

## *Procurement Notice and Terms of Reference*

### **Expert to support the development of Manual and Methodology for Governance, Internal Controls, and Internal Audit in the Public Sector of Montenegro**

*Reference Number: # 12/2025*

#### **Section 1. Introductory Information**

##### **1.1 Background information on the Regional School of Public Administration (ReSPA)**

The Regional School of Public Administration (ReSPA) is an inter-governmental organization for enhancing regional cooperation, promoting shared learning, and supporting the development of public administration in the Western Balkans. ReSPA Members are Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia, while Kosovo\*<sup>1</sup> is a beneficiary. ReSPA's purpose is to help regional governments in developing better public administration, public services, and overall governance systems for their citizens and businesses and prepare for membership in the European Union.

ReSPA establishes close cooperation with ministers, senior public servants, and heads of function in Member countries. ReSPA also works in partnership with the European Union, Directorate General for Neighborhood and Enlargement Negotiations (DG NEAR), other regional players such as OECD/SIGMA and Regional Cooperation Council (RCC), as well as agencies and civil society organizations. Since its inception, ReSPA, as an international organization and a key regional endeavor in Public Administration Reform, has contributed to capacity-building and networking through in-country support mechanisms, peering, and the production of regional research material.

ReSPA works primarily through regional networks, which operate at three levels: Ministerial, Senior Officials, and networks/working groups of experts and senior practitioners. There is one network – Programme Committee composed of the representatives of institutions in charge of PAR, government policy planning, and the European Integration coordination process and four regional thematic groups: Policy planning, better regulation and coordination of Centre of Government; European integration and accession negotiations (with specific reference to PAR and governance aspects); Human Resources Management and Development; and Service Delivery (digitalization and quality management).

##### **1.2 ReSPA now seeks to engage Expert to support the development of Manual and Methodology for Governance, Internal Controls, and Internal Audit in the Public Sector of Montenegro**

1.3 Expected deliverables of the assignment are: as per Terms of Reference.

1.4 Tentative timeframe: the assignment is expected to be performed during **March - June 2025**

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<sup>1</sup> \* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and ICJ opinion on the Kosovo Declaration of independence

**1.5 NOTE: Please, clearly indicate in the Methodology that you shall submit the entity with whom the contract would be concluded (in case your application will result successful), i.e. whether the contract would be concluded with:**

- **the expert as a physical person;**
- **a company on behalf of the expert (the name of the company should be also provided).**

**This cannot be changed in the procedure to follow.**

**In addition, you are kindly requested to fill out and submit the following documents:**

- **Legal Entity File (for individual expert) – attached to this document**
- **Legal Entity File (for private company) - attached to this document**

**Please also submit any supporting documents required in these templates.**

## **Section 2. Language of the supporting documentation**

2.1 Language of application: The supporting documentation shall be prepared in English.

2.2 The CVs should provide information on the qualifications and competencies of the applicant, her/his general track record, and previous specific experience in similar assignments, as required by the Terms of Reference. The applicants should particularly state in their CVs:

- Length of general and specific professional experience, in line with ToR;
  - Professional experience in the role of lecturer/presenter.
- 2.3 The required qualifications, experience, and skills: as per Terms of Reference.

## **Section 3. Submission of the supporting documentation**

3.1 Interested candidates are invited to submit a proposal consisting of the following documentation:

- Written methodology: explaining their experience related to the analysis subject and how they intend to respond to the assignment;
- Personal CV including past experience in similar activities and particularly issues referred to under point 2.2 of this Procurement Notice;
- At least three contacts for references (name and position of referee, email address and phone number) which ReSPA may contact. (NOTE: There is no need to submit reference letters; ReSPA will directly contact the referees if needed).
- Financial offer (which shall specify a total sum amount in euros as well as max. number of working days proposed) in a separate e-mail.

3.2 The required documentation should be submitted electronically by e-mail to the following address: [procurement@respaweb.eu](mailto:procurement@respaweb.eu) by **05 March 2025** before midnight. Late submissions will not be considered for evaluation. **The application should contain the following reference in the e-mail: Application for activity number 12/2025.**

Public servants from ReSPA Members and Kosovo are not eligible to apply.

