

Pursuant to Article 83 paragraph 5 of the Budget System Law (Official Gazette of RS, nos. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13 – correction and 108/13),
The Minister of Finance hereby issues the following

Rulebook on the Requirements and Procedure for Taking the Exam for Acquiring the Title of Certified Internal Auditor in the Public Sector

*The Rulebook was published in the Official Gazette of RS,
No. 9/2014 of 30/1/2014 and came into force on 7/2/2014*

1 General Provisions

Article 1

This Rulebook stipulates the requirements and procedure for taking the exam for acquiring the professional title of certified internal auditor in the public sector, record-keeping and other issues concerning the exam for acquiring such title.

Article 2

Certified internal auditor in the public sector shall be any person who has passed the exam for acquiring the title of certified internal auditor in the public sector, in accordance with this Rulebook.

2 Exam Requirements

Article 3

The exam for acquiring the title of certified internal auditor in the public sector may be taken by any person meeting the following requirements:

1) that he/she is employed in internal audit with direct or indirect budget beneficiaries, mandatory social security organisations, public companies established by the Republic of Serbia, or autonomous province, municipalities, towns and city of Belgrade, legal entities established by such public companies, or legal entities in which the Republic of Serbia or local authorities have direct or indirect control over more than 50% of equity or more than 50% of the votes on the Board of Directors, or with other legal entities in which public funds account for more than 50% of total revenue (hereinafter: public funds beneficiaries);

2) that he/she holds a university degree;

3) that he/she has at least three years of experience in audit, internal control, financial control and accounting and finance requiring a university degree ;

4) that he/she has a certificate of the Ministry of Finance (hereinafter: the Ministry) of completing with this Ministry the basic training for internal auditors, the basic training in financial management and control and training for practical audit work by conducting two audits in the public funds beneficiary with which he/she is employed, with a professional assistance of the Ministry – Central Harmonisation Unit referred to in Article 83 paragraph 1 of the Budget System Law (hereinafter: CHU);

5) that he/she has not been convicted of criminal acts that make them unfit to perform internal audit.

The application for attending the training referred to in paragraph 1 item 4) of this Article shall be submitted by the public funds beneficiary on behalf of the person who meets the requirements referred to in paragraph 1 items 1), 2), 3) and 5) of this Article and who is employed with this public funds beneficiary and assigned to the post of internal auditor.

The application for attending the training referred to in paragraph 2 of this Article shall be submitted to the Ministry – CHU.

Upon the completion of the training, the Ministry shall issue certificates of completed training, in accordance with paragraph 1 item 4) of this Article, for each training separately.

3 Exam Method and Procedure

Article 4

The CHU shall organise the training and exam for acquiring the title of certified internal auditor in the public sector.

The preparatory training for acquiring the title of certified internal auditor in the public sector (hereinafter: training) shall be conducted by the CHU.

The training shall include:

- 1) basic training for internal auditors;
- 2) basic training in financial management and control;
- 3) training for practical internal audit work by conducting two audits in the public funds beneficiary with which the trainee is employed, with expert assistance of the Ministry – CHU.

The exam for acquiring the professional title of certified internal auditor in the public sector (hereinafter: exam) shall include the following exam areas:

- 1) internal audit standards, policies and environment;
- 2) conducting internal audit;
- 3) internal audit skills and techniques;
- 4) risk management and internal control in the public sector.

The training and exam shall be conducted according to the Training and Exam Programme for acquiring the title of certified internal auditor in the public sector, which is attached to this Rulebook and is an integral part of it.

Article 5

The exam shall be taken before the Committee for conducting the exam for acquiring the title of certified internal auditor in the public sector (hereinafter: Committee).

The Committee shall have nine members, one of which being the Chairperson of the Committee.

The Committee Chairperson and members and their deputies shall be appointed by the Minister of Finance, at the CHU proposal, for a five-year period.

The Committee Secretary, who shall not be its member, shall also be appointed by the decision on appointing the Committee Chairperson and members .

The Committee members and their deputies shall be appointed from among the CHU employees, instructors of the basic training for internal auditors and basic training in financial management and control and chief audit executives in public funds beneficiaries.

