposure of standards

N/A

b. accessibility of meetings (i.e., public or private)

N/A

c. approval process for final standards (i.e., majority required to approve final standards)

N/A

d. other relevant due process activities

N/A

93. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

Day(s)

Section 9 -- Private Sector Accounting Standards

Responses to the questions in this section will provide a description of the legal, statutory and professional framework governing private-sector accounting standards in your country. The section focuses on the establishment of such standards. Please indicate what role your organization plays within this framework.

Section 9A -- Statutory Framework

94. Please provide the name of the **Legal authority** and/or self-regulatory rules that establish private-sector accounting standards in your country, the date of last amendment, and the name of the body responsible for setting private sector accounting standards. If the standards are different for different entities (for example, **listed entities**, private companies, governmental organization, not for profit organizations, etc.), please specify the requirements that apply to each.

Type of entity	Name of legal authority or applicable rules	Date of last amendment (e.g. MM/YYYY 06/2001)	Name of body responsible for setting private sector accounting standards
Listed entity	Law on Accounting and Auditing	12/2008	ICAM
Other (please describe)			
Other (please describe)			
Other (please describe)			
Other (please describe)			

a. How can IFAC obtain copies of these documents?

ICAM provides translation from Union of Accountants and Auditors of Serbia.

b. Are the documents available in English?

Yes No

Section 9B -- Standard-Setting (ICAM)

95. For **ICAM**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

Private organization established by the profession

b. Name of standards

International Financial reporting standards

96. How many voting members does the standard-setting body have?

5

97. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- Voluntary
- Employed
- Both - Please describe:

98. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Sector of the profession

99. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

Member body

100. What is the term of appointment for members?

4 Year(s)

101. For how many years has the standard-setting body been in existence?

3 Year(s)

102. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

N/A

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

N/A

103. To what entity is the standard-setting body accountable?

Ministry of finance

104. Describe the due process followed by the standard-setting body. Please include explanations of the following:

a. public exposure of standards

The standards were locally translated and published in the past and financed by USAID.

b. accessibility of meetings (i.e., public or private)

Public

c. approval process for final standards (i.e., majority required to approve final standards)

No

d. other relevant due process activities

The Government of Montenegro established the Council for accounting and auditing in order to consider and take positions concerning the issues of development and improvement of the accounting and auditing practice in Montenegro. ICAM has a member in the council (Vesna Radunovic). The national action plan in the short term predicts establish the national body responsible for setting audit and other assurance standards.

105. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

15 Day(s)

Section 10 -- Monitoring (Quality Assurance) and Enforcement

Responses to the questions in this section will provide a description of the legal and professional framework governing regulation of the profession in your country. Please indicate what role your organization plays within this framework.

Section 10A -- Securities Market Regulatory Authority

106. Name the authority that regulates the securities market:

Securities Commision of Montenegro

107. What responsibilities does this organization have for monitoring and enforcing compliance with accounting, reporting or auditing requirements? Please identify the [Legal authority](#) that establishes that responsibility:

According to the Law on Securities, the Securities Commission is authorized to make Rules with respect to the information to be contained in auditors' reports required to be filed under this Law; Furthermore, licensed participant at a capital market are required, to appoint a licensed auditor within no later than one month after becoming licensed, and within 7 days of the appointment of an auditor, notify the commision in writing of the name and address of the auditor. Furthermore, licensed participant is obligated to file for each financial year, a profit and loss account, a balnce sheet and other financial statements containing information as prescribed by the Commision accompanied with an auditor's report and opinion not later than four mounths after the end of financial year. Also, the Securities Commision is authorized to appoint an auditor if the licensee has failed to nominate an auditor or an auditor fails to file auditorâ€™s report. The Commission may appoint an auditor to examine, audit, and report, either generally or in relation to any matter, on the books, accounts and records of the licensee. The Commission shall inform the court about any violation on the Law on Securities, and it is not allowed to impose fines by itself.

108. Briefly describe the role of the regulatory authority as it relates to the following:

a. regulation of the audit profession

no role

b. accounting and auditing standard-setting

no role

c. review of financial statements prepared by [listed entities](#), and monitoring of their compliance with the accounting and disclosure requirements

Listed entities are required to submit annual reports in accordance with the Law on Securities that states: "A reporting issuer shall, within 4 months after the end of its financial year: file with the Commission a copy of its annual report containing such information as the Commission may specify; and forward to each holder of its securities appropriate financial statements, if required by the Commission. A reporting issuer shall file with the Commission such other reports and information as the Commission may specify." Furthermore, Rules of the Stock Exchanges require Stock Exchange to file a prospectus in order to be licensed at the Stock Exchange.

