

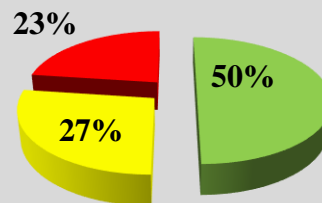
METHODOLOGY FOR REPORT PREPARATION

Methodology used for Reports preparation is based on the methodology established for monitoring the process of implementation of Action Plan of the Public Administration Reform Strategy, in order to ensure uniformity in reporting. Status of each activity is represented with adequate color:

- **Green** – for implemented activities;
- **Yellow** – for partially implemented activities, clarifying the reasons for the activity not being implemented in full, along with a precise definition of new deadline for implementation;
- **Red** – for activities not conducted within the deadline defined in the Program, with mandatory state of detailed reasons for delay, further steps and a definition of the new timeframe for implementation;
- **Orange** – for activities which have not yet reached a deadline for implementation (or are marked as continuous), with significant progress being made in their implementation.

Percentage of implemented activities in the reporting period from December 2015 to June 2017

■ implemented ■ partially completed ■ not completed



ANNEX 1: TABLE OF IMPLEMENTATION OF THE ACTION PLAN

TO IMPROVE THE CREDIBILITY OF MACROECONOMIC FORECASTING										
MEASURE 1										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones to implement the activity, with the recommendation	Expected time of implementation of activities		
				partially completed						
				partially completed before the deadline						
not completed										
1.1 Strengthened capacities of the Ministry of Finance for improved macroeconomic forecasting and improved methodological approach	Procurement, customization and implementation of the Bridge Model to improve GDP forecasting	1 st quarter 2017			At the beginning of 2016, employees of the Department for Macroeconomic and Fiscal Analyses and Projection have developed a model that allows rapid assessment of monthly and quarterly GDP based on high-frequency indicators. Link to a document, which is published on a monthly basis: http://mfin.gov.rs/pages/issue.php?id=3 The results are published in the Fiscal Strategy for 2017.				MoF/ Department for Macroeconomic and Fiscal Analyses and Projections	

MEASURE 1	TO IMPROVE THE CREDIBILITY OF MACROECONOMIC FORECASTING									
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Continuation 1.1 Strengthened capacities of the Ministry of Finance for improved macroeconomic forecasting and improved methodological approach	Strengthened the capacity for carrying out long term fiscal sustainability analyses	4 th quarter 2017			Series of workshops was started (detailed in the narrative part)				MoF/ Department for Macroeconomic and Fiscal Analyses and Projections	

MEASURE 1	TO IMPROVE THE CREDIBILITY OF MACROECONOMIC FORECASTING									
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1.2 Ensured administrative and technical capacities of managing the EU own source scheme	Strengthen the capacity of the coordinating body and all other institutions involved in revenue collection for correct calculation, accounting, forecasting, collection, payment and control of own resources	2 nd quarter 2017	Dedicated staff in the partner institutions appointed. Methodology for calculation, accounting, forecasting, collection, payment and control of own resources adopted (2017)		Coordinating body within the MoF ¹ is established during the reporting period and administrative capacities and technical knowledge of partner institutions are improved thought numerous trainings (detailed in the narrative part).		Preparation and adoption of the new Systematization of Job Positions of the MoF		MoF/ Department for Macroeconomic and Fiscal Analyses and Projections e	Tax Administration Customs Administration Treasury Administration

¹ two job positions in the Section for Fiscal Projections and Coordination and Management of the EU Own Resources in the scope of Division for Fiscal Analysis and Projections and Coordination and Management of the EU own resources of the MoF Department for Macroeconomic and Fiscal Analysis and Projections

MEASURE 2		TO IMPROVE THE COVERAGE OF THE NATIONAL BUDGET									
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION	
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2.1 Institutional coverage of the national budget expanded	Gradual and systematic inclusion of own sources and budget beneficiaries into the national budget	4 th quarter 2020	Reliable financial plans of Indirect Budget Beneficiaries included in the national budget (2018) <i>TV: Courts, public prosecutors and judiciary institutions included (beg.2016)</i> <i>TV: Prisons, cultural institutions included (2017)</i> <i>TV: Social protection institutions included (2018)</i>		The budget execution system of the Treasury Administration included 247 additional indirect budget beneficiaries in 2016 and preparatory actions were carried out for inclusion of other institutions				Expected time for inclusion of prisons and cultural institutions are in 2018, and for social institutions 2019.	MoF/Budget Department	Indirect Budget Beneficiaries

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2.2 Expanded coverage of external sources of funding in the national budget	Gradual and systematic inclusion of donor assistance in the national budget and budget execution documentation	4th quarter 2020	Percentage of external funds included in the national budget and budget execution documentation 2018 compared to the baseline value in 2016						MoF/Budget Department	European Commission Bilateral Donors European Integration Office

MEASURE 3										
TO FURTHER IMPLEMENT MULTI-ANNUAL PROGRAM BUDGETING ACROSS ALL LEVELS OF GOVERNMENT										
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not completed										
3.1 Improved process of program budgeting	Procurement and customization of software for the management of public finances, which connects the planning, execution and control	4th quarter 2016	Percentage of compliance of program structures of budget users with Guidelines for the preparation of the Program Budget <i>IV: % to be determined after adoption of Guidelines</i> <i>TV: To be determined</i>		The software for budget preparation BIS (Budget Information System) was developed.		Integration of the existing budget execution software with the new BIS system, and other systems, such as Public Policy IT system for planning and reporting on public policies		MoF/Budget Department	General Secretariat of the Government, Public Policy Secretariat of the Republic of Serbia, Human Resource Service of the Government

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Continuation 3.1 Improved process of program budgeting	Customization of the software for the management of public finances in order to ensure the appropriate interface with the module for Public Policy Planning	II quarter 2017.	Percentage of compliance of program structures of budget users with Guidelines for the preparation of the Program Budget <i>IV: % to be determined after adoption of Guidelines</i> <i>TV: To be determined</i>			The Planning System Law has not yet been adopted	Adoption of the Law on the Planning System and preparation of project documentation	4 th quarter 2018.	MoF/Budget Department	General Secretariat of the Government, Public Policy Secretariat of the Republic of Serbia, Human Resource Service of the Government

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Continuation 3.1 Improved process of program budgeting	Process analysis, monitoring and control of program budgeting and identify recommendations for improvement	1st quarter 2016	Percentage of compliance of program structures of budget users with Guidelines for the preparation of the Program Budget		Percentage of compliance of program structures of budget users with Guidelines reached 82%.				MoF/ Budget Department	General Secretariat of the Government, Public Policy Secretariat of the Republic of Serbia, Human Resource Service of the Government											
	Improving the methodology of the program budget and preparation of the new guidelines in accordance with the recommendations	1st quarter 2016	<i>IV: % to be determined after adoption of Guidelines</i> <i>TV: To be determined after adoption of Guidelines</i> <i>TV: To be determined</i>																		

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Continuation 3.1 Improved process of program budgeting	Conducting training for civil servants to improve the program budget	2nd quarter 2016.	Percentage of compliance of program structures of budget users with	completed	Trainings for budgetary users at national and local level were held.				MoF/Budget Department	General Secretariat of the Government, Public Policy Secretariat of the Republic of Serbia, Human Resource Service of the Government
	Implementation of the budget cycle for 2017 in line with the improved methodology	2nd quarter 2016.	Guidelines for the preparation of the Program Budget IV: % to be determined after adoption of Guidelines TV: To be determined	completed	Methodological improvements have been applied to the budget for 2017, and supported through a new information system for budget preparation.					

