

REPUBLIC OF NORTH MACEDONIA

MINISTRY OF FINANCE

LAW ON THE PUBLIC INTERNAL FINANCIAL CONTROL SYSTEM

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UNOFFICIAL TRANSLATION

Skopje, December, 2024

I. GENERAL PROVISIONS

1. Subject

Article 1

(1) This Law shall regulate the public internal financial control system that comprise of financial management and control, internal audit and coordination of the activities for their establishment and development in compliance with the international standards for internal control and internal audit.

(2) This Law shall regulate the organisation, standards, methodology, relations and responsibilities as well as the competences of the Minister of Finance, scope and responsibilities of the public entities for establishment and implementation of the public internal financial control and establishment and functioning of the consultancy body for the public internal financial control.

2. Harmonisation and Coordination of the Development of the Public Internal Financial Control System

Article 2

(1) The Minister of Finance shall be in charge for the coordination of establishment and development of the public internal financial control system, and on his behalf the Central Harmonisation Department of the Public Internal Financial Control System within the Ministry of Finance (hereinafter: Central Harmonisation Unit).

(2) The coordination referred to in paragraph (1) of this Article shall be executed by the Minister of Finance through:

- harmonisation and review of the quality of financial management and control and internal audit and
- preparation and adoptions of bylaws, manuals, instructions and other methodological tools.

(3) The heads of the public entities shall be responsible for the establishment, implementation and maintenance of the public internal financial control within their entity.

3. Scope

Article 3

The provisions of this Law shall apply to all public entities , except for the National Bank of the Republic of North Macedonia.

4. Definitions

Article 4

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

1. **Public funds** shall mean all collected, received, acquired, allocated and spent funds by the public entities, also including budget revenues, credits, expenditures and subsidies.
2. **Public entities** are budget users, public enterprises and trade companies with dominant or full ownership of the state or municipalities and City of Skopje, non-profit institutions, controlled and financed by the state or municipalities and the National Bank of the Republic of North Macedonia.
3. **Budget users are** all legal entities directly or indirectly established by the state or the municipalities and City of Skopje, social funds, municipalities and City of Skopje, except for the National Bank of the Republic of North Macedonia, public enterprises and trade companies founded by the state or by the municipalities and City of Skopje.
4. **Parent budget user** is a budget user who is hierarchically superior to all budget users and other public entities under his jurisdiction, except for the Assembly of the Republic of North Macedonia, which is a parent budget user who is not hierarchically superior to other budget users and other public entities .;
5. **Publicly owned enterprises** are public enterprises as well as trading companies wholly or predominantly owned by the central government or owned or predominantly owned by the City of Skopje or one or more municipalities. .
6. **Financial Management and Control** shall mean the overall system of internal controls set up by the heads of public entities who shall be in charge of it. These controls provide, by risk management, reasonable assurance that in pursuit of the objectives budgetary and other funds will be used in a proper, ethical, economical, effective and efficient manner. It shall imply the compliance with laws and other regulations, safeguarding resources against loss, misuse and damage. This system shall encompass all business transactions, and in particular the ones related to revenues/receipts, expenses/expenditures, tendering procedures and contracting, recovery of unduly paid amounts, assets and liabilities.
7. **Corporate governance is** a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance shall also provide the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance shall provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders and shall facilitate effective monitoring.
8. **Audit trail** shall mean a documented flow of financial and other transactions from its initiation to its end, in order to enable the retracing of all individual activities and their authorisation and shall encompass the maintenance of documenting, reporting, accounting and archiving systems.

