

Risk assessment of the 2018 Action Plan for PFM Reform Programme

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	<i>P1 Improved Fiscal Framework</i>	P1M1A1: Designing of fiscal rule and adoption of the fiscal rule legislation	Legislative set up of the fiscal rules and fiscal council will be prescribed in the New Organic Budget Law. However, due to the scope and complexity of the Law, the need for engaging foreign experts, the adoption of the Law is foreseen for 2019.	Moderate	MoF together with foreign experts is working on finalization of Draft Organic Budget law in order to be formulated in the way that is the most appropriate for our system.	MoF, experts, Assembly			2019	No	Active
2		P1M2A4: Further development of the macroeconomic model	The necessary disaggregated quarterly national accounts expenditure categories not published	Moderate	/	MoF, SSO			2019	No	Active
3	<i>P2 Revenue Mobilization</i> <i>P2M2A1: Implementation of</i>	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

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4	<i>the project activities foreseen in the PROs Modernisation Programme (including reengineering of business processes, new Tax Integrated IT system)</i>	Establishment of new Data IT System Centre	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	1	2019	No	Active
5		Upgrade of current PRO IT sub-systems and equipment, maintaining, licenses etc.	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)	30	4	2019	No	Active

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6	<i>P2 Revenue Mobilization P2M2A2: Strengthening operational capacities of CARM to Increase the quality of controls and responses and Introducing further simplification of procedures</i>	Preparation of Input Into the Twinning Project for more Insitutions	Complexity of the first sub activity	Low	Securing strong commitment and coordination from all involved parties	CARNM	30	4	2019	No	Active
7	<i>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 facilltating the trade</i>									No	Active
8	<i>Priority 3: Planning and Budgeting P3M1A1: Implementation of the proposed program based budgeting approach</i>	Strengthening the capacities of the Ministry of Finance and the budget users for appropriate implementation of budget programmes	These subactivities are delayed in line with new budget law adoption deadline It took more time while structuring the composition of the law, drafting the law, analyses of related laws and by-laws and arranging foreign experts	Moderate	This two subactivities will continue in 2019 as a part of the work that Ministry of finance is doing with foreign experts and as a part of new organic budget law. This activities are related to secondary legislation preparation, more precisely while drafting Methodology and guidelines for new programme budgeting. In this stage it is important to have meeting with budget users and make further analyses. Process of Strengthening the capacities, trainings, monitoring and control of programme budgeting will come once we have established proper programme classification.	MoF and experts			2020/2021	No	Active
		Process analysis, monitoring and control of programme budgeting								No	Active
9		Identify recommendations for improvement programme base budget		LOW	Generally Mof and foreign expert on the basis of already concluded recommendation and previously produced Manual for programme budgeting will work on Drafting of the methodology/guidelines for new programme budgeting	MoF and experts			2019/2020	No	Active

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10	<i>Priority 3: Planning and Budgeting</i> <i>P3M3A1: Preparation and adoption of new/reviled organic budget law</i>	Adoption of a new/reviled 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			2019	No	Active
11	<i>Priority 4: Budget execution</i> <i>M1 Implementation of new financial management Information system (FMIS)</i>	Introduction of IBAN accounts)	Need for additional engagement of experts from different fields	Moderate	MoF and World Bank Trust Fund are in the process of starting a project for technical assistance for creation of a new information system	Ministry of finance and foreign donors			2019	No	Active
12	<i>Priority 4: Budget Execution</i> <i>Measure 3: strengthening debt management</i>	Revision of the debt legislation	Delaying the adoption of the amendments to the Public Debt Law	Moderate	Speeding up the finalization of the Draft Law amending and supplementing the Law on Public Debt and initiating a procedure for its adoption	Ministry of Finance	31	3	2019	No	Active
13		Strengthening human capacities	Delaying 2 new employments planned for 2018	Moderate	Vacancy announcement for 2 new employments in the area od debt management	Ministry of Finance	31	3	2020	No	Active
14	<i>Priority 4: Budget Execution</i> <i>P4M4A1: Streamlining (revision) of the mandate and responsibilities of the Institutions Involved In the public procurement system</i>	Strengthening the capacities of PPB	There was no aproved Plan for employment for 2018	Moderate	Plan for employment will be prepared for 2019 and request for approval will be delivered.	PPB/MoF	31	12	2018	No	Active
15	<i>Priority 4: Budget Execution</i> <i>P4M4A2:Harmonisatlon of the Public Procurement legal framework with the acquls</i>	Adoption of the new Law on Public Procurement	The law has not yet been adopted by the Assembly of Republic of North Macedonia	Low	Adoption of the new Law on Public Procurement by the Assembly of Republic of North Macedonia	MoF/Assembly	31	3	2019	No	Active
16	<i>Priority 6: Internal Control</i>	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