MEASURE 4										
TO IMPROVE PUBLIC INVESTMENT PLANNING										
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4.1 A single platform for Capital Projects Planning and methodology for public investment analysis and planning established	Evaluation of proposed public investment projects by budget beneficiaries and drafting an implementation plan	4th quarter 2016	Percentage of budget execution of capital projects approved according to the new methodology <i>IV: 0% (2016)</i> <i>TV: To be determined in 2017</i>		The Decree on contents, preparation method and assessment, as well as on monitoring of implementation and reporting on capital projects implementation (hereinafter Decree) was adopted by the Government on 27 June 2017	The Decree, which provides a basis for evaluating and monitoring the implementation of capital projects was adopted during 2nd quarter of 2017		During 2018	MoF/Budget Department/ Unit for evaluation of capital projects	Budget users, European Integration Office, Public Policy Secretariat
	Monitoring the implementation of approved capital projects and proposing measures to improve the planning and implementation of public investment project	2nd quarter 2017								

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TO IMPROVE PUBLIC INVESTMENT PLANNING										
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Continuation 4.1 A single platform for Capital Projects Planning and methodology for public investment analysis and planning established	Harmonization of procedures for planning, evaluation and selection of all capital projects regardless of the source of financing (national and local budgets, EU funds and other sources), and reporting	4th quarter 2016			The Decree on the content, method of preparation and evaluation, as well as monitoring the implementation and reporting on the implementation of capital projects was adopted on 27.06.2017 (detailed in the narrative part).		Precondition for the implementation of other activities was adoption of the Decree	During 2018	MoF/Budget Department, Unit for evaluation of capital projects	Budget users European Integration Office Public Policy Secretariat

MEASURE 5										
TO IMPROVE BUDGET PLANNING										
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5.1 Improved data on the fiscal impact of legislative initiatives	Develop methodologies for medium-term baseline estimates and costing of new policies, set up the legislative framework and provide training	4th quarter 2018	<p>New methodology for baseline estimates and policy costing adopted <i>IV: 0 (2015)</i> <i>TV: 1 (2017)</i></p> <p>Percentage of estimates based on new methodology <i>IV: 0% (2017)</i> <i>TV: TBD</i></p>		Draft methodology for baseline estimates and policy costing prepared and tested.				MoF/Budget Department	Budget users

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5.2 Improved planning of public funds through increased alignment with the Budget Calendar	Improved coordination and alignment of planning and programming of external assistance with the Budget Calendar	4 th quarter 2020			The forum for communication between relevant national institutions and donor on progress in implementation of sector policy, planned measures and activities in coming period and potential financial gaps has been established within the existing system of coordination of EU assistance and development assistance		It is not realistic to align dynamics in planning and programming of development assistance provided from different donors with national budget calendar, since different governments have their own dynamics in budget preparation		MoF/Budget Department	European Integration Office European Commission Bilateral donors									

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5.3 Improved Mid-Term Planning of the budget beneficiaries through increased alignment with the Methodology for Mid-Term Institutional Planning	Improved coordination and alignment of budget planning and execution of budget beneficiaries through compliance and alignment with the Methodology for Mid-Term Institutional Planning	4 th quarter 2018	Methodology for Mid-Term Institutional Planning adopted (2016) Percentage of Mid-Term Plans of budget beneficiaries based on new methodology IV:0% (2016) TV: 100% (2018)		Adoption of the Law on Planning System represents the precondition for the adoption of the Methodology for medium-term planning. In the reporting period, all the requirements for the submission of the draft Law on planning system in Serbia to the Government have been met together with two accompanying Decree. Link to the Draft Law: http://vs3836.cloudhosting.rs/malodrvvo/planski_sistem.pdf ; links to decrees: http://vs3836.cloudhosting.rs/malodrvvo/Uredba_o_upravljanju_JP_2912016.pdf and http://vs3836.cloudhosting.rs/malodrvvo/Uredba_o_srednjorocnom_PLANIRANJU_05122016-1.pdf ; Link to program of public debates: http://vs3836.cloudhosting.rs/malodrvvo/Program_novo.pdf	Planned schedule of adoption of legislation packages disrupted by parliamentary elections conducted in the second half of 2016 and period of technical government		It is expected that the Law on planning system of Serbia is to be approved by the end of 2017, and the Medium-term Methodology adopted within the six months period after the Law comes into force	MoF/Budget Department/ Public Policy Secretariat	Budget users

MEASURE 6										
TO IMPROVE THE OPERATIONAL CAPACITIES FOR PUBLIC INVESTMENT COORDINATION AND BUDGET PLANNING										
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				not completed						
6.1 The operational capacity of the Budget Department improved	Implement an institutional strengthening process of the Budget Department, and increasing its staff to increase its operational capacity and performance on budget preparation and coordination, on monitoring budget execution and in compiling detailed budget execution reports	2nd quarter 2016	The Budget Department fully staffed <i>IV: 67% (2015)</i> <i>TV: 100% (2016)</i>		During the reporting period the Budget Department reached employment rate of 70% of systematized job positions	Increasing the number of employees wasn't completed regarding to fiscal consolidation measures, wage bill restrictions and prohibitions of employment	Job competitions announcement.	Depends on the moment of lifting the ban on employment and the creation of necessary conditions for increasing the number of employees.	MoF/Budget Department	

MEASURE 6	TO IMPROVE THE OPERATIONAL CAPACITIES FOR PUBLIC INVESTMENT COORDINATION AND BUDGET PLANNING									
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6.2. Analytical and Planning units in Public Administration Bodies introduced to support budget planning linked to policy planning	Implement an institutional strengthening process of public administration bodies (ministries and their departments/ administrations/ inspectorates, special organizations and governmental services) for conducting necessary analysis, planning and budgeting by introduction of analytical and planning units	4th quarter 2017	Analytical and Planning units introduced (2017) Percentage of public administration bodies that introduced analytical and planning units <i>IV:0% (2016)</i> <i>TV: to be determined</i>		In the previous period PPS worked on building their own and analytical capacities of other state administration bodies with aim of planning, preparation, implementation and monitoring of the implementation of public policies based on evidence and relevant data (detailed in the narrative part)	Required changes of the Decree on principles for internal organization and systematization of jobs in line ministries, special organizations and government services, in order to create conditions for the introduction of unit for analysis and planning of public administration to support budget planning associated with planning policies.	The formulation and adoption of amendments of Decree on Principles for internal organization and systematization of jobs in line ministries, special organizations and government services and other regulations governing the state administration tasks, and organization of trainings.		MoF/ Ministry of Public Administration and Local Self-Government	General Secretariat of the Government Public Policy Secretariat Budget Beneficiaries
MEASURE 7	TO IMPROVE REVENUE COLLECTION									

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				partially completed before the deadline						
				not completed						
7.1 Tax Administration Transformation Strategy implemented	Strengthening strategic management and the basic Tax Administration functions, improving organizational structure and business processes, improving services to tax payers	4th quarter 2020	Percentage of achieved activities of the Strategy <i>IV: 15% (2015)</i> <i>TV: 52% (2016)</i> <i>TV: 61% (2017)</i> <i>TV: 63%(2018)</i> <i>TV: 67% (2019)</i> <i>TV: 100%(2020)</i>		Over the past two years significant effort has been made in implementation of the Program, reaching the level of 52% of implemented activities by the end of 2016. Link to Strategy TA: http://www.purs.gov.rs/o-nama/program-transformacije.html . Link to the organizational structure of TA: : http://www.purs.gov.rs/o-nama/organizaciona-sema.html ; (more details in the narrative)		In line with the IMF recommendations, the revision of the Transformation Programme is underway, since some initially set deadlines were not realistic. The Transformation Programme will be reviewed and updated by the end of 2017.	IV quarter 2020	TA	MoF

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7.2 Voluntary compliance with tax legislation, guidelines, and procedures improved	Perform an analysis of (i) the legislation, including criminal legislation, guidelines, and administrative/operational procedures; (ii) information to assess tax liabilities; and (iii) impediments to contest administrative ruling on tax liability, which need to be clarified.	4th quarter 2017	Percentage share of total regular (voluntary) tax collection against total tax revenues estimated in budget <i>IV 2014:</i> 85% <i>TV 2016:</i> 86% <i>TV 2017:</i> 87%		Percentage of the regular Tax collection for 2016 is 96%. In March 2016, two working groups were formed: WG for analysis of legal solutions in the process taxes, and the tax authorities and the WG for the analysis of legislation in the field of personal income tax. In October 2016 working group for drafting the Law on Amendments to the Law on Taxes on Use, Possession and Carrying of Goods was formed, in the part that regulates the taxation of the use of motor vehicles. Changes to the Criminal Code of the Republic of Serbia have been adopted in relation with the criminal offence Tax Evasion (from Article 229. paragraph 1) which will be applied from 1 March 2018, (and will be laid down in the Article 225)				TA	MoF

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Continuation 7.2 Voluntary compliance with tax legislation, guidelines, and procedures improved	Review the Tax Auditors' workflow and standard operating procedures to verify if their functions and prerogatives are clear in order to minimize discretionary decisions.	1st quarter 2017	Percentage share of total regular (voluntary) tax collection against total tax revenues estimated in budget <i>IV 2014: 85%</i> <i>TV 2016: 86%</i> <i>TV 2017: 87%</i>		The revision of the Methodological guidelines for recording traffic through fiscal cash registers is underway.				TA	MoF
	Improve clarity and usefulness of tax liabilities information by establishing a dedicated taxpayer services Department/unit within the TA	4th quarter 2017			A special Department of TA has been established with a function of providing services to taxpayers. The "Strategy for providing services to taxpayers" has been prepared and adopted in December 2016 by the Transformation Committee.					