9. **Control** shall mean all activities undertaken in order to avoid or decrease the risks.
10. **Economy** shall mean minimizing the cost of resources used for the performance of an activity, having regard to the appropriate quality.
11. **Efficiency** shall mean maximising the effects or outcomes of certain activity in relation to the invested funds.
12. **Effectiveness** shall mean the extent to which the objectives of certain activity are achieved or the relation between the planned impact (effect) and actual impact (effect) of certain activity.
13. **Ex ante controls** shall mean controls directed to ensuring the legality and regularity of financial and other decisions before financial decisions are made, i.e. before deciding on the use of budget funds and funds from other sources, during realization of financial and other decisions, up to the payment stage.
14. **Ex post controls** shall mean controls aimed at ensuring legal, purposeful and timely collection and use of budget funds and funds from other sources, achievement of expected results and detection of possible errors, deviations and irregularities.
15. **Internal acts** shall mean acts adopted by the head of the public entity, which shall be based on laws and other regulations and which shall take into account the specific characteristics of the public sector entity which in more detail regulate the implementation of key processes of financial management and control by elaborating procedures, defining participants and their authorities and responsibilities, by elaborating control activities to reduce risk in order to ensure legality and regularity, economy, efficiency and effectiveness in fund management..
16. Management accounting is a part of internal accounting established and developed in order to provide information to the head of the institution and the heads of internal organizational units on performance indicators and other financial and non-financial information on quality records, organized databases and reports on income, expenses, assets and liabilities.
17. **Internal audit** is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
18. **Internal audit function** is a professional or a group of professionals for providing assurance and advisory services to the public entity.
19. **Internal audit charter** is a formal document that includes the mandate of the internal audit function, the organizational structure, the method of reporting, the scope of work, the types of services and other specifics.
20. **Irregularity** shall mean non-adherence to or an erroneous application of laws and other regulations including international agreements, stemming from actions or failures of the public entities, and which have or might have a detrimental impact to budgetary funds and funds from other resources, regardless of whether it includes revenues/receipts, expenses/expenditures, recoveries, assets and liabilities.
21. **Managerial accountability** shall mean the manager's obligation for the achievement of results on legal, ethical and regular manner in line with the principles of economy, efficiency and effectiveness. Managerial accountability implies responsibility for ensuring adequate organizations with appropriate lines of authorities and responsibilities, procedures and reporting on the achievement of results on legal and regular manner in line with the principles of economy, efficiency and effectiveness in the framework of delegated authorities.
22. **Responsibility** shall mean an obligation of managers/employees to perform and complete the delegated duties and tasks with authorisation on legal and regular manner in line with the

principles of economy, efficiency and effectiveness. Responsibility implies the obligation of managers to report to the person who transferred their authorities and responsibilities on them.

23. **Resources** shall mean all resources available to the public sector entity (financial, material, human, informational).
24. **Functional internal audit unit** is an internal audit unit that realizes the purpose of internal audit.
25. **The International Professional Practices Framework (IPPF)** shall be the framework that includes global internal audit standards, subject requirements and global guidelines, published by the International Institute of Internal Auditors (IIA).
26. **The International framework for internal control** shall be the framework published by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

II. FINANCIAL MANAGEMENT AND CONTROL

1. Scope of Financial Management and Control

Article 5

(1) Financial management and control in the public sector entity shall cover the financial processes of planning, executing, monitoring and reporting on:

- revenues and other inflows,
- expenditures and other outflows and
- claims, liabilities and assets.

(2) Financial management and control shall cover all business processes and all organizational units within the public entity authorized and responsible for performing business processes and achieving the objectives and results.

(3) Financial management and control shall cover all assets and liabilities of the public entity, including European Union funds and other funds.

(4) Financial management and control system shall be continually assessed and developed for the purpose of efficient accomplishment of the mission and the objectives of the public entity.

2. Purpose of Financial Management and Control

Article 6

Financial management and control shall be established and developed for the purpose of achieving general business objectives, such as:

- performing activities in a proper, ethical, economical, efficient and effective manner,
- compliance of operations with laws, other regulations, established policies, plans and procedures,
- protecting the property and the other resources from losses caused by poor management, unjustified spending and use, as well as from irregularities and misuses,
- strengthening the responsibility for the successful accomplishment of tasks,
- proper recording of financial transactions
- timely and reliable financial reporting and monitoring of achieved results.

3.Key Processes for Financial Management and Control

Article7

(1) Financial management and control shall direct and control the financial impacts of operations through a comprehensive system of controls based on risk management.

(2) Financial management and control shall provide a reasonable assurance that in achieving the objectives budgetary and other funds shall be used in a proper, ethical, economical, efficient and effective manner, in compliance with laws and other regulations, protected from loss, misuse and damage.

