

Pursuant to the provisions of Articles 8 and 37, item (a) of the Public Internal Financial Control System Act (Official Gazette 141/06), the Minister of Finance hereby passes the following

## **PROFESSIONAL TRAINING PROGRAMME FOR THE FINANCIAL MANAGEMENT AND CONTROL**

### **I GENERAL PROVISIONS**

#### **Article 1**

According to this Programme, a professional training of persons in charge of the establishment, development and implementation of financial management and control is carried out (hereinafter: the Programme).

A financial management and control head, financial management and control coordinator and other persons appointed by the head of the State Budget beneficiary as responsible for the establishment, development and implementation of the financial management and control system are the persons in charge of the establishment and development of financial management and control.

The purpose of the training programme is to introduce the attendants with the financial management and control system and activities to be carried out in order to establish and develop the system, with an aim of improving financial management and decision-making for the purpose of fulfilling the objectives of the State Budget beneficiary and performing the tasks in an orderly, ethical, economical, effective and efficient manner.

### **II THE PROGRAMME AND CARRYING OUT OF THE TRAINING**

#### **Article 2**

The training programme consists of the four basic modules relating to the following areas:

1. Introduction into the financial management and control
2. Risk management
3. Internal controls
4. Establishment and development of the financial management and control.

In addition to the basic modules, the persons in charge of the establishment and development of the financial management and control may also participate in professional training by taking individual optional modules, which will be organised by the Department for Harmonization of Internal Audit and Financial Control (hereinafter: the Central Harmonisation Unit).

## Article 3

The four basic models encompass the following:

### 1. Module A – **Introduction into the Financial Management and Control**

The Programme encompasses the following under this module:

- legal framework for public internal financial control
- internal control definition, purpose, importance and standards
- roles of the persons involved with financial management and control
- internal control components (COSO model)
- introduction into risk assessment and risk management
- internal controls assessment
- activities for the establishment and development of financial management and control.

### 2. Module B – **Risk Management**

The Programme encompasses the following under this module:

- concept and types of risk
- objectives and SWOT analysis (analysis of strengths, weaknesses, opportunities and threats)
- risk identification
- risk description and analysis
- risk assessment
- acting against risks and risk-taking tendency
- risk ownership
- risk notification, reporting and communication
- overview of risks
- risk management strategy.

### 3. Module C – **Internal Controls**

The Programme encompasses the following under this module:

- concept and types of internal control
- responsibility for controls
- control environment
- control objectives
- control activities
- control procedures
- control testing
- notification and communication
- control monitoring
- internal control system implementation.

#### 4. Module D – **Establishment and development of the financial management and control**

The Programme encompasses the following under this module:

- establishment of the financial management and control system
- statement concerning the vision, mission and the key business objectives
- list or book (map) of business processes
- preparation of the audit trail – flow diagram
- risk identification at the level of business processes, risk assessment and risk rating – risk management
- assessment of five components of internal control
- analysis of the existing and the required controls
- preparation of the action plan for taking corrective measures (establishment of the required controls)
- annual report on the establishment and development of financial management and control
- occasional testing of internal controls in high-risk areas.

#### Article 4

Training is carried out according to the plan adopted by the Central Harmonisation Unit. Training by individual module lasts for approximately three working days, i.e. from 16 to 24 hours.

Participation in training is compulsory and only exceptionally, in justifiable cases, may an absence of a half of a working day or 4 hours per module be excused.

Training is organised on working days from 9:00 a.m. to 5:00 p.m.

#### Article 5

Upon the training completion, a participant obtains a certificate of participation.

The Ministry of Finance, Central Harmonisation Unit, is competent for organising and carrying out the training.

The training is carried out by trainers appointed by the Central Harmonisation Unit, possessing a valid license for carrying out the training of civil servants, in accordance with Article 70 of the Decree on the forms, methods and conditions of the training of civil servants (Official Gazette 10/07).

Rights, obligations and remuneration of trainers are regulated by the provisions of the aforementioned Regulation.

The Central Harmonisation Unit may also occasionally engage other lecturers for individual areas under this Programme – professors at higher education institutions and other persons who have specialist knowledge of the said areas.

### III TRANSITIONAL AND FINAL PROVISIONS

#### Article 6

The trainers, referred to in Article 5 of this Programme, must obtain a valid license for carrying out the training of the civil servants within 12 months following the date of entry into force of this Programme.

Until the time the persons referred to in paragraph 1 of this Article have fulfilled the required conditions, the training will be carried by the experts for the projects financed by the European Union and by the persons appointed by the Central Harmonisation Unit.

#### Article 7

The Programme enters into force as of the date of its adoption.

**THE MINISTER OF FINANCE**

**IVAN ŠUKER**

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