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7.3 The Customs system improved and modernized	Implementation of ERIAN (Risk Management System), an expert system-module whose goal is an on-line evaluation of declarations processed by the declaration processing systems according to specifications of risk models (Risk profiles) created by risk analysts in ERIAN repository of risk profiles	4 th quarter 2018	Percentage of discrepancy of actual collection against approved budget estimate <i>IV 2014: TBD</i> <i>TV 2017: TBD</i> <i>TV 2018:TBD</i> <i>Increase of Tax collection as a % of GDP</i> <i>IV 2014:TBD</i> <i>TV 2016:TBD</i> <i>TV 2017:TBD</i>		Implementation of ERIAN is underway. The ERIAN system for control of transit procedures of national (NT) and common transit (T1, T2, T-), carried out through NCTS (New Computerized Transit System) is in place since February 2016.	In order to integrate the new system ISCS with ERIAN for all customs procedures and allowed entry / exit records road vehicles, additional time and additional ICT systems needed	Keeping automated import and export system AIS & AES; Expansion of repeaters for SEED to other border posts	4th quarter 2020	Customs Administration	MoF

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Continuation 7.3 The Customs system improved and modernized	Upgrading anti-corruption measures	4th quarter 2018.			<p>Risk analysis on the corruption of the legal framework of the customs system was done. First part of the training for members of the Department of Internal Control CA is held- Methods of investigation of corruption - at Criminal Police Academy, organized by GIZ project. Link to the news: http://www.kpa.edu.rs/cms/akademija/vesti/2290-obuka-za-pripadnike-uprave-carina-ministarstva-finansija.html</p> <p>Regarding planned trainings in the reporting period, in January 2017, a second part of the training was conducted for the Customs Administration Internal Control Department employees -on Methods of Investigation of Corruption in Customs at the Academy of Criminalistics and Police Studies in organization of GIZ project "Public Finance Reform".</p>			Deadlines for the activity "Upgrading anti-corruption measures " are defined in the Action Plan for Chapter 23 and it will be implemented through Negotiation Chapter 23	Customs Administration	MoF

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				partially completed						
				partially completed before deadline						
not completed										
Continuation 7.3 The Customs system improved and modernized	Modernizing the Customs Laboratory	4th quarter 2018			The twining light project „Creating conditions for strengthening the capacities of Customs Administration Laboratory of the Republic of Serbia“, financed from IPA 2013, started in June 2017. The project will last six months. Co-financing of the project is planned in the RS budget for 2017				Customs Administration	MoF

MEASURE 7										
TO IMPROVE REVENUE COLLECTION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
7.4 The appeals mechanisms are improved	Conducting a review of the independent appeals function. The main outcome of this activity should be: (i) establishing an M&E system for appeal cases and (ii) providing means for the dissemination of resolutions including the elapsed time, and the number and size of cases.	4th quarter 2018	% of the adopted appeals in comparison with total number of appeals completed <i>IV: 37,71%</i> <i>TV: 2015. - 36,2%;</i> <i>TV: 2016. - 35,5%;</i> <i>TV: 2017. - 34,8%;</i> <i>TV: 2018. - 34,1%.</i>		Progress has been made keeping in mind that in 2016, the percentage of adopted appeals in comparison with total number of appeals completed was 33.47%, considerably better than planned. Law on Tax Procedure and Tax Administration ("Official Gazette" No. 108/16) stipulates that the second instance tax procedure is to be conducted in a separate organizational unit formed in the MoF, from July 1, 2017. The jurisdictions of the Tax Administration in terms of authorization in the process of deciding in the second-instance tax procedure, are terminated starting from the given date				TA	MoF

MEASURE 7										
TO IMPROVE REVENUE COLLECTION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
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				partially completed before deadline						
				not completed						
7.5 The appropriate links between different databases within Tax Administration and between the Tax Registration System and other registration systems established	Processes mapping of the existing links among the Tax Administration and other registration systems and financial sector regulations, assessment of the ICT capabilities to interconnect different registries online; and preparation of a roadmap and timeline to address issues.	4th quarter 2017	Number of interactive data bases in the Tax administration <i>IV: 2(2015)</i> <i>TV: 3(2017)</i>		A one-stop shop system of business registration has been fully established with the Business Registers Agency, and there is a possibility of filing a registration form for the VAT and applying for lump sum taxation in the case of a newly established business entity. A better data exchange with BRA has begun. Support has been implemented for Article 29 of the LTPTA, i.e blocking of status changes in the BRA in the case STA started audit with a specific economic entity.				TA	MoF

MEASURE 7	TO IMPROVE REVENUE COLLECTION									
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
Continuation 7.5 The appropriate links between different databases within Tax Administration and between the Tax Registration System and other registration systems established	Assessment of internal procedures at Tax Administration to control and ensure that the Tax Registry is regularly updated	4th quarter 2017	Number of interactive data bases in the Tax administration <i>IV: 2(2015)</i> <i>TV: 3(2017)</i>		The Single register of taxpayers is updated on the basis of data taken from the BRA, within the framework of the one-stop shop system, and initiated a project to improve the quantity and quality of data on tax payers in the Single register. Until mid 2017, activities were realized on the formation of sub-registries within the JRPO (Unique taxpayers registry) in order to increase the business capacity of the tax administration. In the first two quarters of 2017 a preliminary analysis of the necessary resources for electronic data exchange with forced collection of NBS was made (blockade and unblocking). From 01.06.2017 the introduction of e-zup (Administrative procedure law), and the activities on establishing connections between the main state registries were introduced.				TA	MoF

MEASURE 7										
TO IMPROVE REVENUE COLLECTION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continuation 7.5 The appropriate links between different databases within Tax Administration and between the Tax Registration System and other registration systems established	Establishment of IT facilities (ESI) in connection to the process of EU integration (requests of Chapter 16))	4th quarter 2020	Number of interactive data bases in the Tax administration <i>IV: 2(2015)</i> <i>TV: 3(2017)</i>		The mission of DG TAXUD conducted on 8 December 2016 and the preliminary recommendations are given, but the final report has not yet been adopted (in detail in the narrative part).				TA	MoF

MEASURE 7										
TO IMPROVE REVENUE COLLECTION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed before deadline						
not completed										
7.6 More effective penalties system for non-compliant registration and declaration obligations developed	Revision and updating of the legislation, including Criminal legislation, regarding penalties for non-complaint registration and declaration obligations	4 th quarter 2018	increase in % of revenue collection <i>IV: (2015)</i> <i>TV: % (2018)</i>		Law on Amendments to the Law on Tax Procedure and Tax Administration is adopted ("Official Gazette of RS" No.108 / 16). Changes to the Criminal Code of the Republic of Serbia have been adopted in relation with the criminal offence Tax Evasion (from Article 229. paragraph 1)				TA	MoF

MEASURE 7 **TO IMPROVE REVENUE COLLECTION**

RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed before deadline						
				not completed						

7.7 Improved risk management practices	Implementation of the annual control plan based on identified risks and streamlining of headquarters control over the control plan focusing on large taxpayers improving the “strike rate” reviewing the allocation of auditors in order to ensure an optimal distribution of skills and implement an M&E system to enable managers to monitor performance.	4th quarter 2017	% of controls with irregularities IV: 33,06% 2014 TV 33,5% 2015 TV 35% 2016 TV 36% 2017		The target value of indicators for 2016 has been accomplished and the percentage of controls with irregularities is 35,66%. Based on the Annual control Plan of tax audits, payers are selected by sectors and branches of activity on the basis of risk analysis criteria. Risk analysis criteria for the VAT are developed. Risk analysis for control of income tax is in the preparation				TA	MoF
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MEASURE 7										
TO IMPROVE REVENUE COLLECTION										
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				partially completed before deadline						
				not completed						
Continuation 7.7 Improved risk management practices	Implementation of the annual audit plan based on the risk management criteria for the selection of cases for green, yellow, and red lanes, by improving risk profiling for authorized operators, implementing a quality control mechanism to ensure that the risk criteria have been properly applied at borders and an M&E system to enable managers to oversight performance.	4th quarter 2017	% of controls with irregularities <i>IV: 33,06%2014 TV 33,5% 2015 TV 35% 2016 TV 36% 2017</i>		Justification of chosen criteria is evaluated based on controls, through entered irregularities and observations during the controls. Annual inspection plan for 2017 is developed. Percentage of controls with irregularities is 35, 66%, in 2016. This increase clearly shows constant improvements of conducted risk analyses, according to which control plans are prepared at monthly and annual level.				TA	MoF

