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THE ASSEMBLY OF THE REPUBLIC OF MACEDONIA

Pursuant to Article 75 paragraphs 1 and 2 of the Constitution of the Republic of Macedonia, the President of the Republic of Macedonia and the President of the Assembly of the Republic of Macedonia have issued this

DECREE ON PROCLAMATION OF THE LAW ON AMENDING THE LAW ON AUDIT OF INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA)

The Law on Amending the Law on Audit of Instrument for Pre-Accession Assistance (IPA) adopted by the Assembly of the Republic of Macedonia on the session held on 14 October 2016, has been proclaimed.

No.08-4411/1
14 October 2016
Skopje

President
of the Republic of Macedonia,
d-r Gjorgje Ivanov, in his own hand

President
of the Assembly of the
Republic of Macedonia,
Trajko Veljanoski, in his own hand

LAW ON AMENDING THE LAW ON AUDIT OF INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA)

Article 1

In the Law on Audit of Instrument for Pre-Accession Assistance (IPA) (Official Gazette of the RM“, No. 66/10, 43/14, 154/15 and 27/16), Article 1 shall be changed as follows:
“This Law shall regulate subject-matter of audit, organization and competences of the Audit Authority for audit of instrument for pre-accession assistance (IPA) and manner of performing audit on the implementation of the instrument for pre-accession assistance (IPA) and European Union financed programmes for which budget management tasks have been entrusted to the Republic of Macedonia. “

Article 2

Article 2 shall be changed as follows:

“Certain terms used in this Law shall have the following meaning:

1. “Instrument for Pre -Accession Assistance“ (hereinafter: IPA) shall be pre-accession financial assistance which the European Union shall provide to the candidate countries and potential candidate countries for EU membership;
2. “Framework Agreement” shall be the framework agreement concluded between the Republic of Macedonia and the European Commission on the rules for cooperation concerning EC financial assistance to the Republic of Macedonia in the framework of the implementation of the assistance under the Instrument for Pre-Accession Assistance (IPA), ratified with the Law on Ratification of the Framework Agreement between the Republic of Macedonia and the European Commission on the rules for cooperation concerning EC financial assistance to the Republic of Macedonia under the Instrument for Pre-Accession Assistance (IPA) (“Official Gazette of the Republic of Macedonia” No. 18/2008) (hereinafter: IPA Framework Agreement) and the Framework Agreement between the Republic of Macedonia represented by the Government of the Republic of Macedonia and the European Commission on the arrangements for implementation of Union financial assistance to the Republic of Macedonia under the instrument for pre-accession assistance (IPA II), ratified with the Law on Ratification of the Framework Agreement between the Republic of Macedonia represented by the Government of the Republic of Macedonia and the European Commission on the arrangements for implementation of Union financial assistance to the Republic of Macedonia under the instrument for pre-accession assistance (IPA II) (“Official Gazette of the Republic of Macedonia” No. 99/2015) (hereinafter: IPA II Framework Agreement);
3. “Sectoral Agreement” shall be the sectoral agreement concluded between the Government of the Republic of Macedonia and the Commission of the European Communities on the rules for cooperation concerning European Commission financial assistance to the Republic of Macedonia and the implementation of the assistance under Component V (IPARD) of the Instrument for Pre-Accession Assistance ratified by the Law on Ratification of the Agreement between the Government of the Republic of Macedonia and the Commission of the European Communities on the rules for cooperation concerning EC financial assistance to the Republic of Macedonia and the implementation of the assistance under Component V (IPARD) of the Instrument for Pre-Accession Assistance (“Official Gazette of the Republic of Macedonia” No. 165/2008) (hereinafter: IPARD Sectoral Agreement) and the Sectoral Agreement concluded between the Government of the Republic of Macedonia and the European Commission setting out

provisions for the management and implementation of Union financial assistance to the Republic of Macedonia under the Instrument for pre-accession assistance in the policy area "Agriculture and Rural Development" (IPARD), ratified with the Law on Ratification of the Sectoral Agreement between the Government of the Republic of Macedonia and the European Commission setting out provisions for the management and implementation of Union financial assistance to the Republic of Macedonia under the Instrument for pre-accession assistance in the policy area "Agriculture and Rural Development" (IPARD) ("Official Gazette of the Republic of Macedonia" No. 38/16) (hereinafter: IPARD II Sectoral Agreement);

