

Risk assessment table / PFM RP Action Plan 2019

No.	Functional area	Impact area	Risk trigger event, situation or factor	Risk level	Mitigation measure	Responsibility	Deadlines (dd/mm/yyyy)			Completed ? (Yes / No)	Risk active / closed ?
1		Strengthening of PRO staff and new recruitments	High level of complexity, linked with other institutions	Moderate	Strong commitment and coordination of all involved parties for timely preparation, approval and adoption of the Annual plan for employment / promotion of the employees in the PRO that will support the process of modernization of the tax administration and change management	PRO (Management + Human resources) + MoF, MISA, Secretariat for implementation of the Ohrid Framework Agreement	By March in the current year, for employment/promotions for the next year			No	Active
2	<b>P2 Revenue Mobilization P2M2A1: Implementation of the project activities foreseen in the FROs</b>	Software for the new integrated tax IT system and technical support for providing quality assurance during the implementation of the software	High level of complexity, linked with other institutions	Moderate	Strong commitment and coordination of all involved parties for preparation / implementation of the planned public procurement, i.e. contracting	PRO, MoF and EUD			2021	No	Active
3	<b>Modernisation Programme (including reengineering of business processes, new Tax Integrated IT system)</b>	Upgrade of current PRO IT sub-systems and equipment, maintaining, licenses etc. (Upgrade and maintenance of e-Tax system 7.000.000 MKD; Upgrade of Tax accounting system 5.000.000 MKD)	High level of complexity, linked with other institutions	Moderate	Strong commitment and coordination of all involved parties for preparation / implementation of the planned public procurement, i.e. contracting	PRO (Management + IT + Common Affairs) National Council for Information and Computer Technology (ICT)	31	12	2019	No	Active
4		Establishment of new Data IT System Centre (secured location premises; design services and project supervision; Works Contract)	Delay in meeting infrastructure needs	Substantial	Securing location for the new Data IT System Center; and Approved tender dossiers for the planned procurement procedures	PRO (Management + IT + Common Affairs)	31	12	2019	No	Active
5	<b>P2 Revenue Mobilization P2M2A2: Strengthening operational capacities of CARM to increase the quality of controls and responses and introducing further simplification of procedures</b>	Preparation of input into the Twinning Project for more institutions	Complexity of the first sub activity	Low	Securing strong commitment and coordination from all involved parties	CARNM	30	4	2019	yes	Closed
6	<b>P2 Revenue Mobilization P2M2A3: Introducing enhanced models and methods to strengthen the control system to prevent, detect and fight against customs frauds and illegal trafficking of goods while facilitating the trade</b>									Yes	Closed
7	<b>Priority 3: Planning and Budgeting P3M3A1: Preparation and adoption of new/revised organic budget law</b>	Adoption of a new/revised organic budget law	Failure to adopt the law (legal solution) by the Assembly	Moderate	Law should be formulated in the way that is the most appropriate for our system and acceptable for all	Assembly	31	12	2019	No	Active
8	<b>Priority 4: Budget execution M1 Implementation of new financial management information system (FMIS)</b>	Supporting the Development of Integrated Financial Information System	Delay in preparation of functional and technical specification of new FMIS and procurement documents	Moderate	Project has started and the activities for creation of a new information system are ongoing. Securing strong commitment and coordination from all involved parties.	Ministry of Finance with technical assistance by the World Bank	31	12	2019	No	Active
9	<b>Priority 4: Budget Execution P4M4A1: Streamlining (revision) of the mandate and responsibilities of the institutions involved in the public procurement system</b>	Strengthening the capacities of PPB	Until now, Ministry of Finance issued 12 consents for new employments, while 25 employments in total were envisaged in the Action plan for 2019. Public Procurement Bureau published 12 vacancy notices. The risk is whether all of the vacancies will be filled and the rest of the consents for new employments will be obtained from the Ministry of Finance.	Moderate	PPB will require consents from MoF for the rest of the envisaged recruitments	PPB/MoF	31	12	2019	No	Active
10	<b>Priority 4: Budget execution P4M5A3: aligning the legislation with the relevant EU legislation</b>	Preparation and adoption of the new Law on Concessions and Public Private Partnership	Delay in the preparation and adoption of the law by the Assembly of the Republic of North Macedonia	Moderate	Technical assistance from the World Bank has been provided. The start of TA is expected at the end of July 2019. Securing strong commitment and coordination from all involved parties for implementation of the planned activities.	Ministry of Economy	31	12	2019	No	Active
11	<b>Priority 6: Internal Control</b>	Improved PIFC (FMC and IA) legislation and methodological framework	Delay in the preparation and adoption of the Law on the Internal Financial Control System in the public sector	Moderate	Improving the planning of activities	Ministry of Finance	31	12	2019	No	Active
12	<b>Priority 7: External Control and Parliamentary Oversight</b>	Development and implementation of SAO Strategic Plan of Audits	Delay in the preparation and adoption of the Guidelines for Strategic and Annual Planning on Audits and the Multi-annual Audit Plan 2020-2022	Moderate	Working Group within SAO is established to develop the Guidelines for Strategic and Annual Planning on Audits. Trainings for strategic planning of audits to SAO auditors has been carried out	State Audit Office	31	12	2019	No	Active