MEASURE 7										
TO IMPROVE REVENUE COLLECTION										
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				partially completed before deadline						
				not completed						
7.8 Improved tax arrears and control information systems and oversight	Improve the control mechanisms to get updated information about arrears. Implement more effective late payment penalties in order to encourage on time payments. Implement an ITC system to support the debt management function.	1 st quarter 2018	The percentage of arrears against assessed tax liabilities <i>IV: % (2014)</i> <i>TV: Decrease (to be determined) % of arrears against assessed tax liabilities (2018)</i>		Effective penalties for delayed / late payments of public revenues would contribute to increasing the level of voluntary payment of tax liabilities; In order to obtain updated information on arrears, control mechanisms are improved with amendments to the LTPTA, that is, it is provided that the off-balance tax accounting keeps tracks on unpaid tax arrears				TA	MoF

MEASURE 8										
TO IMPROVE COMMITMENT CONTROL AND CASH MANAGEMENT										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed						
				partially completed before deadline						
				not completed						
8.1 Adequacy of approved budget quotas ensured and cash flow planning improved.	Instituting procedures which would enable Ministry of Finance to assess the reliability of reported cash needs by users of public funds with a view to ensuring adequacy of budget quotas and aggregate cash requirements and strengthening the daily, monthly and quarterly cash flow planning.	1 st quarter 2018	Expenditures on multi-year projects to not exceed approved budgets <i>IV: Variance between expenditures on multiyear projects and approved budgets (2017)</i> <i>TV: (to be determined) % of reduction in variance between expenditures on multiyear projects and approved budgets (2018)</i>						Budget users	MoF/Treasury Administration

MEASURE 8										
TO IMPROVE COMMITMENT CONTROL AND CASH MANAGEMENT										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed						
				partially completed before deadline						
				not completed						
8.2 Enhanced control over multi-annual contractual commitments	Analyses and implementing a systematic approach to approve records and monitor multi-annual contractual commitments.	4 th quarter 2018	Commitments recorded in the Treasury System within (to be determined) days of contract signature <i>IV: Percentage of commitments recorded in due time(2016) IV: Recorded commitments increased (2017)</i>						Treasury Administration	MoF

MEASURE 9										
TO IMPROVE THE CAPACITIES FOR PUBLIC DEBT MANAGEMENT										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
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				partially completed before deadline						
				not completed						
9.1 Designed and implemented public debt management software	Procurement, design, customization and implementation of software for the public debt management including an appropriate model to improve public debt risk management, scenario analyses, stress tests and other relevant analyses	1 st quarter 2017	Operational Debt Management System software in place (2017) <i>IV: 0</i> <i>TV: 1</i>		Design of the public debt management software (PDM) is underway. The first two phases have been completed. The third phase, Software Development Phase I, started in July 2017.	Delayed approval of a grant by the Swedish authorities		1st quarter 2018	PDA	MoF

MEASURE 9										
TO IMPROVE THE CAPACITIES FOR PUBLIC DEBT MANAGEMENT										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
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				partially completed before deadline						
				not completed						
9.2 Established methodology for long term public debt sustainability analyses	Development and implementation of a methodology for carrying out long term public debt sustainability analyses	1 st quarter 2017	Developed Standardized methodology defined in the Internal Act of the PDA <i>IV: 0 (2015)</i> <i>TV: 1</i>		Development of the tailor made methodology for carrying out long term public debt sustainability analyses is ongoing. Development of this new methodology will further improve the PDA work, having in mind that the PDA is currently using standard MTDS and DSA models (Medium Term Debt Management Strategy and Debt Sustainability Analyses) for debt analyses.			4 nd quarter 2017	PDA	MoF
9.3 Primary dealers system introduced	Creating and implementing the new organization of Government securities primary market by introducing the primary dealers system	1 st quarter 2018	Primary dealers system introduced <i>IV: 0</i> <i>TV: 1 (2018)</i>		Development of market and the creation of benchmark issues of government bonds as a precondition for the introduction of primary dealers					

MEASURE 9										
TO IMPROVE THE CAPACITIES FOR PUBLIC DEBT MANAGEMENT										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed before deadline						
not completed										
9.4 By-law for financial derivatives transactions adopted	Preparation of documentation and implementation of legal framework for financial derivatives transactions	1 st quarter 2017	By-law for financial derivatives transactions adopted (2017) <i>IV: 0</i> <i>TV: 1</i>		Negotiations for the ISDA agreement are in progress.					
9.5 Asset under management procedures adopted	Strengthening capacity and preparation of legislation related to the asset under management	1 st quarter 2017	Asset under management procedures adopted <i>IV: 0</i> <i>TV: 1(2017)</i>		On the basis of Art. 11, paragraph 4 of the Law on Public Debt, the Committee for the management of public debt and financial assets RS funds under management is appointed				PDA	MoF

MEASURE 9										
TO IMPROVE THE CAPACITIES FOR PUBLIC DEBT MANAGEMENT										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed before deadline						
				not completed						
9.6 Adopted by-law for projects' loans monitoring	Monitoring of projects' loans – establishing of new system	1 st quarter 2017	Adopted by-law for projects' loans monitoring <i>IV: 0</i> <i>TV: 1(2017)</i>		Regulation on content, method of preparation and evaluation, and monitoring and reporting on implementation of capital projects was adopted in June 2017. The regulation also covers the monitoring of implementation of projects financed from loans.				PDA	MoF
9.7 More capable Public Debt Administration staff	Conducting training for civil servants to improve the human capacity of the Public Debt Administration	1 st quarter 2018	Increase in staff at the Public Debt Administration <i>IV: Number of filled job positions 31 (2016)</i> <i>TV: Increase in number of staff by 100 % in 2018</i>		Trainings have been provided to the PDA staff during the reporting period.					

MEASURE 10										
TO IMPROVE PUBLIC PROCUREMENT LEGISLATION AND PROCEDURES										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
10.1 Procurement planning transparency improved	Mandatory publication of procurement plans on the Public Procurement Portal	4 th quarter 2016	Share of procurement entities that publish PP plans at the PP Portal in the total number of procurement entities that publish PP at the PP Portal <i>IV: 0</i> <i>TV: To be determined in 2016</i>		All stakeholders have an insight into plans for public procurement. The activity has contributed to improving the transparency of public procurement procedures. Link to the portal: http://portal.ujn.gov.rs/				PPA	
10.2 The Public Procurement system is functionally and operationally upgraded	Provide training for officials and decision makers on Public Procurement Procedures	4 th quarter 2016	Number of certified officials for public procurement <i>IV: 1.810 (2015)</i> <i>TV: 2.300</i> Number of trainings for official and decision makers(20 participants) <i>IV: 2 (2015)</i> <i>TV: 2 (2016)</i> <i>TV: 2 (2017)</i> <i>TV: 2 (2018)</i>		Certified 3288 employees (142%). Implemented 100% of trainings. (Detailed in the narrative part)					

MEASURE 10										
TO IMPROVE PUBLIC PROCUREMENT LEGISLATION AND PROCEDURES										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed before deadline						
not completed										
Continuation 10.2 The Public Procurement system is functionally and operationally upgraded	Training/specialization of prosecutors and judges in public procurement area and more efficient investigation and sanctioning of irregularities in public procurement by judiciary.	4 th quarter 2016	Number of certified officials for public procurement <i>IV: 1.810 (2015)</i> <i>TV: 2.300</i> Number of trainings for official and decision makers (20 participants) <i>IV: 2 (2015)</i> <i>TV: 2 (2016)</i> <i>TV: 2 (2017)</i> <i>TV: 2 (2018)</i>		Certified 3473 employees (151%). In 2016 and 2017 four trainings have been carried out for more than 80 designated persons and decision makers	Due to the limited capacity and expressed needs for trainings	It is planned to continue with trainings in this area in 2017	IV 2017	PPA	
	Implement an institutional strengthening process of the Public Procurement Office in order to increase its operational capacity	4 th quarter 2016	Number of employees increased <i>IV: 23 (2015)</i> <i>TV: 35 (2016)</i>		The Public Procurement Office received a positive opinion from the Ministry of Finance on the proposal to increase the number of employees from 28 to 36 in the Public Procurement Office.		Adoption of the Decision and Budget for the next year	III 2018		

MEASURE 11 TO IMPROVE THE STRATEGIC AND LEGISLATIVE FRAMEWORK FOR IMPLEMENTING PUBLIC INTERNAL FINANCIAL CONTROL										
RESULT	ACTIVITY	TIMEFRAME ²	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
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				partially completed before deadline						
not completed										
11.1 Medium term PIFC Development Strategy and Framework prepared and adopted	Implementing the Strategy for the Development of Public Internal Financial Control (PIFC)	4 th quarter 2019	Meeting the objectives of the Strategy <i>IV: 0</i> <i>TV: 16</i>		Strategy for Development of internal financial control in the public sector for the period 2017-2020 was adopted in May 2017				MoF/CHU	SAI /Ministry of Public Administration and Local Self/Government /Public Fund Users