(3) Key processes for financial management and control are:

a) planning processes including:

- strategic planning
- planning of medium-term priorities and its fiscal assessment (new initiatives, new projects, public investment projects etc)

b) budget planning including:

- planning of revenues and other inflows
- planning of expenditure and other outflows
- preparation of financial plans

c) budget execution processes including:

- collection of revenues and other inflows
- managing budget liquidity
- undertaking commitments
- public procurement
- managing earmarked inflows and outflows
- refund of unduly spent public funds
- payment of liabilities

d) assets management processes including:

- procurement, disposal and use
- sale of assets
- concession
- protection of misused, loss and damage

e) accounting processes including:

- accounting records and evidences
- financial reporting

4. Internal Acts for Financial Management and Control Implementation in the Public Entity

Article 8

(1) The head of the public entity shall adopt internal acts through which the procedures for the implementation of key financial management and control processes at the entity level will be elaborated, including elaboration of ex-ante and ex-post controls based on risk assessment and the roles and tasks, authorities and responsibilities of the internal organizational units involved in the implementation of key financial management and control processes.

(2) Internal acts from paragraph (1) of this Article shall be prepared taking into account the requirements for the implementation of key financial management processes regulated in the relevant laws and by-laws and operational and organizational specifics of the public entity.

5. Managerial Accountability

Article 9

(1) The head of the parent budget user shall be accountable to the body that appointed him/her for the development of an efficient and effective financial management and control system.

(2) The head of the budget user shall be accountable to the head of the parent budget user for the development of an efficient and effective financial management and control system.

(3) The head of the publicly owned enterprise shall be accountable to the supervisory board for the development of an efficient and effective financial management and control system.

(4) The accountability of the managers from paragraphs (1),(2) and (3) of this Article shall cover the responsibilities for:

- preparation and implementation of strategic and other plans, as well as programmes for achieving the objectives,
- compliance of strategic and other plans and programmes with the budget i.e. the financial plan,
- internal organization that should be in line with tasks, with clearly defined authorities and responsibilities for efficient and effective implementation of objectives and use of allocated financial funds
- establishment of a reporting system in accordance with delegated authorities and responsibilities for the purpose of monitoring of results and effects achieved with given funds,
- risk management,
- setting up controls to ensure the proper, ethical, economical, efficient and effective management of revenues and other inflows, expenditures and other outflows, assets and obligations,
- establishment of efficient and effective information and communication systems, including accounting system,
- monitoring and assessment of efficiency and effectiveness of the internal control system..

- (5) The head of the parent budget user shall regulate the manner of cooperation and reporting, with the budget users and publicly owned enterprises under its authority.
- (6) The head of the budget user and head of publicly owned enterprise in performing the activities referred to in paragraph (4) of this Article shall follow the procedures and instructions issued by the parent budget user.

6. Delegation of Authorities and Responsibilities for Financial Management and Control in the Public Entity

Article 10

- (1) The head of public entity can delegate authorities and responsibilities for the implementation of key financial management and control processes of the heads of the internal organizational units.
- (2) The delegation of authorities shall imply the delegation of responsibilities as well, whereas the delegation of authorities and responsibilities shall not exclude accountability, i.e. responsibility of the head of the public entity.
- (3) When delegating authorities and responsibilities, the principle of segregation of duties shall be applied in a manner that does not allow an official to be at the same time responsible for: undertaking financial commitments, approval of payments execution (), (payment) and accounting.
- (4) The organizational unit for financial affairs within the parent budget users, budget users and publicly owned enterprises does not make purchases (procurements) and does not sign contracts, for the purpose of applying the principle of segregation of duties.

7. Responsibilities of the Heads of Internal Organizational Units in the Public Entity

Article 11

- (1) The heads of internal organizational units in the public entity shall be responsible to the head of the public entity for the development of financial management and control within the delegated authorities and responsibilities for:
 - setting objectives within their area of competence that must be aligned with the set objectives and funds at the entity level,
 - identifying performance indicators for monitoring and reporting on achieved results and effects,
 - achieving objectives in accordance with strategic and other plans and programmes, approved budget i.e. financial plan and relevant laws and other regulations,
 - risk management which could have an impact on the realization of objectives,
 - development and implementation of control activities in business processes, programmes, projects and activities in order to achieve objectives of organizational unit and to ensure proper, ethical, economical, effective and efficient management of financial funds allocated to organisational unit,
 - monitoring and evaluation of achieved results and effects

- constant monitoring and self-assessment of the efficiency and effectiveness of financial management and control system within their competence
- continuous improvement of business processes for achieving better efficiency and effectiveness.