The Committee members and their deputies shall have a university degree.

The Committee Secretary, who shall keep the Committee minutes and perform administrative tasks for the Committee, shall be appointed from among the CHU employees.

In case of the absence or incapacity of the Committee Chairperson and members, their deputies shall act as their substitutes.

Article 6

The exam application shall be submitted by the public funds beneficiary with which the candidate is employed, or it may be submitted by the candidate as well.

The exam application, which shall be submitted to the Ministry – CHU, shall state the data about the candidate, as follows:

- 1) first name, name of a parent, last name;
- 2) date and place of birth;
- 3) address;
- 4) Personal Identity Number (PIN);
- 5) qualification level;
- 6) information on experience requiring university degree, in accordance with Article 3 paragraph 1 item 3) of this Rulebook;
- 7) information on total years of service from the employment booklet;
- 8) examination period for which the application is submitted.

The following shall be submitted with the application:

- 1) diploma;
- 2) certificate that the candidate has not been convicted of crimes that make him/her unfit to perform internal audit, in accordance with Article 3 paragraph 1 item 5) of this Rulebook;

3) certificate of experience requiring university degree from his/her employer, in accordance with Article 3 paragraph 1 item 3) of this Rulebook;

4) certificates of completed trainings referred to in Article 3 paragraph 4 of this Rulebook.

The evidence supporting the application referred to in paragraph 3 of this Article shall be submitted as original or certified copy or a certified transcription.

The application shall be submitted by 31 March of the current year for the May examination period, or by 30 September of the current year for the November examination period.

If the submitted application with the required documents has deficiencies, the Ministry – CHU shall notify the applicant accordingly and invite the applicant to eliminate them within eight days from the notification date.

The CHU shall not act upon the application if the above deficiencies are not eliminated within the time limit referred to in paragraph 6 of this Article.

Article 7

The CHU shall notify the applicant of the date, time and place of the exam not later than eight days before the exam.

Article 8

The candidate may withdraw from the exam, of which he/she shall inform the CHU at least seven days before the date set for the exam.

Based on the candidate's written request supported by adequate evidence, the CHU may postpone the exam if the candidate is unable to take the exam for justified reasons (due to illness or for other valid reasons).

Article 9

The exam shall be taken in writing, in the form of joint test for all exam areas referred to in Article 4 paragraph 4 of this Rulebook (hereinafter: test) and shall last for three hours without interruption.

Each exam area shall be represented with 15 questions that shall be answered by circling one or more answers offered, so that the exam has a total of 60 questions.

Two Committee members appointed by the Chairperson of the Committee per each individual exam area shall prepare 60 exam questions for that exam area, 15 of which shall be drawn by the Committee for each exam area before the exam.

Article 10

The exam shall be attended by at least five Committee members.

Article 11

The candidate shall submit his/her test not later than by the time set for its completion.

If the candidate fails to submit the test within the set time limit, it shall be deemed that he/she failed the exam.

After submitting his/her test, the candidate shall leave the room where the exam is taking place.

Article 12

After the exam, the Committee members who attended the exam shall determine the exam results of each individual candidate. The final decision on candidate performance shall be made by the Committee by majority vote.

Article 13

The candidate result in the exam per each exam area and result in the exam as a whole shall be assessed in a descriptive manner: "passed" or "failed".

The candidate shall pass the part of the exam for an individual exam area if he/she has at least 60% of the total possible number of points set for that exam area.

The candidate shall pass the exam as a whole if he/she passes all individual exam areas.

The candidate who failed a part of the exam in maximum two individual exam areas may retake the exam in these exam areas in the next examination period.

The candidate who failed the exam in three individual exam areas shall be deemed to have failed the exam as a whole.

Article 14

A report shall be prepared of the exam course.

The report shall include: the name of the Committee Chairperson and members, the name of the candidate, the number and date of the exam approval notice, the place, date and time of the exam, the exam questions, the grades in each individual exam area, the overall exam result, information about withdrawal from the exam and other information relevant for the exam.

The report shall be signed by the Committee Chairperson and members and by the Committee Secretary.

The Committee shall submit the report, to which the candidate tests shall be enclosed, to the CHU.