²Timeframe for implementation of Measure 11 are closely connected with implementation of the PIFC Strategy 2017-2020, and the accompanying Action Plan

MEASURE 11 TO IMPROVE THE STRATEGIC AND LEGISLATIVE FRAMEWORK FOR IMPLEMENTING PUBLIC INTERNAL FINANCIAL CONTROL										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed before deadline						
				not completed						
Continuation 11.1 Medium term PIFC Development Strategy and Framework prepared and adopted	Reviewing the SIGMA Assessment on the Legal Framework and Organizational and Institutional Capacities for Consolidating the system for Financial Management and Control and Indirect Management of EU Funds under IPA II, establishing a Working Group for the preparation of a Road Map for the consolidation of FMC and the Management and Control System under indirect Management for IPA II	2 nd quarter 2016	Road Map prepared and adopted (2016) <i>IV: 0</i> <i>TV: 1</i>						MoF/CHU	SAI /Ministry of Public Administration and Local Self/Government /Public Fund Users

MEASURE 11 TO IMPROVE THE STRATEGIC AND LEGISLATIVE FRAMEWORK FOR IMPLEMENTING PUBLIC INTERNAL FINANCIAL CONTROL										
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				partially completed before deadline						
				not completed						
11.1 Medium term PIFC Development Strategy and Framework prepared and adopted	Establishing a Working Group for the Harmonization, Coordination, Implementation and Monitoring of the Implementation of FMC and IA across public fund beneficiary institutions	4th quarter 2016	Working group established (2016) <i>IV: 0</i> <i>TV: 1</i>		Working Group for Monitoring of Implementation of PIFC Strategy AP has been established in June 2017	Delay in adoption of the PIFC Strategy occurred due to the longer than expected consultation process with internal and external stakeholders			MoF/CHU	

MEASURE 11 TO IMPROVE THE STRATEGIC AND LEGISLATIVE FRAMEWORK FOR IMPLEMENTING PUBLIC INTERNAL FINANCIAL CONTROL										
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11.2 Improved legislative framework for Financial Management and Control (FMC)	Improving and updating the legislative framework to introduce Management Declarations, add more clarity, update information on Risk Management Procedures and define the system for Irregularity Management	4th quarter 2016	Adopted legal acts <i>IV: 0</i> <i>TV: 1</i>		Preparatory activities have been implemented such as: New guidelines for risk management, Internal audit Brochure and FMC Brochure are Published. (more details in the narrative) Link to documents: http://ifkj.mfin.gov.rs/user_data/posts/SZUR.pdf ; http://ifkj.mfin.gov.rs/user_data/posts/Interna%20revizija.pdf ; http://ifkj.mfin.gov.rs/user_data/posts/Finansijsko%20upravljanja%20i%20kontrola.pdf				MoF/CHU	

MEASURE 11										
TO IMPROVE THE STRATEGIC AND LEGISLATIVE FRAMEWORK FOR IMPLEMENTING PUBLIC INTERNAL FINANCIAL CONTROL										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed before deadline						
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11.3 Improved capacities of the Central Harmonization Unit	Conducting a functional review of the Central Harmonization Unit in order to improve its organizational, technical and administrative capacities in order to raise its functionality for implementing all the defined activities which fall within its scope of competency.	4th quarter 2016	Functional review of the CHU completed <i>IV: 0</i> <i>TV: 1</i>	completed	Functional review of the MoF was conducted				MoF/CHU	
11.4 Assessment of the Quality of Financial Management and Control improved	Further development of CHU software, customized and adjusted to the operational needs for analysis and preparation of Annual Report.	4th quarter 2017	CHU software operational (2017)	completed	Special software for the purpose of collecting the annual reports of public funds was developed and tested					

MEASURE 11										
TO IMPROVE THE STRATEGIC AND LEGISLATIVE FRAMEWORK FOR IMPLEMENTING PUBLIC INTERNAL FINANCIAL CONTROL										
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				partially completed before deadline						
				not completed						
11.5 Improved coordination and implementation of training and professional development programs for officials and civil servants on FMC and IA	Reallocation of administrative and logistical activities with regards to the organization of trainings on FMC and Internal audit to the HRM Services	4th quarter 2016	Curriculum for FMC and IA completed by the HRM Services (2016) IV: 0 TV: 1		CHU still considering different possible options				MoF/CHU	
	Establish coordination with internal control specialists, the academic community and professional organizations to upgrade training plans and certification schemes	4th quarter 2016	Number of academic institutions/professional organizations that have included the CHU curriculum in their education programs IV: 0 TV: > 1		Information was gathered from relevant professional associations on the manner and types of training conducted in the field of internal control					

MEASURE 11										
TO IMPROVE THE STRATEGIC AND LEGISLATIVE FRAMEWORK FOR IMPLEMENTING PUBLIC INTERNAL FINANCIAL CONTROL										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
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				partially completed before deadline						
				not completed						
Continuation 11.5 Improved coordination and implementation of training and professional development programs for officials and civil servants on FMC and IA	Conduct an assessment for introducing international programs for the certification of IA	4th quarter 2016	Completed assessment for introducing international programs for the certification of Internal Auditors IV: 0 TV: 1				Gap assessment will be carried out with support of the Twinning partner with aim of improving the system of certification and professional development of internal auditors	1 st quarter 2018	MoF/CHU	

MEASURE 12										
TO ENHANCE THE IMPLEMENTATION OF FINANCIAL MANAGEMENT AND CONTROL										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
12.1 Genuine understanding of FMC as a management tool for achieving the strategic goals of the institution achieved	Support managers of public fund beneficiary institutions to achieve a better understanding of FMC and contributes to the implementation of the strategic goals of their institutions through advisory services, workshops and training	Continuous	Percentage of public fund beneficiaries at the central level in which managers of internal organizational units report on the incurred expenditure in the corresponding part of the budget of the institution IV: 0% TV: 20% (2016)		CHU has organized workshops on financial management and control for PFB for over 200 participants				MoF/CHU	Public Fund Beneficiary Institutions

MEASURE 12										
TO ENHANCE THE IMPLEMENTATION OF FINANCIAL MANAGEMENT AND CONTROL										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
12.2 Strengthened role of FMC Coordinators and units coordinating Internal Control issues	Provide hands on training and advisory support to FMC Coordinators in drafting Business Process flow charts, assisting them in drafting customized Road Maps for the further implementation of FMC in their institutions and risk management procedures.	Continuous	Establish trainings to support Coordinators in drafting Business Process flow charts, assisting them in drafting customized Road Maps for the further implementation of FMC in their institutions and risk management procedures. IV: TBD TV: TBD		Planned trainings and meetings are carried out according to plan (detailed description in the narrative part of the Report)				MoF	Public Fund Beneficiary Institutions

MEASURE 13										
TO SUPPORT THE INTRODUCTION AND FURTHER DEVELOPMENT OF THE INTERNAL AUDIT FUNCTION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
13.1 Genuine understanding of the role and purpose of Internal Audit	Provision of training and advisory services to managers of public fund beneficiary institutions on Internal Audit	Continuous	<p>Increase in % of reports of state of play in Internal Audit</p> <p>IV: to be determined each year</p> <p>CV: increase in number of reports for 8% each year in comparison with previous year data</p>		CHU organized practical trainings of performing internal audit in 52 PFBs for 88 candidates for obtaining the title of a certified public auditor in the public sector				MoF/CHU	Public Fund Beneficiary Institutions

MEASURE 13										
TO SUPPORT THE INTRODUCTION AND FURTHER DEVELOPMENT OF THE INTERNAL AUDIT FUNCTION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
13.2 Audit scope broadened to encompass audits of EU funded projects	Provide customized training to Internal Auditors in IPA beneficiary institutions for audits of EU funded projects completed through IPA	4th quarter 2017	<p>Percentage of IPA beneficiary institutions submitting Internal Audit Reports from to the National Authorizing Officer (NAO)</p> <p><i>IV: To be determined (2016)</i></p> <p><i>TV: 100% (2017)</i></p>		<p>CHU has undertaken numerous activities in the form of conferences, meetings and trainings, together with the Governmental Audit Office of EU Funds, the EU Funds Management Department and the Department for Contracting and Financing of EU Funded Projects of the Ministry of Finance. Link: http://ifkj.mfin.gov.rs/Pocetna.aspx</p>				MoF/CHU	Public Fund Beneficiary Institutions

