

Kosovo Credit Guarantee Fund

Managing the Internal Control System of the Guarantee Scheme



 Managing the Internal Control System of the Kosovo Credit Guarantee Fund

Control mechanism toward Partner Financial Institutions



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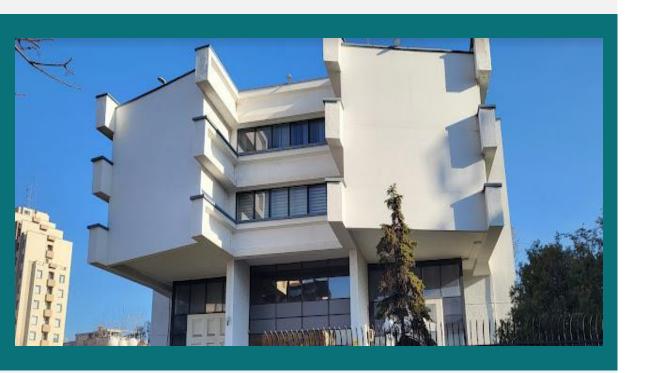
Managing the Internal Control System of the Kosovo Credit Guarantee Fund

- For the Kosovo Credit Guarantee Fund is a public institution established by a specific law, an effective internal control system is not just a regulatory requirement but a strategic imperative that installs confidence in donors, partners, borrowers, and the broader community
- Clear distinction of roles and responsibilities among its governing bodies, such as the Board of Directors and the Managing Director
- Segregation of duties is also very well structured within the management staff of the institution
- Policies and procedures are in place to ensure that management directives are carried out effectively.
 These include approvals, authorizations, verifications, reconciliations, and reviews of operating performance, all essential for addressing risks.

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- There is dedicated person (specialist) responsible for internal control.
- Within the scope of internal control, regular internal audits are performed.
- KCGF's commitment to enhancing internal controls is evident in its efforts to leverage technology for automating and digitizing processes.
- Provide ongoing training for employees on internal controls, risk management, and compliance to ensure they are knowledgeable and up-to-date with best practices.





COOPERATION WITH CENTRAL BANK OF THE REPUBLIC OF KOSOVO

COOPERATION BETWEEN CBK and KCGF

• Regularly (monthly and quarterly) exchanging information with the Central Bank of the Republic of Kosovo, particularly concerning the data and information on loans reported to the Central Bank Credit Registry and KCGF, is crucial for verifying the accuracy of the characterization of loans reported under guarantee



COOPERATION WITH INTERNATIONAL FINANCIAL ORGANIZATIONS

KCGF & International Partner



















BENEFICIAL OF COOPERATION WITH INTERNATIONAL PARTNERS

- Incorporating covenants related to anti-money laundering (AML) measures and standards.
- Harmonizing environmental and social standards.
- Implementing other good practices in procurement procedures, personal data protection (GDPR), building new software for evaluation of the loans for guarantee (agrosoft, e-save), reporting processes, and other internal process improvement.



Control System Toward Partner Financial Institution

Control Mechanism toward Partner Financial Institutions



- » Regularly monitor the performance of partner financial institutions, particularly the guaranteed portfolio, through quarterly reports.
- » Flagging institutions that exhibit signs of instability for further scrutiny and providing recommendations to mitigate associated risks
- » Conduct Annual Review: Simplified review & Detailed Assessment

CONCLUSION

The internal control system of the Kosovo Credit Guarantee Fund is essential for safeguarding its operations maintaining trust with stakeholders, and achieving its overarching mission of fostering economic development through support to MSMEs.

■ By continuously refining its control mechanisms, embracing technology, and fostering collaboration, KCGF remains committed to upholding the highest standards of governance and accountability.



Thank You for Your Attention!

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