Article 15

The CHU shall send a notice to the candidate about the result achieved in the exam.

The candidate shall be entitled to inspect his/her test on the CHU premises within eight days from the day of receiving the notice of the results achieved in the exam.

The candidate shall be entitled to a complaint against the score achieved in the exam.

The complaint shall be submitted to the Committee via the CHU within eight days from the day of receiving the notice referred to in paragraph 1 of this Article.

The Committee shall decide on the complaint and prepare a relevant report.

The CHU shall send to the candidate the Committee decision on the complaint.

Article 16

The candidate who failed the exam may take the exam in the next examination period.

Article 17

The Minister of Finance shall issue a certificate of acquiring the title of certified internal auditor in the public sector to the candidate who passed the exam.

The certificate of acquiring the title of certified internal auditor in the public sector shall be a certificate of passing the exam and shall include: first name, last name, place and year of birth of the candidate, the faculty and year of graduation, the exam date, the number, date and place of certificate issuance, the signature of the Minister of Finance and official seal.

4 Records

Article 18

The exam documents and records of exams for acquiring the title of certified internal auditor in the public sector, kept by the CHU, shall be kept permanently.

Article 19

The CHU shall keep the Register of Certified Internal Auditors in the Public Sector, where the persons shall be registered who were issued a certificate of acquiring the title of certified internal auditor in the public sector.

The Register referred to in paragraph 1 of this Article shall be kept permanently.

5 Transitional and Final Provisions

Article 20

As of the day of coming into force of this Rulebook, the Rulebook on the Requirements, Method and Procedure for Taking the Exam for Acquiring the Title of Certified Internal Auditor in the Public Sector (Official Gazette of RS, Nos. 46/09 and 94/10) shall cease to apply.

Article 21

The Committee for conducting the exam for acquiring the title of certified internal auditor in the public sector, whose Chairperson, members and their deputies, as well as Secretary were appointed by the Minister of Finance in accordance with Article 5 of the Rulebook on the Requirements, Method and Procedure for Taking the Exam for Acquiring the Title of Certified Internal Auditor in the Public Sector (Official Gazette of RS, Nos. 46/09 and 94/10), shall continue to work until the expiry of their term.

Article 22

This Rulebook shall come into force on the eighth day from the day of its publication in the Official Gazette of the Republic of Serbia.

No. 110-00-27/2013-09
Belgrade, 28 January 2014

Minister,
Lazar Krstić, signed in own hand

PROGRAMME OF TRAINING AND TAKING THE EXAM FOR ACQUIRING THE TITLE OF CERTIFIED INTERNAL AUDITOR IN THE PUBLIC SECTOR

I. TRAINING PROGRAMME

The training programme for acquiring the professional title of certified internal auditor in the public sector shall include:

- 1) basic training for internal auditors;
- 2) basic training in financial management and control;
- 3) training for practical internal audit work by conducting two audits in the public funds beneficiary with which the trainee is employed in internal audit with expert assistance of the Ministry of Finance.

1) Basic training for internal auditors:

(1) Internal audit standards, policies and environment:

A. International Standards for the Professional Practice of Internal Auditing:

- attribute standards,
- performance standards;