MEASURE 13										
TO SUPPORT THE INTRODUCTION AND FURTHER DEVELOPMENT OF THE INTERNAL AUDIT FUNCTION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
13.3 Cooperation between the Internal Audit Units in IPA Beneficiary Institutions and the Audit Authority for EU funds	Develop a systemic approach to cooperation between the IA Units in IPA beneficiary institutions and the Audit Authority for EU funds in order to ensure maximum and reliable audit coverage of EU funded assistance in Serbia	4th quarter 2017	IV: TBD TV:TBD		CHU has undertaken numerous activities in the form of conferences, meetings and trainings, together with the Government Audit Office of EU Funds, the EU Funds Management Department and the Department for Contracting and Financing of EU Funded Projects of the Ministry of Finance				Audit Authority Office for EU Funds Ministry of Finance	

MEASURE 13 TO SUPPORT THE INTRODUCTION AND FURTHER DEVELOPMENT OF THE INTERNAL AUDIT FUNCTION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
13.4. Coverage of Certification Program for Internal Auditors in the Public Sector expanded	Develop a systemic outreach approach in order to increase the number of IA auditors at the local level and implement IA Certification programs at the local level and for staff of the Audit Authority for EU funds	4th quarter 2017	IV: TBD TV: TBD		At the level of the units of territorial autonomy and local self-governments, the internal audit function was established in 77, with 182 systematized and 141 filled up internal auditor positions, During the reporting period, the number of internal auditors at the local level increased for 17, and in the Audit Authority Office of EU Funds for 4				MoF	Public Fund Beneficiary Institutions
13.5. Optimization of Audit resources achieved	Develop a systemic approach to horizontal audits based on analysis of complexity of audit scope and available resources (i.e. Introducing Groups of Auditors for auditing several public beneficiary institutions or groups of business processes/activities which are common to several/all public fund beneficiary institutions and produce the necessary tools.	4th quarter 2018	Development of guidelines for horizontal audits adopted by the Government IV: To be determined (2017) TV: To be determined (2018)							

MEASURE 14 TO FURTHER STRENGTH THE LEGISLATIVE FRAMEWORK, INSTITUTIONAL AND OPERATIONAL CAPACITIES OF AUDIT AUTHORITY OFFICE OF EU FUNDS										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
14.1 Operational capacities of the Audit Authority for EU funds improved	Prepare and adopt the optimal legislative acts for the (re)institutionalization of the Audit Authority for EU funds	2nd quarter 2016	New Legal framework adopted (2016) Required staffing levels achieved <i>IV: 44% Percentage of job positions filled in 2015</i>		The new draft legal framework was prepared (in detail in the narrative part)	Adoption was postponed due to the Technical Government and change of the authorised institution proponent (in detail in the narrative part)		4 th quarter 2017	Audit Authority for EU Funds	General Secretariat of the Government
	Conduct a functional review in order to improve its organizational, technical and administrative capacities in order to raise its functionality for implementing all the defined activities which fall within its scope of competency in line with the Framework Agreement for IPA II	1 st quarter 2017	<i>TV: 100% job positions filled in 2017</i>		Functional and Work Load analysis are conducted and results of them applied in the Office.					

MEASURE 14 TO FURTHER STRENGTH THE LEGISLATIVE FRAMEWORK, INSTITUTIONAL AND OPERATIONAL CAPACITIES OF AUDIT AUTHORITY OFFICE OF EU FUNDS										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
14.1 Operational capacities of the Audit Authority for EU funds improved	Ensure the appropriate number of competent staff for executing the scope of responsibility of the Audit Authority for EU fund in line with an updated Workload Analysis	3rd quarter 2017	<p>New Legal framework adopted (2016)</p> <p>Required staffing levels achieved</p> <p>IV: 44% Percentage of job positions filled in 2015</p> <p>TV: 100% job positions filled in 2017</p>	completed	Until June 30, 2017 The Governmental Audit Office of EU funds has filled up 100% of the systematized jobs.				Audit Authority for EU Funds	General Secretariat of the Government

MEASURE 15										
TO IMPROVE IRREGULARITY MANAGEMENT, ANTIFRAUD COORDINATION AND COOPERATION AND PROTECTION OF FINANCIAL INTERESTS OF THE EUROPEAN UNION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
15.1 The appropriate legislative framework for a PIFC compliant Financial Inspection in place	Conduct an assessment of the current legislative framework for the Budget Inspection in order to identify and plug the gaps to ensure full functionality of the Budget Inspection line with the EU requirements and SIGMA recommendations	2 nd quarter 2016	Number of legislative acts prepared and adopted <i>IV: 0</i> <i>TV: TBD (2016)</i>	completed	Budget System Law (hereinafter BSL) was amended giving the wider scope of responsibilities and required legal base for both, BI and AFCOS in December 2016 (Off. Gazette of RS , no. 99/2016)		Working version of the Proposal of the Regulation on authorisation and work of the budget inspection has been prepared. Also, the preparation of the methodology of the budget inspection work is under preparation, which will more precisely and more precisely prescribe the uniform standards and the procedure of performing inspection control (in detail in the narrative part)	4 th quarter 2017	MoF / Division for controlling public funds / Budget Inspection/	
	Prepare and adopt changes to the applicable legislative acts in order to enable a full legal mandate for the Budget Inspection to carry out its scope of competency	4 th quarter 2016		partially completed before deadline						

MEASURE 15 TO IMPROVE IRREGULARITY MANAGEMENT, ANTIFRAUD COORDINATION AND COOPERATION AND PROTECTION OF FINANCIAL INTERESTS OF THE EUROPEAN UNION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continuation 15.1 The appropriate legislative framework for a PIFC compliant Financial Inspection in place	Preparation and adoption of a Road Map for integrating the Budget Inspection for National Budget Funds and the AFCOS Group for EU funds	4 th quarter 2017	Road Map prepared and adopted <i>IV: 0</i> <i>TV: 1 (2017)</i>						MoF / Division for controlling public funds / Budget Inspection/ AFCOS	
15.2 Improved capacities of the Budget Inspection to carry out the activities within its legal mandate	Ensure the appropriate number of competent staff for executing Inspection Services	4 th quarter 2017	Increase in number of staff employee and trainings <i>IV: TBD in 2016</i> <i>TV: 100% (2017)</i>			By the Draft Rulebook on internal organization and job classification it is planned to increase the number of employees in the Department for Control of Public Funds			MoF / Division for controlling public funds / Budget Inspection/	

MEASURE 15										
TO IMPROVE IRREGULARITY MANAGEMENT, ANTIFRAUD COORDINATION AND COOPERATION AND PROTECTION OF FINANCIAL INTERESTS OF THE EUROPEAN UNION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
15.3 Improved capacities of the Anti-Fraud Coordination Services (AFCOS) for performing administrative checks of Irregularity Signals	Preparation of Operational Procedures for conducting administrative checks of Irregularity signals related to EU funds assistance	3 rd quarter 2016	New Operational Procedures developed <i>IV: 0</i> <i>TV: 1</i>		Strategy for combatting irregularities and fraud in dealing with EU funds for period 2017-2020 (hereinafter: Anti-Fraud Strategy) was prepared and is now in the formal procedure of adoption	Deadline was postponed due to expected adoption of the Strategy for combating irregularities and fraud in handling EU funds and the associated AP			MoF / Division for controlling public funds/ AFCOS	

MEASURE 15										
TO IMPROVE IRREGULARITY MANAGEMENT, ANTIFRAUD COORDINATION AND COOPERATION AND PROTECTION OF FINANCIAL INTERESTS OF THE EUROPEAN UNION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continuation 15.3 Improved capacities of the Anti-Fraud Coordination Services (AFCOS) for performing administrative checks of Irregularity Signals (continued)	Increase the number of staff at the AFCOS Group	2 nd quarter 2016	Increased number of staff IV: 2 TV: 5 ³		Increased number of employees, in accordance with the number of systematized positions. ⁴				MoF / Division for controlling public funds/ AFCOS	

³In accordance with the Rulebook on internal organization and job classification of the MoF, AFCOS Unit is reorganized to Group for combating irregularities and fraud in the handling of EU funds and the number of systematized job positions reduced from five to four.

⁴At the end of 2016 due to personnel changes within the Ministry of Finance, the total number of employees was reduced for one.