Section 10B -- Stock Exchange

109. Name the four largest stock exchangers (by market capitalization) and whether it is organized as a profit or not-for-profit organization:

- | Profit | Not
for
profit | Stock Exchange |
|-----------------------|----------------------------------|---------------------------|
| <input type="radio"/> | <input checked="" type="radio"/> | Montenegro Stock Exchange |
| <input type="radio"/> | <input checked="" type="radio"/> | |
| <input type="radio"/> | <input checked="" type="radio"/> | |
| <input type="radio"/> | <input checked="" type="radio"/> | |

Section 10B -- Stock Exchange
Montenegro Stock Exchange Details

110. For **Montenegro Stock Exchange**, is there a mechanism at the stock exchange(s) for monitoring and enforcing financial reporting, accounting and auditing of [listed entities](#)?

- Yes No

If YES, please describe the following:

- a. How the monitoring and enforcement of financial reporting, accounting and auditing is conducted.

Monitoring and enforcement of financial reporting is regulated by the Roolbook. Requirements Rules states that request for listing of securities on the Exchange shall be accompanied by the most recent annual account and the report of an auditor. Furthermore, Rules specifies that the issuers, whose securities are admitted to listing on the Exchange, are obliged to submit to the Exchange annual account together with the report of the auditor and the semi annual account within 30 days following its preparation.

- b. The consequences of non-compliance with the financial reporting, accounting or auditing requirements.

The consequences of non-compliance with the financial reporting, accounting or auditing requirements is refusal of the request for the admission for listing at the Exchange. Also, securities may be delisted if the issuer does not submit to the Exchange required data and information

- c. How enforcement actions are administered.

Enforcement actions are administered by reviewing of auditor's reports and admission to listing or refusal to admit to listing or delisting of securities.

Section 10C -- Regulatory Oversight of the Accounting Profession

111. Has an audit profession oversight body been established (e.g., to oversee the external quality assurance review process, etc.)?

Yes No

If NO, proceed to the next section.

If YES, please describe :

- a. What are the name and duties of the oversight body?
- b. The number of members on the oversight body
- c. Its powers
- d. How the oversight body conducts or oversees a program of inspections to assess the degree of compliance of each audit firm/auditor with applicable auditing standards and regulations
- e. The sanctions the oversight body may impose in the event of non-compliance
- f. How the oversight body is accountable to any public institution or body
-

Section 10D -- Banks Regulatory Authority

112. Name the authority that regulates the banks and similar financial institutions. Discuss how this authority differentiates between accounting requirements for regulatory reporting and general purpose external financial reporting:

The banks and financial institutions in Montenegro are under the supervision of the Central Bank of Montenegro. The Law on banks requires banks to maintain their books and prepare financial statements in accordance with International Accounting Standards (IAS). The Decision on Micro-Credit Financial Institutions requires that their books are maintained and financial reports prepared in accordance with IAS and the Law governing Accounting and Auditing.

113. Discuss briefly the legal requirements with respect to monitoring and enforcement by the regulatory authority of accounting and auditing standards that apply to the banks and similar financial institutions:

The Law on the Central bank of Montenegro provides the Central bank authority to review the books and other documentation of banks and financial institutions, as well as other related companies that is subject to control. The Law on Central Bank of Montenegro and the Law on Banks provides authority to Central bank to issue written warnings and written order to banks in violation of the law or regulations or has engaged in unsafe and unsound practice relating to the accounting and auditing requirements. If the bank fails to correct such irregularities, the Central Bank has the authority to introduce interim administration and/or issues penalties.

114. Briefly describe the role of the regulatory authority as it relates to the following:

- a. regulation of the audit profession

The Central bank of Montenegro has a member in the National council for accounting and auditing which is responsible for the development of accounting and audit profession in Montenegro.

- b. accounting and auditing standard-setting

The Central Bank of Montenegro has a member on the Management Board of the ICAM. The Institute supervises the quality of work of qualified persons in the field of audit and accounting and performs other activities in accordance with provisions of the Law.