4. "Audit Authority for Audit of Instrument for Pre-Accession Assistance" (hereinafter: Audit Authority) shall be a body for audit established in accordance with this Law and the provisions of the Framework Agreement;

5. "Auditee" shall be a natural person, sole proprietor and legal entity, using funds from EU financed programmes and structures and authorities responsible within the systems for management, implementation, control, supervision, monitoring, evaluation and reporting on the implementation of EU financed programmes;

6. "National Authorising Officer" shall be a body in the systems for decentralized and indirect management of the assistance under the Instrument for pre-accession assistance (IPA), designated by the Government of the Republic of Macedonia, responsible for the financial management and effective functioning of the management and control systems of the Instrument for pre-accession assistance (IPA) in the Republic of Macedonia;

7. "ISSAI (International Standards of Supreme Audit Institutions)" shall be international standards of the supreme audit institutions issued by the International Organisation of the Supreme Audit Institutions (INTOSAI);

8. "OLAF (European Anti-Fraud Office) shall be European Office for Prevention of Fraud.

Article 3

Article 3 shall be changed as follows:

"(1) Audit activities of the IPA and other European Union financed programmes for which budget management tasks have been entrusted to the Republic of Macedonia shall be performed by an audit authority.

(2) Audit Authority shall be functionally independent of all the actors in the system responsible for management, implementation, control, supervision, monitoring, evaluation and reporting on the implementation of EU financed programmes.

(3) Head Office of Audit Authority shall be in Skopje."



Article 4

In Article 5 paragraph (2) after the point 3) a new point 4) shall be added, which reads:

“4) possess certificate for acquired title in the field of audit;“

Points 4), 5), 6) and 7) shall become points 5), 6), 7) and 8).

Article 5

In Article 9, the point 2) shall be changed as follows:

“shall adopt annual audit work plans and three-annual audit strategy (hereinafter: three-annual audit strategy)“.

Point 4) shall be changed as follows:

“shall submit audit reports and opinions pursuant to provisions of the Framework Agreement and Sectoral Agreement;“.

Article 6

In Article 15 the full stop at the end of the sentence shall be deleted and following words added: “as auditors independent from entities subject to audit, which means the structures and bodies which implement programmes financed by the European Union.“.

Article 7

In Article 16 paragraph (3) the words “IPA” in front of “audit” shall be deleted.

Article 8

In Article 19, the paragraph (1) shall be changed as follows:

“Audit Authority shall carry out audit on the management and control system, on actions, transactions and on the annual accounts in line with ISSAI and in accordance with the three annual audit strategy.“.

In paragraph (3), the point 1) shall be changed as follows: “system audit“.

In point 2) the words: “projects/programmes“ shall be changed by the words: “transactions/operations“.

Article 9

Article 25 shall be changed as follows:

“(1) The audit shall be performed according to an annual audit work plan i.e. a three-annual audit strategy which shall set out the audit methodology and the planned audit activities.

(2) The annual audit work plan shall be submitted to both the National Authorising Officer and the European Commission, by 30th September in the current year at the latest for the

reference period from 1 October until 30 September of the next year, according to the IPA Framework Agreement.

(3) The three-annual audit strategy shall be submitted to the European Commission with a copy to the National Authorising Office by end of November each year at latest for the next year in line with the IPA II Framework Agreement.”.

Article 10

Article 26 shall be changed as follows:

“The Audit Authority shall submit reports and opinions according to Annex A point 7 of the IPA Framework Agreement, and Annex A clause 5 of the IPA II Framework Agreement and the IPARD Sectoral Agreement and IPARD II Sectoral Agreement.“.

Article 11

This Law shall enter into force on the day when it is published in the “Official Gazette of the Republic of Macedonia”.