MEASURE 15										
TO IMPROVE IRREGULARITY MANAGEMENT, ANTIFRAUD COORDINATION AND COOPERATION AND PROTECTION OF FINANCIAL INTERESTS OF THE EUROPEAN UNION										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continuation 15.3 Improved capacities of the Anti-Fraud Coordination Services (AFCOS) for performing administrative checks of Irregularity Signals (continued)	Preparation and endorsement of an Administrative Cooperation Arrangement (ACA) between the Ministry of Finance and OLAF	1 st quarter 2016.	ACA endorsed <i>IV: 0</i> <i>TV: 1</i>		Text of the Agreement on Cooperation between the Ministry of Finance and OLAF is prepared	Deadline was moved due to the need of harmonizing the text of the agreement with OLAF additional internal consultations within the institutions of the Republic of Serbia	The draft agreement is prepared and submitted for comments to OLAF.	4 th quarter 2017	MoF / Department for control of public funds/ AFCOS	

MEASURE 15	TO IMPROVE IRREGULARITY MANAGEMENT, ANTIFRAUD COORDINATION AND COOPERATION AND PROTECTION OF FINANCIAL INTERESTS OF THE EUROPEAN UNION									
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
15.4 Anti-Fraud Strategy adopted	Preparation, consultation and adoption of a national Anti-Fraud Strategy in line with the accession requirements under Chapter 32	2 th quarter 2016	Anti-Fraud Strategy adopted <i>IV: 0</i> <i>TV: 1(2017)</i>	not completed	Strategy for combatting irregularities and fraud in dealing with EU funds for period 2017-2020 (hereinafter: Anti-Fraud Strategy) was prepared and is now in the formal procedure of adoption	Adoption of the Anti-Fraud Strategy was postponed due the changes in internal organization units and changes of organization of work.		3 rd quarter 2017	MoF / Department for control of public funds / AFCOS	

MEASURE 16										
TO IMPROVE COVERAGE AND QUALITY OF BUDGET EXECUTION REPORTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
16.1 The coverage and quality of budget execution and fiscal reports improved	Extend the coverage of the FMIS system on a step-by-step basis to IBBs, including them in the accounting and reporting framework	1 st quarter 2018	<p>Indirect Budget Beneficiaries included in the FMIS system</p> <p><i>TV: Courts, public prosecutors and judicial institutions included (beginning of 2016)</i></p> <p>Prisons, cultural institutions included (2017)</p> <p>Social protection institutions (2018)</p>		<p>Inclusion of the judicial authorities (courts and public prosecutors) in the FMIS system is made as of 01.01.2016. (Total: 247 users). Perform the necessary pre-activity for inclusion of planned indirect beneficiaries to the FMIS system from 01/01/2018.</p>		Administrative and technical capacities of indirect budget beneficiaries needs to be in place	Prisons, cultural institutions will be included in Q1 2018	MoF/ Treasury Administration	Indirect budget users

MEASURE 16										
TO IMPROVE COVERAGE AND QUALITY OF BUDGET EXECUTION REPORTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continuation 16.1 The coverage and quality of budget execution and fiscal reports improved(continued)	Develop and fund a treasury developed roll out plan to ensure that IBBs have sufficient Information and Communications Technology (ICT) hardware, training and oversight arrangements to operate in the FMIS.	1 st quarter 2018	Indirect Budget Beneficiaries included in the FMIS system TV: Courts, public prosecutors and judicial institutions included (beginning of 2016) Prisons, cultural institutions included (2017) Social protection institutions (2018)		Complete analysis of administrative and technical capacities has been carried out				MoF/ Treasury Administration	Indirect budget users

MEASURE 16										
TO IMPROVE COVERAGE AND QUALITY OF BUDGET EXECUTION REPORTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continuation 16.1 The coverage and quality of budget execution and fiscal reports improved(continued)	Analyze and align in-year reporting requirements and practice with best practices for budget transparency.	4 th quarter 2017	Indirect Budget Beneficiaries included in the FMIS system TV: Courts, public prosecutors and judicial institutions included (beginning of 2016) Prisons, cultural institutions included (2017) Social protection institutions (2018)						MoF/ Treasury Administration	Indirect budget users

MEASURE 16										
TO IMPROVE COVERAGE AND QUALITY OF BUDGET EXECUTION REPORTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continuation 16.1 The coverage and quality of budget execution and fiscal reports improved(continued)	Review and modify the reporting details used for in-year and year-end budget execution reports (including reporting on program budget execution when applicable).	4 th quarter 2017	Indirect Budget Beneficiaries included in the FMIS system TV: Courts, public prosecutors and judicial institutions included (beginning of 2016) Prisons, cultural institutions included (2017) Social protection institutions (2018)						MoF/ Treasury Administration	Indirect budget users

MEASURE 16										
TO IMPROVE COVERAGE AND QUALITY OF BUDGET EXECUTION REPORTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
16.2. Financial monitoring and reporting of public enterprises improved	Prepare and publish a consolidated report on Public Enterprises	1 st quarter 2017	Percentage of PU included in consolidated report <i>IV: TBD (2015)</i> <i>TV: TBD (2018)</i>	completed	The Ministry of Economy has prepared and published on its website the Preliminary analysis of business operations of public companies for the period January 1, 2016 – December 31, 2016.				MoF/MoE (indicator 6.2 SBS PAR)	
	Gradual systematic extension of financial monitoring and reporting of Public Enterprises to the maximum possible extent	4 th quarter 2018								MoF/Budget Department

MEASURE 16										
TO IMPROVE COVERAGE AND QUALITY OF BUDGET EXECUTION REPORTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
16.3 Monitoring and reporting on arrears improved	Issue a circular reminding to all budget users of their responsibility to record contracts as they are signed on the RINO and the FMIS systems.	2 nd quarter 2016	Number of contracts entered vs payment order		Circular reminder is sent to all budget users of their responsibility to record in the RINO system obligations in accordance with the Law				Treasury Administration	MoF
	Review and strengthen the penalty arrangements for failure to implement prescribed financial controls.	4 th quarter 2016	IV: No contracts entered (2015) TV: All contracts entered (2016)		The Rulebooks on the Manner and Procedures of Supervision is adopted				Department for Financial System / Tax Administration	

MEASURE 16										
TO IMPROVE COVERAGE AND QUALITY OF BUDGET EXECUTION REPORTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
16.3 Monitoring and reporting on arrears improved(continued)	Extend the RINO system to include public-to-public transactions, and harmonize the coverage and definitions	1st quarter 2016	Number of contracts entered vs payment order IV:No contracts entered (2015) TV: All contracts entered (2016)	completed	In accordance with the Law of settlement of financial obligations in commercial transactions, RINO system has been extended so that it applies to transactions between public sector entities as of 01.01.2016. Supervision over implementation of the Law is done by Section for Budget Inspection				Treasury Administration	MoF

MEASURE 17 MOVING GRADUALLY AND SYSTEMATICALLY TOWARDS ACCRUAL BASIS ACCOUNTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS		IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed	Achievement by the activity, along with a link to a document / attached document	The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
17.1 Completeness and coverage of accounting information improved through the implementation of Accrual Accounting based on IPSAS standards	Establish a government sector accounting standard setting council.	2 nd quarter 2016	Government sector accounting standard setting council established <i>IV - 0</i> <i>TV - 1</i>		Draft decision on the establishment of the Commission for the introduction of international accounting standards in the state sector is prepared	Amendments to the Budget System Law are expected			Treasury Administration	MoF
	Develop a gap analysis between current accounting practices and accrual IPSAS.	2 nd quarter 2016	Gap Assessment Report prepared <i>IV - 0</i> <i>TV - 1</i> Road Map Prepared <i>IV - 0</i> <i>TV - 1</i> Number of laws and bylaws adapted <i>IV - 0</i> <i>TV - 6</i>		Analysis prepared within the IMF technical assistance report.					