B. Code of Ethics;

C. Charter:

- purpose,
- authorities,

- responsibilities;
- D. Planning:
 - strategic plan,
 - annual plan,
 - operational plan;
- E. Staffing, training and professional development;
- F. Quality assurance policy;
- G. Policy concerning fraud, irregularities and illegal acts;
- H. Regulations in the area of internal financial control in the public sector in the Republic of Serbia:
 - Budget System Law (Official Gazette of RS, nos. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13 – correction and 108/13),
 - Decree on Budget Accounting (Official Gazette of RS, nos. 125/03 and 12/06),
 - Rulebook on Joint Criteria for Organisation and Standards and Methodological Instructions for the Conduct and Reporting of Internal Audit in the Public Sector (Official Gazette of RS, nos. 99/11 and 106/13),
 - Rulebook on Joint Criteria and Standards for Establishing, Functioning and Reporting of the System of Financial Management and Control in the Public Sector (Official Gazette of RS, nos. 99/11 and 106/13);
- (2) *Conducting internal audit:*
 - A. Basic types of audit:
 - system audit,
 - substantive audit,
 - performance audit,
 - financial audit,
 - information system audit,
 - contract audit;
 - B. Conducting system audit:
 - preparing and planning audit assignments,
 - determining the goals of control and expected controls,
 - determining and surveying the systems,
 - identifying the existing controls,
 - assessing controls – reviewing controls,
 - testing controls – effectiveness,
 - making conclusions,
 - supervising the performance of audit assignments,
 - reporting,
 - monitoring the implementation of internal audit recommendations;
- (3) *Skills and techniques of internal audit:*
 - A. Determining and presenting the business process;
 - B. Basic documentation and work papers;
 - C. Techniques of testing, sampling and analysis;
 - D. Interview skills and techniques;
 - E. Purpose, structure and preparation of audit reports;
 - F. Purpose, structure and preparation of the Recommendation Implementation Plan.

Basic training for internal auditors shall last for seven working days or 49 working hours. Attendance is mandatory. The CHU shall keep training attendance records.

- 2) Basic training in financial management and control:
 - (1) *Risk management and internal control in the public sector:*
 - A. Introduction to internal financial control in the public sector:
 - internal financial control in the public sector,
 - public accountability and corporate governance,
 - the purpose, importance and limitations of internal control,
 - the role of managers, employees, internal auditors and the CHU in the organisation of internal control;
 - B. Integrated internal control framework – COSO model:
 - control environment,

- risk assessment,
 - control activities,
 - information and communication,
 - control supervision (monitoring);
- C. Risk management system:
- introduction to risk management and SWOT analysis,
 - risk identification,
 - risk assessment,
 - risk resolution,
 - residual risk and planning for contingency situations,
 - risk monitoring
 - risk management strategy;
- D. Management control system:
- management controls;
 - control environment,
 - control objectives,
 - control activities,
 - control procedures,
 - control testing,
 - controls in the information and communication area,
 - control supervision.

Basic training in financial management and control shall last for five working days or 35 working hours. Attendance is mandatory. The CHU shall keep training attendance records.

3) Training for practical internal audit work.

The practical training shall be performed by conducting two audits in the public funds beneficiary with which the trainee is employed, with expert assistance of the Ministry of Finance – CHU, in the manner determined by the Rulebook on Joint Criteria for Organisation and Standards and Methodological Instructions for the Conduct and Reporting of Internal Audit in the Public Sector.

The trainee shall submit to the CHU two final internal audit reports (in hard copy and in electronic form) with journals of practical training certified by the person who provided assistance as proof of successfully conducted internal audits.

II. EXAM PROGRAMME

The exam programme shall consist of four exam areas:

- 1) internal audit standards, policies and environment;
- 2) conducting internal audit;
- 3) internal audit skills and techniques;
- 4) risk management and internal control in the public sector.

Exam areas Internal Audit Standards, Policies and Environment , Conducting Internal Audit and Internal Audit Skills and Techniques include the subject Basic Training for Internal Auditors, defined in this training programme.

Exam area Risk Management and Internal Control in the Public Sector includes the subject Basic Training in Financial Management and Control, defined in this training programme.

The following legal sources and literature shall be used for preparing the exam for acquiring the title of certified internal auditor in the public sector:

1. Budget System Law (Official Gazette of RS, nos. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13 – correction and 108/13),
2. Decree on Budget Accounting (Official Gazette of RS, nos. 125/03 and 12/06),
3. Rulebook on Joint Criteria for Organisation and Standards and Methodological Instructions for the Conduct and Reporting of Internal Audit in the Public Sector (Official Gazette of RS, nos. 99/11 and 106/13),
4. Rulebook on Joint Criteria and Standards for Establishing, Functioning and Reporting of the System of Financial Management and Control in the Public Sector (Official Gazette of RS, nos. 99/11 and 106/13),
5. The training material and the Internal Audit Manual that the trainee shall receive during the basic training for internal auditors,

6. The training material and the Financial Management and Control Manual that the trainee shall receive during the basic training in financial management and control.