#### **Selection 4. Evaluation of offers**

4.1 The offer will be evaluated against the required criteria as defined in the Terms of Reference.

4.2 The applicant securing the highest final ranking will be invited to negotiate the contract and the financial offer proposed by ReSPA. If negotiations are successful, the selected applicant will be awarded the contract. Should the negotiations fail; the next ranked applicant will be invited to negotiations.

#### **Section 5. Final Considerations**

5.1 The payment will be done in one installment following the submission and approval of the deliverables.

5.2 The following document is attached to this Procurement Notice: Terms of Reference (see below).

5.3 ReSPA reserves the right to cancel this procurement procedure at any moment without any compensation to the applicants. The cost of preparing a proposal and of negotiating a contract, including any related travel, cannot be reimbursed by ReSPA under any circumstances nor can ReSPA be held liable for it, regardless of the outcome of the procurement procedure.

5.4 Should you need any further clarifications with respect to this procurement notice, please contact Ms. Jelena Mrdak, Programme Manager, via e-mail: [j.mrdak@respaweb.eu](mailto:j.mrdak@respaweb.eu) by **25 February 2025 (midnight)** at the latest. ReSPA will post the response, including an explanation of the query without identifying the source of inquiry, at its website ([www.respaweb.eu](http://www.respaweb.eu)) by **27 February 2025**. Any request for clarification must be sent by standard electronic communication to the above e-mail address.

# Terms of Reference

## Expert to support the development of Manual and Methodology for Governance, Internal Controls, and Internal Audit in the Public Sector of Montenegro

### Introduction

The Regional School of Public Administration (ReSPA) is an inter-governmental organization for enhancing regional cooperation, promoting shared learning, and supporting the development of public administration in the Western Balkans. ReSPA Members are Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia, while Kosovo<sup>2</sup> is a beneficiary. ReSPA's purpose is to help regional governments in developing better public administration, public services, and overall governance systems for their citizens and businesses and prepare for membership in the European Union.

ReSPA establishes close cooperation with ministers, senior public servants, and heads of function in Member countries. ReSPA also works in partnership with the European Union, Directorate General for Neighborhood and Enlargement Negotiations (DG NEAR), other line DGs, regional actors and initiatives such as OECD/SIGMA Programme and Regional Cooperation Council (RCC), as well as agencies and civil society organizations. Since its inception, ReSPA, as an international organization and a key regional endeavor in Public Administration Reform, has contributed to capacity-building and networking through on-demand support mechanisms, peering, and the production of regional research material. The European Commission (EC) provides directly managed funds to support the ReSPA activities (research, training, and networking programs) in line with the EU accession process.

The Ministry of Finance of Montenegro, through its Directorate for Central Harmonization and Development of Internal Controls, is responsible for the harmonization and coordination of governance and internal control systems within the public sector, including the development of the internal audit function. As part of the commitments under Negotiation Chapter 32 – Financial Control and the Public Administration Reform Strategy, Montenegro is strengthening the implementation of managerial accountability. In addition, the newly issued Global Internal Audit Standards (January 9, 2024) introduce significant changes that require a revision of the internal audit methodology.

To support these objectives, the Montenegrin Ministry of Finance seeks expert assistance in developing a Rulebook on the Work Methodology of Internal Auditors and a Manual on Governance, Risk Management, and Internal Control to ensure alignment with international standards and national legal frameworks.

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<sup>2</sup> \* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and ICJ opinion on the Kosovo Declaration of independence.

## Purpose

The purpose of this assignment is to develop a comprehensive methodology that aligns Montenegro's internal audit function with the newly introduced Global Internal Audit Standards. By ensuring compliance with international best practices, this assignment aims to enhance governance, risk management, and internal control mechanisms in the public sector. The development of a Rulebook on the work methodology of internal auditors will provide a structured and standardized approach, strengthening the effectiveness and credibility of internal audit practices. Additionally, the assignment seeks to raise awareness and improve the implementation of internal control systems by equipping auditors and management with clear guidelines to fulfill their responsibilities effectively.

