

**Coat of Arms of the Republic of North Macedonia**  
**Government of the Republic of North Macedonia**

Skopje, 6<sup>th</sup> September 2022

No. 41 - 6574/1

To **Ministry of Finance**

Skopje

**EXCERPT**  
**from the Draft-Agreed Minutes from the seventy-ninth session**  
**of the Government of the Republic of North Macedonia,**  
**held on 6<sup>th</sup> September 2022**

**“POINT 14:** Annual Report on **the** Functioning of  
the 2021 Public Internal Financial Control System

Government of the Republic of North Macedonia reviewed and adopted the 2021 Annual Report on Functioning of Public Internal Financial Control System, with the following conclusions:

1. By 10<sup>th</sup> May 2023, all ministries are entrusted with:

- adopting their own special Code of Ethics which, among other things, will define the manner of handling the reported cases of unethical conduct, as well as appointing ethics commissioner and establishing Ethics Committees;
- revising, updating and improving the mission and the vision of the institution, and publishing them on their website;
- strengthening the risk management process by: updating the risk management strategies, adequately documenting the operating risks in the Risk Registry Document and their respective plan documents, as well as improving the reporting of identified risks in a way that the responsible person at the institution will receive timely information on the most important risks of the ministry and the institutions under its competence. In addition, when identifying the risks, they will review the various forms of fraud (forgery of documents, providing false information about the financial status and the accomplished goals, the fictitious contracts and invoices, bribery and similar).
- preparing/updating the plan for internal control system development for the key processes of financial management and control, together with a plan for elimination of weaknesses and irregularities, as well as monitoring its implementation in the ministry and the institutions under its competence, prepared on the basis of the

carried out self-assessment and the statement for the quality and the conditions of internal controls.

- ensuring implementation of external and internal audit recommendations in the ministry and the institutions under its competence.
2. All ministries are entrusted to submit a Plan for Organizational Setup and Staffing the Internal Audit Units (organizational setup of the respective Unit and draft plan on their staffing for the next 3 years (2023, 2024 and 2025) to the Government by 31<sup>st</sup> December 2022, having in mind the number of employees and the budget of the ministry itself, the affiliated bodies, the second line budget users and the public enterprises and the state-owned joint stock companies under their competence, wherein they will have to perform internal audit, if they do not have their own internal audit unit or in case the unit is non-functional.
  3. On the basis of individual plans for organizational setup and staffing of internal audit units received by all ministries, Ministry of Finance – PIFC Department is entrusted to analyze them and to prepare and submit an Information to the Government of the Republic of North Macedonia by 31<sup>st</sup> March 2023.
  4. Ministry of Culture, Ministry of Information Society and Administration and Ministry of Political System and Inter-Community Relations are entrusted with staffing the internal audit units with at least two internal auditors by 31<sup>st</sup> March 2023.
  5. All ministries are entrusted to inform the Ministry of Finance - PIFC Department by 10<sup>th</sup> May 2023 about the activities undertaken upon the conclusions.
  6. Along with the 2022 Annual Report on the Functioning of the Public Internal Financial Control System, Ministry of Finance - PIFC Department is entrusted to inform the Government about the implementation of the conclusions under the 2021 Annual Report on the Functioning of the Public Internal Financial Control System.

Metodija Dimovski, MA

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Secretary General of the Government  
of the Republic of North Macedonia

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**Copy submitted to:**

- all ministries