



Public accounting standards in Montenegro

Thematic group on Accounting standards

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Public accounting standards in Montenegro

- The Montenegrin Ministry of Finance is prescribing the manner of bookkeeping, of recording and of preparation, producing and submission of the year-end accounts of spending units
- Budget accounting in Montenegro is based on a modified cash method
- Revenues and expenditures are reported on cash basis while assets and liabilities are reported on accrual basis
- The economic classification used in the chart of accounts is well aligned with the GFS classification

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- The actual Budget Law prescribes the content of the end-of-the year report (the final account) of the state budget and of the municipal budgets and the Ordinance on the manner of preparation and submission of financial statements of the state budget, extra-budgetary funds and local governments prescribes the form and content of financial reports, periods covered by the reports, as well as the liabilities and deadlines for their submission.
- Currently Montenegro is developing a Strategy for public sector transition on an accrual accounting (ESA 2010)

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- Our major challenges are:
 - to adjust our Chart of Accounts to ESA requirements
 - to adjust financial reporting system and the end-of-the year report to ESA requirements
 - to create single register of public assets
 - training of public accountants for implementing accrual accounting