## Problem Statement

The Ministry of Finance of Montenegro is responsible for the development of the internal audit function in the public sector. Article 25 of the Law on Governance and Internal Controls in the Public Sector stipulates that internal audits must be conducted in accordance with the Law, the International Professional Practice Framework for Internal Audit, and the Internal Audit methodology. The Ministry prescribes the methodology for internal audit work, outlining the procedures that internal auditors in the public sector must follow when conducting audits within their institutions.

The need to further develop the methodology has arisen due to the issuance of the new Global Internal Audit Standards by the Institute of Internal Auditors, an international professional association, on January 9, 2024. These standards must be fully implemented within one year, making them mandatory by January 9, 2025. Consequently, the revised methodology must align completely with the new Global Internal Audit Standards.

To achieve this, the Ministry of Finance requires the expertise of an experienced internal auditor with a background in managing internal audit affairs to develop the aforementioned methodology, which will be formalized as a by-law (Rulebook on the work methodology of internal auditors in the public sector). The new Global Standards introduce substantial changes in the structure and requirements for internal audit work, significantly expanding the responsibilities of auditors and audit managers. Additionally, entity management will assume greater obligations concerning internal audit activities, necessitating clear methodological instructions to guide compliance. Given the lack of existing practice in applying the Global Standards, each requirement must be carefully analyzed within the specific operational context to determine the appropriate activities for ensuring compliance.

The development of the internal audit function is recognized as a key priority in the Government of Montenegro's strategic documents, including the Public Administration Reform Strategy and the Public Finance Management Reform 2022-2026 document. Specifically, Operational Goal 4.1.3 of the PFM Strategy outlines continuous activities for strengthening internal audit functions in Montenegro. We are confident that developing this methodology will enhance the capacities of internal auditors, enabling them to effectively implement activities within the PFM Strategy framework.

Establishing a system for managing irregularities is a crucial component of internal controls, facilitating more effective risk management, improved oversight of organizational operations, and the rectification of identified irregularities. Despite the existence of a legislative framework for such a system in Montenegro, implementation remains a challenge. Therefore, raising awareness about the importance of this system is essential for strengthening internal controls and promoting good governance.

## Objectives and Scope of the Assignment

The objective of this assignment is to develop a structured and standardized methodology for internal auditors in the public sector of Montenegro, ensuring compliance with the newly introduced Global Internal Audit Standards. The assignment will enhance governance, risk management, and internal control mechanisms by providing clear guidance on the responsibilities and procedures of internal auditors.

The scope of the assignment includes:

- Developing a Rulebook on the work methodology of internal auditors to align with international standards. The requirements outlined in the Rulebook will be effectively addressed through dedicated workshops within the Continuous Professional Development Program for Internal Auditors in 2025, organized by the Ministry of Finance and the Human Resources Management Authority.
- Preparing a Manual on Governance, Risk Management, and Internal Control, including examples from practice for better understanding of requirements regarding governance and internal control.

## Tasks and Responsibilities

The Expert will be responsible for the following tasks:

- Conduct a comprehensive analysis of existing internal audit methodologies and relevant legal frameworks.
- Develop the structure and content of the Rulebook on the work methodology of internal auditors, ensuring alignment with the new Global Internal Audit Standards.
- Draft a Manual on Governance, Risk Management, and Internal Control, incorporating best practices and practical guidelines for implementation.
- Engage with key stakeholders, including representatives of the Ministry of Finance and internal auditors, to gather input and ensure relevance.
- Prepare a final report summarizing findings, methodology, and recommendations for sustainable implementation.

The Expert shall liaise directly with the responsible ReSPA Programme Manager and consider instructions received beforehand. All the materials should be submitted to the responsible

ReSPA Programme Manager for approval and, if necessary, all adjustments done following suggestions by ReSPA Programme Manager.