(2) The heads of the internal organizational units in the parent budget user shall cooperate with the budget users and the publicly owned enterprises under its authority.

(3) The heads of the internal organizational units in the budget user shall be responsible to the head of the budget user for the development of financial management and control in a manner appropriate to the scope of business, following the instructions and guidelines of the parent budget user.

8. Components of Internal Control System

Article 12

(1) The internal control system shall consist of five mutually linked components:

- control environment
- risk management
- control activities
- information and communication
- monitoring and assessment

(2) Components referred to in paragraph (1) of this Article shall be based on the International framework for internal control.

9. Control Environment

Article 13

The head of the public entity shall establish control environment in a way to provide the respect of personal and professional integrity and ethical principles of employee behaviour, clear mission, vision and objectives, suitable management and management style, internal organizational structure, including the assignment of authorities and responsibilities for the realization of objectives and setting up of appropriate reporting line, human resource management and competency of employees.

10. Risk Management

Article 14

(1) The head of the public entity shall establish risk management as an overall process of identifying, assessing and monitoring of risks regarding the set objectives and undertaking necessary measures for reducing risks.

(2) The head of the public entity shall ensure that the most relevant risks are documented in the risk register.

11. Control Activities

Article 15

- (1) The head of the public entity shall establish controls, which include written rules, procedures, principles and other measures or activities for the purpose of reducing risks to an acceptable level, with the aim of achievement of set objectives.
- (2) Control activities referred to in paragraph (1) of this Article, shall be established as ex ante and ex post controls, while the head of the public entity shall decide upon their form taking into account the specificities of the public entity and respecting the principle of segregation of duties.

12. Information and Communication

Article 16

- (1) The head of the public entity shall establish information and communication system, including accounting system which shall ensure that managers receive adequate and timely information for the purpose of economic, efficient and effective financial management and control at all levels of the public entity.
- (2) The head of the public entity shall ensure that all operational processes, financial and other transactions are documented in order to provide an appropriate audit trail for monitoring and assessment.
- (3) The head of the public entity shall provide public access to information in accordance with the relevant regulations for their publication.

13. Monitoring and Assessment

Article 17

- (1) The head of the public entity shall ensure continuous monitoring and assessment of internal control system for the purpose of assessing efficiency and effectiveness of financial management and control system and undertaking necessary measures for improvement of the system.
- (2) Monitoring and assessment from paragraph (1) of this Article shall be performed through constant monitoring, self-assessment and internal audit. Monitoring and assessing of the system shall be also performed through external audit.

14. Framework for Development of Internal Control System and Quality Reviews

Article 18

(1) The Minister of Finance prescribes in detail the framework for establishment and development of the internal control system and elaborate the content of the internal control components, based on which the public entities shall develop additional procedures for implementation of the internal control system in according to their specifics.

(2) Quality reviews of financial management and control system in the parent budget users shall be performed by the Central Harmonisation Unit for the purpose of:

- identify the state of practical implementation of financial management and control in the public sector,
- give recommendations for improving financial management and control activities,
- gather information to improve the methodology of financial management and control.

(3) The Minister of Finance prescribes the manner of performing the quality reviews of financial management and control..

15. Coordination of Development of Financial Management and Control on the level of the Public Entity

Article 19

The organizational unit for financial matters in the public entity shall be in charge for the coordination of activities for development of financial management and control on the level of the public entity.

16. Requirements to be Fulfilled by the Head of the Organizational Unit for Financial Matters

Article 20

The head of organizational unit for financial matters in the public entity has to possess:

- general employment requirements determined by law;
- university degree with at least 240 credits according to ECTS or completed VII / 1 degree in the field of economics;
- at least three years of working experience in the field of finance; and
- he/she has not been, by a court decision prohibition to perform activity or profession, during the prohibition.