- c. review of financial statements prepared by [listed entities](#)

The Central bank of Montenegro through its supervisory process performs a review of audited financial reports of banks and similar financial institutions in their evaluation of the soundness of the individual banks and financial institution and the overall banking system. Through this review process, the quality and accuracy of the audited reports and scope of work performed by the auditors is evaluated.

- d. enforcement of accounting, reporting and auditing requirements

N/A

Section 10E -- Non-Banking Financial Institutions Regulatory Authority

115. Name the regulatory authority(ies) responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements imposed on non-banking institutions.

Security Commission of Montenegro Central bank of Montenegro

116. What is the source of [Legal authority](#) of the regulatory authority(ies)?

1. Law on securities 2. Privatization act 3. Decree on privatization funds and specialized private management companies 4. Some rules provided by Security Commission

117. Briefly describe the role of the regulatory authority(ies) as it relates to the following:

a. regulation of the audit profession

N/A

b. accounting and auditing standard-setting

N/A

c. review of financial statements prepared by [listed entities](#)

Central bank through its monitoring controls microcredit organizations. Commission for Securities controls non-bank financial institutions, investment funds and pension funds.

d. enforcement of accounting, reporting and auditing requirements

Commission for Securities prescribes forms for the annual and quarterly financial reports.

Section 10F -- Insurance Companies Regulatory Authority

118. Name the regulatory authority responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements imposed on insurance companies.

Insurance Supervisory Agency

119. What is the source of [Legal authority](#) of the regulatory authority(ies)?

Insurance Law 2006,2007

120. Briefly describe the role of the regulatory authority(ies) as it relates to the following

a. regulation of the audit profession

Insurance Supervisory Agency has a member in the National Council for accounting and auditing and which is responsible for the development of accounting and audit profession in Montenegro.

b. accounting and auditing standard-setting

N/A

c. review of financial statements prepared by listed [listed entities](#)

Central bank has a liability to review a financial statements for listed companies.

d. enforcement of accounting, reporting and auditing requirements

see a.

Section 10G -- Other Regulatory Authority

121. Name any other regulatory authority(ies) responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements.

122. What is the source of [Legal authority](#) of each regulatory authority?

123. Briefly describe the role of the regulatory authority(ies) as it relates to the following

a. regulation of the audit profession

b. accounting and auditing standard-setting

- c. review of financial statements prepared by listed [listed entities](#)
- d. enforcement of accounting, reporting and auditing requirements

Section 10H -- Quality Assurance

124. Does any organization of professional accountants/auditors organize a program of quality assurance review to monitor compliance with accounting, reporting and auditing requirements?

- Yes No

If NO, proceed to next Section.

If YES, briefly describe the monitoring and enforcement mechanism.

125. Under what authority does the organization conduct the program of quality assurance review?

126. Who performs the review (e.g., one firm reviewing another firm, staff from the national professional organization, contractors, or a combination of these)?

Section 10 I -- Investigation and Discipline

127. Is there a process for investigating and disciplining the accounting profession in your country?

- Yes No

If NO, proceed to the [Certification of Chief Executive](#)

128. Which of the following best describes the responsibility for the investigatory and disciplinary function in your country?

- Government or other agencies are solely responsible for this function.
- Government or other agencies have this responsibility, but the member body or bodies participate in the process.

- Government formally delegates this function to the member body or bodies, to exercise on its behalf.
- Member body or bodies have separate and independent processes that operate alongside processes of legal authorities.
- Other (*please explain*)

129. Please indicate the name of the body or bodies responsible for investigation and discipline.

Disciplinary Committee of the ICAM

Responses to the remaining questions in this Section are required if your organization has responsibility for investigation and disciplinary actions.

130. How many voting members does the body have?

131. Are the members of the body involved on a voluntary basis or employed by the standard-setting body?

- Voluntary
- Employed
- Both - Please describe:

132. What are the criteria considered in selecting members of the body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Members are selected by respecting IFAC Code of Ethics

133. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

Management Board of ICAM

134. What is the term of appointment for members?

1 Year(s)

135. For how many years has the body been in existence?

1 Year(s)

136. Please indicate the budget in US\$ of the body for the last fiscal year.

Note: Please enter a whole number using commas (e.g., 4,000,000)

0

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

(specify currency)

137. To what entity is the body accountable?

Management Board of ICAM

138. Approximately how many days per year does the body meet in full session (including teleconferences)?

12 Day(s)

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