## Necessary Qualifications

The Expert shall possess the following qualifications:

- University degree (min 240 ETCS) i.e. VII in one degree under pre-Bologna system in Finance/Economy/Law;
- A minimum of 10 years of experience in Public Internal Financial Control (PIFC) within the public sector.
- At least 5 years of experience in a managerial role within an internal audit unit or other managerial position related to internal control or internal audit affairs.
- Certification as an Internal Auditor with proven expertise in governance, risk management, and internal control frameworks.
- Demonstrated experience in drafting methodologies, policies, and regulatory frameworks for internal controls and internal audit.
- Strong knowledge of the new Global Internal Audit Standards and their application in public sector environments.
- Prior experience in capacity-building initiatives, including training and workshops for internal auditors and public sector management.
- Excellent analytical, drafting, and communication skills.
- Fluency in English and Montenegrin/Serbian/Croatian/Bosnian language is mandatory.

## Time frame, Level of Effort, and Location

The assignment will take place from March to June 2025. The Level of Effort is estimated at 55 working days, as follows (indicatively):

Expert Day	Tasks for governance and internal control  (Assistance in drafting of by-laws - regulations related to the manner of establishing and improving internal controls and irregularities)	Deliverables/outputs
1	Developing the structure of the Manual	The structure of the Manual developed
2-7	Drafting material for governance	Requirements of the governance developed
8-12	Drafting material for risk management	Requirements for risk management developed
13-18	Drafting material for internal control	Requirements for internal controls developed

<b>Expert Day</b>	<b>Tasks for internal audit (Developing the Rulebook on the work methodology of internal auditors)</b>	<b>Deliverables/outputs</b>
<b>1-2</b>	Developing the structure of Rulebook <sup>3</sup>	The structure of the Rulebook developed
<b>3-5</b>	Drafting the requirements of the new IPPF	Requirements of the new IPPF developed
<b>6-7</b>	Drafting the material for developing the Internal Audit Charter	Requirements for the Audit Charter developed
<b>8-9</b>	Drafting material for preparing the Strategic Internal audit plan in line with new Global Internal Audit Standards	Requirements and instructions for preparation of Strategic Audit Plan developed
<b>10-14</b>	Drafting material for preparing the Annual Internal audit plan in line with new Global Internal Audit Standards	Requirements and instructions for preparation of Annual Audit Plan developed
<b>15-21</b>	Drafting material for conducting the individual internal audit engagement (planning phase)	Requirements and instructions for conducting planning phase of audit engagement developed
<b>22-27</b>	Drafting material for conducting the individual internal audit engagement (fieldwork phase)	Requirements and instructions for conducting fieldwork phase of audit engagement developed
<b>28-32</b>	Drafting material for conducting the individual internal audit engagement (reporting phase)	Requirements and instructions for conducting reporting phase of audit engagement developed
<b>33-34</b>	Drafting material for conducting the individual internal audit engagement (follow up phase)	Requirements and instructions for conducting follow up phase of audit engagement developed
<b>35-37</b>	Drafting material for requirements of Quality Assurance and Improvement Program  Drafting material for requirements of Quality Assurance and Improvement Program	Requirements and instructions for implementation of Quality Assurance and Improvement Program developed

The assignment foresees working from home and participating in the two-day regional conference organized in Podgorica, tentatively in June 2025.

<sup>3</sup> Work methodology of internal auditors would be in the form of by-law (Rulebook on the work methodology of internal auditors), so methodology and Rulebook is one document

## Remunerations

The maximum amount of funds allocated for this assignment is **14,850 EUR** for a total of up to **fifty five (55) expert days**. However, the daily fee per working day will be defined following ReSPA expert selection procedure based on assessed and evaluated expert capacities. The payment will be made in one installment upon finalization of the assignment.

Note: No other costs will be covered apart from the expert cost per day. The Expert cost per day comprises of Expert's fee per day and a lump sum for covering related expenses, including travel, accommodation, local transport, meals, and other incidentals.

## Reporting and Final Documentation

For the purpose of reporting, the Expert will be requested to deliver the following documents:

- The outputs of the assignment (Rulebook on the work methodology of internal auditors to align with international standards and Manual on Governance, Risk Management, and Internal Control)
- A brief final report in English no later than seven days after completing the assignment. The report will be subject to the approval of the ReSPA as a contracting authority;
- Timesheet (original and signed);
- Invoice (original and signed).