17. Role of Organizational Unit for Financial Matters within the parent budget users

Article 21

(1) Organizational unit for financial matters in the parent budget users shall perform coordination tasks referred to in Article 19 of this Law, through following activities:

- drafting proposals of internal acts from Article 8 of this Law which shall regulate in more detail the key processes in financial management and control, which are adopted by the head of the parent budget user,
 - monitoring the implementation of internal acts referred to in line 1 of this paragraph, and proposing their amendments pursuant to amendments of laws and other regulations they are based on, pursuant also to changes in operations of budget users and results of external assessments and self-assessment of the internal control system,
 - drafting additional instructions and guidelines on implementation of internal acts from line 1 of this paragraph, providing interpretation related to their implementation if necessary,
 - developing and managing internal accounting systems including cost and management accounting on the level of the parent budget users and budget users under its authority, where applicable,
 - providing advices and support to the heads of internal organisational unit and the heads of budget users under the authority of the parent budget user, in shaping and developing the internal control system which enables the financial impacts of business operations for which those heads are responsible are timely recognised, adequately controlled and directed in order to ensure proper, ethical, economical, efficient and effective management of resources,
 - coordinating the self-assessment of the internal control system and producing the annual report on internal control system from Articles 48 and 49 of this law,
 - coordinating the preparation of the annual report of the internal control system from Article 50 of this law, and
 - coordinating the preparation of annual plan on internal control system development for key processes of financial management and control.
- (2) The annual plan on internal control system development for key processes of financial management and control shall be adopted and signed by the head of the parent budget user the latest till 30 March of the current year.

Article 22

Proposals of internal regulations referred to in Article 21, paragraph(1), line 1 of this Law, organizational units for financial matters shall produce in cooperation with heads of appropriate internal organisational units responsible for achievement of objectives of budget user.

18. Coordination of Financial Management and Control in Budget User where Organizational Unit for Financial Matters is not established

Article 23

In the case of a budget user in which organizational unit for financial matters is not established the coordination tasks referred to in Article 21 paragraph 1 of this Law shall be performed by the organizational unit for financial matters of the parent budget user.

19. Role of Organizational Unit for Financial Matters within Budget Users under authority of the parent budget user

Article 24

(1) Organizational unit for financial matters in budget user shall perform coordination tasks referred to in Article 21, paragraph 1 of this Law, in a manner appropriate to the scope of business of budget user.

(2) Organizational unit for financial matters in budget user in preparing the internal acts, developing the accounting system and providing advices and support to the heads of internal organizational units shall follow the instructions and guidelines received from the parent budget user, when applicable.

20. Role of Organizational Unit for Financial Matters within Publicly Owned Enterprises

Article 25

(1) Organizational unit for financial matters in publicly owned enterprises shall perform the coordination tasks referred to in Article 21, paragraph 1 of this Law, through following activities:

- drafting proposals of internal acts which shall regulate in more details the key processes in financial management and control and the same are going to be adopted by the management board of the publicly owned enterprise,
- monitoring the implementation of internal acts referred to in line 1 of this paragraph, and proposing their amendments pursuant to amendments of laws and other regulations they are based on, pursuant also to changes in operations of publicly owned enterprise and results of external assessments and self-assessment of the internal control system,
- drafting additional instructions and guidelines on implementation of internal acts from line 1 of this paragraph, providing interpretation related to their implementation if necessary,
- developing and managing internal accounting systems on the level of publicly owned enterprise, including cost and management accounting,
- providing advice and support to the heads of internal organisational unit within publicly owned enterprise in shaping and developing the internal control system which enables the financial impacts of business operations for which the managers are responsible are timely recognised, adequately controlled and directed in order to ensure proper, ethical, economical, efficient and effective management of resources,
- coordinating the self-assessment of the internal control system,
- coordinating the preparation of the annual report of the internal control system from Article 50 of this law, and
- coordinating the preparation of annual plan on internal control system development for key processes of financial management and control.

Article 26

(1) The Central Harmonisation Unit shall prepare and update a Manual for Financial Management and Control which shall be published on the website of the Ministry of Finance upon the approval by the Minister of Finance. The Manual for Financial Management and Control shall include guidelines for establishment and implementation of the financial management and control, the manner of

application of managerial accountability and the manner of preparation of internal acts for financial management and control.