MEASURE 17										
MOVING GRADUALLY AND SYSTEMATICALLY TOWARDS ACCRUAL BASIS ACCOUNTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
17.1 Completeness and coverage of accounting information improved through the implementation of Accrual Accounting based on IPSAS standards(continued)	Preparing a realistic road map towards full accrual accounting in the government sector	2 nd quarter 2016		completed	Roadmap prepared within the IMF technical assistance report.				Treasury Administration	MoF
	Revise regulatory framework for compliance with accrual accounting standards throughout government.	4 th quarter 2020								

MEASURE 17	MOVING GRADUALLY AND SYSTEMATICALLY TOWARDS ACCRUAL BASIS ACCOUNTING									
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continued	Prepare pro forma financial statements for 2015 in compliance with IPSAS for Central Government	2 nd quarter 2016	Pro – forma financial statements prepared <i>IV – 0</i> <i>TV - 5</i>	completed	Prepared "pro forma" financial report for the RS budget in line with IPSAS cash basis standards				Treasury Administration	MoF
	Prepare accounting policies in compliance with IPSAS 1,2,3, 5, 14, 24	4 th quarter 2016	Accounting policies prepared <i>IV – 0</i> <i>TV - 6</i>	not completed	Determining the translation of the IPSAS text for the purpose of the phase introduction of standards	Delays of adoption of IPSAS standards (in detail in the narrative part).		2018		

MEASURE 17										
MOVING GRADUALLY AND SYSTEMATICALLY TOWARDS ACCRUAL BASIS ACCOUNTING										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continued	Prepare for the year 2016: - financial statements for central government only in compliance with IPSAS 1, 2 - consolidated cash flow statement (i.e. including central government's controlled entities: DBBs, IBBs, EBFs, SOEs, social funds and health	2 nd quarter 2017	Financial statements and consolidated statements prepared <i>IV – 0</i> <i>TV - 2</i>						Treasury Administration	MoF

MOVING GRADUALLY AND SYSTEMATICALLY TOWARDS ACCRUAL BASIS ACCOUNTING											
MEASURE 17	RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
					completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
					partially completed						
					partially completed before deadline						
					not completed						
Continued		Prepare for the year 2017: - financial statements for central government only in compliance with IPSAS 3, 5, 14, 24 incl. previous - consolidated cash flow statement	2 nd quarter 2018	Financial statements and consolidated statements prepared IV – 0 TV - 2							
		Prepare accounting policies in compliance with IPSAS 9, 12, 20, 23, 25, 32	2 nd quarter 2018	Accounting policies prepared IV – 0 TV - 6						Treasury Administration	MoF
		Prepare for the year 2018: - financial statements for central government only in compliance with IPSAS 4, 19, 28, 29, 30, 36, 37, 38 incl. previous - consolidated cash flow statement	2 nd quarter 2019	Financial statements and consolidated statements prepared IV – 0 TV - 2							

MEASURE 17	MOVING GRADUALLY AND SYSTEMATICALLY TOWARDS ACCRUAL BASIS ACCOUNTING									
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
Continued	Prepare accounting policies in compliance with IPSAS 13, 16, 17, 18, 21, 22, 26, 27, 31, 33, 34, 35	2 nd quarter 2019	Accounting policies prepared IV – 0 TV - 12						Treasury Administration	MoF
	Prepare for the year 2019: - financial statements for central government only in compliance with 9, 12, 20, 23, 25, 32 incl. previous - consolidated cash flow statement	2 nd quarter 2020	Financial statements and consolidated statements prepared IV – 0 TV - 2							
	Prepare for the year 2020 (first-time compliance with all IPSASs): - consolidated financial statements in compliance with IPSAS 13, 16, 17, 18, 21, 22, 26, 27, 31, 33, 34, 35 incl. previous - separate financial statements	end of 2020	Financial statements and consolidated statements prepared IV – 0 TV - 2							

MEASURE 17	MOVING GRADUALLY AND SYSTEMATICALLY TOWARDS ACCRUAL BASIS ACCOUNTING									
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
Continued	Improvement of accounting solution in FMIS and other IT systems to support accrual accounting	1 th quarter 2017	Accounting solution support accrual accounting IV – not supporting TV – supporting accrual accounting		Improvement of IT systems to support accrual accounting is pending due to delays of adoption of IPSAS standards.	Delay is caused by technical issues on translation of IPSAS standards to Serbian language.			Treasury Administration	MoF
	Provide capacity building for accounting staff for the transition to Accrual Accounting	4 th quarter 2020	Number of accounting staff trained IV: 0% TV: 100%							

MEASURE 18	TO STRENGTHEN COVERAGE AND QUALITY OF EXTERNAL AUDIT									
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
18.1 The State Audit Institution (SAI) carries out financial, compliance and performance audits as mandated by the Law and in line with the ISSAIs standards	Strengthening the external audit function in terms of reviewing and implementing the right mix of number of staff, their professional training and adopted methodology applying the computer assisted audit tools (CAATs), in order to increase audit productivity and coverage.	4th quarter of 2020	<i>IV: number of Audit products 173 (2015) products to TV: (2016): 188 TV: (2017): 231 TV: (2018): 247 TV: (2019): 250 TV: (220): 253</i>		Expanded the list of entities subject to audit. Published 184 audit products. Link to reports: http://www.dri.rs/audit/latest-report.199.html (Detailed in the narrative part)				SAI	Technical assistance GIZ within the project "The reform of public finances'

MEASURE 18	TO STRENGTHEN COVERAGE AND QUALITY OF EXTERNAL AUDIT									
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
18.2 Links between the budget process and final accounts audits improved	Analyze moving the deadline for submission of the draft Law on Final Account of the Budget of Republic of Serbia forward in the year to provide audit input earlier in the budget process to increase the time available for the SAI to audit the draft Law on Final Account of the Budget of Republic of Serbia.	4 th quarter 2017	The Budget System Law amended (2017)		The activity is not a direct responsibility of DRI, but it is initiated to the technical mission of the IMF for the purposes of amendments to the Law on Budget System in part related to the deadlines for the submission of the Draft Law on the execution of the budget of RS				MoF	SAI, The Committee on Finance, State Budget and Control of Public Spending of the National Assembly

MEASURE 18										
TO STRENGTHEN COVERAGE AND QUALITY OF EXTERNAL AUDIT										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
18.3 Internal quality control and quality assurance function within the SAI fully developed and operational	Sector for Audit Methodology and Quality Control which should be appropriately staffed and operational .	4th quarter 2017	Percentage of staff positions within sector for audit methodology and quality control IV (2015): 25% TV (2016): 75% TV (2017): 100% Number of who attended introductory training for quality control IV (2015): 0 TV (2016): 6 TV (2017): 8 Adopted internal Guidelines for quality insurance based on ISSAIs		The Department has three filed position out of eight systematized; In-house trainings are completed ; In April 2016. Supreme State Auditor was appointed. The plan is to develop guidelines for the assurance of quality (in detail in the narrative part)	The reason for the discrepancy lies in insufficient workspace capacities as well as insufficient resources for the recruitment of staff to SAI			SAI	

MEASURE 18										
TO STRENGTHEN COVERAGE AND QUALITY OF EXTERNAL AUDIT										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
not completed										
18.4 Systemic follow-up of implementation of audit recommendations improved	Establishing a database of audit recommendations, facilitating the identification of systemic issues and enhancing the information basis for parliamentary oversight over the executive	3rd quarter 2018	Public registry of audit recommendations introduced IV (2015): 0 TV (2016): 1		Continually update of the database of completed audits. Performing additional adaptation of system set up in order to ensure uniformity of data and improved functionality (in detail in the narrative part).				SAI	

MEASURE 19										
TO STRENGTHEN PARLIAMENTARY SUPERVISION OVER PUBLIC FINANCES										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
19.1 Proper parliamentary oversight function ensured	Making the necessary organizational arrangements to deliberate external audit work and establishing clear written procedures for deliberation and taking action for Committee for Finance, State Budget and Control of Public Spending	3th quarter 2016	Procedure for deliberation of audit reports developed and adopted IV: 0 (2015) TV:1 (2016)		Working body of the Committee is formed, which is responsible for the preparation of a draft decision that will define clear procedures for reviewing audit reports (detailed in the narrative part)			3 th quarter 2017	The Committee on Finance, State Budget and Control of Public Spending of the National Assembly	SAI

MEASURE 19										
TO STRENGTHEN PARLIAMENTARY SUPERVISION OVER PUBLIC FINANCES										
RESULT	ACTIVITY	TIMEFRAME	INDICATORS	ACTIVITY STATUS	Achievement by the activity, along with a link to a document / attached document	IF THE ACTIVITY IS NOT COMPLETED IN PRESCRIBED TIMEFRAME, OR IT WAS STARTED			LEADING INSTITUTION	PARTNER INSTITUTION
				completed		The reasons of discrepancies from the plan	Key milestones necessary to implement the activity, with recommendation	Expected time for implementation of activities		
				partially completed						
				partially completed before deadline						
				not completed						
19.1 Proper parliamentary oversight function ensured(continued)	Organize meetings of the Committee for Finance, State Budget and Control of Public Spending in the form of hearing for discussion of audit reports	3th quarter 2017	Number of hearings on the findings documented in the SAI audit report <i>IV 2016: 0</i> <i>TV 2017: 1</i> <i>TV 2018: 2</i> <i>TV 2019: 3</i> <i>TV 2020: 4</i>		First meeting of the Subcommittee for consideration of reports on audits performed by the State Audit Institution, held in September 30 2016			The SAI Annual Report 2016 is planned to be considered by the Committee at the next sitting, at the end of August 2017	The Committee on Finance, State Budget and Control of Public Spending of the National Assembly	SAI