- (2) The Minister of Finance shall prescribe in more detail the manner of performing the activities within competence of the organizational unit for financial matters.

21. Training for Financial Management and control

Article 27

Managers and persons involved in the coordination of the development of the financial management and control system have the right to undergo professional training for implementation of internal control system, according to the Training Plan for financial management and control adopted by the Ministry of Finance. .

III. INTERNAL AUDIT

1. Purpose and Sope of Internal Audit Work

Purpose of internal audit

Article 28

The purpose of internal audit is to strengthens the public entity's ability to create, protect, and sustain value by providing the management of the public entity with independent, risk-based, and objective assurance, advice, insight and foresight.

Scope of internal audit work

Article 29

- (1) Internal audit trough individual audits shall evaluate the adequacy, efficiency and effectiveness of the internal control system and, based on objective evidence shall ensure an appropriate level of assurance that existing risk management, controls and management of business, or corporative governance are in function of:

- achieving public entity's objectives,
- performing business operations in a proper, ethic, economic, efficient and effective manner,
- compliance of business operations with law and other regulations, plans, programmes and procedures,
- reliability and comprehensiveness of financial and other information and data including internal and external reporting,
- protection of assets against the risk of losses caused by mismanagement, unjustified spending and use, as well as protection from other forms of irregularities.

- (2) Internal audit shall perform audit of all programmes, projects, activities and business processes.

(3) Internal audit shall provide findings, opinions and recommendations for improving the internal control system in the audited area.

(4) Internal audit shall provide consulting (advisory) services, insight and foresight of the type and scope agreed with the manager of public entity, in order to improve the effectiveness of risk management, controls and management of business i.e. corporate governance, not accepting the responsibility of the manager.

2. Establishing Internal Audit

Responsibility for establishing internal audit

Article 30

The head of the public entity shall be responsible for establishing and ensuring the conditions for performing the internal audit function.

Establishing internal audit function

Article 31

(1) A functional unit for internal audit must be established in the parent budget users.

(2) The internal audit unit established in the parent budget user performs the function of internal audit in the budget users and publicly owned enterprises, under their jurisdiction, in which a functional internal audit unit has not been established.

3. Minimum Number of Employees in Internal Audit Units

Article 32

(1) The head of the parent budget user shall establish an internal audit unit in line with the following criteria:

- with at least one (1) internal auditor and head of internal audit unit if the average budget execution in the parent budget user is up to Denar 500 million in the last three years.
- with at least two (2) internal auditors and head of internal audit unit if the average budget/financial plan execution in the parent budget user is between Denar 500 million and 2 billion in the last three years or the number of employees is at least 80.
- with at least three (3) internal auditors and head of internal audit unit if the average budget/financial plan execution in the parent budget user is more than Denar 2 billion in the last three years or the number of employees is at least 150.

(2) The number of internal auditors may be higher than the minimum referred to in paragraph (1) of this Article, and shall be determined by each parent budget user, taking into account the scope of work and set objectives, number of public entities for which an internal audit is carried out, number of employees and financial resources available to the parent budget user.

4. Internal Audit Independence and Authorities

Organizational and functional independence of internal audit

Article 33

- (1) Internal audit shall be established as an independent internal organizational unit and shall be hierarchically and functionally directly responsible to the head of the public entity.
- (2) In the institution where the board of directors, management, supervisory or audit board (committee) is established, the internal audit shall be also accountable to the board.
- (3) The functional independence of internal audit shall be achieved by its independence from other organizational units in the public entity in planning of work, performance of internal audit activities and reporting.

Independence and authorities of internal auditors

Article 34

- (1) Internal auditors shall perform solely internal audit work and cannot be involved in the performance of executive functions of the public entity.
- (2) Internal auditors cannot be dismissed or transferred to another work post because of presenting the state of play or giving certain recommendations.
- (3) Internal auditors must be independent and objective in their work and avoid conflict of interest.
- (4) The head of the internal audit unit or the internal auditor should not participate in the audit if one of the following conflicts of interests is present:
 - during the previous year, the head of the internal audit unit or internal auditor was employed in the organizational unit of the public entity, which is planned to be audited,
 - during the previous year the head of the internal audit unit or internal auditor, spouse or relative up to second degree managed the public entity, which is planned to be audited,
 - the head of the internal audit unit or internal auditor, spouse or relative up to second degree have a share or shares in entities that is financed from public funds they have business relationships with the public entities which are planned to be audited and
 - there are other circumstances that could lead to a conflict of interest in the assessment of the head of internal audit unit or internal auditors.
- (5) During the performance of internal audit activities, internal auditors shall have a full, free and unrestricted right of access to complete documentation, data and information crucial for the performance of internal audit activities, regardless of the form and data carriers on which they are stored, and to staff and to material assets.

(6) If internal auditors need to use documentation, data and information classified according to the level of confidentiality during the internal audit, they must take into account the regulations on data confidentiality.

(7) Internal auditors shall be obliged to safeguard confidentiality of data and information which were made available to them during the performance of internal audit activities, unless otherwise prescribed by the Law.

5. Requirements to be Fulfilled by the Head of Internal Audit Unit and Internal Auditors and Exam for certification of the internal auditors

Requirements to be met by the Head of Internal Audit and internal auditor

Article 35

(1) The Head of Internal Audit has to possess:

- university degree with at least 240 credits according to ECTS or completed VII/1 degree;
- certificate for certified internal auditor in the public sector issued by the Minister of Finance,
- five years of work experience, of which at least three years in the internal audit work or audit.

(2) The head of Internal audit shall be appointed or dismissed by the head of the public entity..

(3) The form and the content of the certificate referred to in paragraph (1), line 2 of this Article shall be prescribed by the Minister of Finance.

Article 36

(1) As internal auditor shall be appointed a person who is employed at the public sector in accordance with the legal provisions that regulate fulfillment of the job positions in the public sector and who has certificate for certified internal auditor in the public sector issued by the Minister of Finance. .

(2) As an exception to paragraph (1) of this Article, as an internal auditor may be appointed a person who does not possess the certificate referred to in paragraph (1) of this Article, which is a new employee in the Internal Audit Unit in accordance with the legal provisions regulating the filling of job positions in the public sector.

(3) The person referred to in paragraph (2) of this Article shall, within 3 months after his / her appointment, submit a request for obtaining a certificate for certified internal auditor in the public sector to the Ministry of Finance and must meet the conditions for obtaining a certificate for certified internal auditor within 2 years from the beginning of the exam in which he is included.

(4) If the persons referred to in paragraph (2) of this Article are not able to obtain a certificate for certified internal auditor in the public sector for justified reasons, the period referred to in paragraph (3) of this Article shall cease to run and shall continued from the day of termination of the justified reason.

(5) If the person referred to in paragraph (2) of this Article does not obtain a certificate for certified internal auditor in the public sector within the deadlines from paragraph (3) of this article, the person shall be assigned to another appropriate job position in accordance with his / her education and skills.

6. Exam for certification of the Internal Auditor in the Public Sector

Article 37

- (1) The the exam for certified internal auditor in the public sector shall be conducted according to the Program for conducting an exam for certified internal auditor in the public sector (hereinafter referred to as: Program for conducting an exam).
- (2) In order to take the exam for obtaining a certificate for certified internal auditor in the public sector, the candidate must meet the following requirements:
 - to have a university degree with at least 240 credits according to UCTS or completed VII / 1 degree and
 - to submit proof that the certificate from Article 35 paragraph (1) line 2 and Article 36 paragraph (1) of this Law is a condition for performing the tasks at the workplace where the person is appointed or is a person employed in the Central Harmonisation Unit.
- (3) By obtaining the certificate for certified internal auditor in the public sector, the person shall acquire the title of certified internal auditor.
- (4) The exam for obtaining a certificate for certified internal auditor in the public sector shall be prepared and organized by a five-member commission from the staff of the Ministry of Finance appointed by the Minister of Finance.
- (5) The person who is certified internal auditor in the public sector shall be registered in the Register of certified internal auditors for the public sector, from paragraph (1), line 6 of Article 52 of this Law.
- (6) The Minister of Finance shall adopt the Program for conducting the examination and prescribe the manner and procedure for organizing, registering, taking the examination, reporting the results of the examination, the form and content of the forms for organizing, registering, taking and reporting the results of the examination for obtaining a certificate for certified internal auditor in the public sector, as well as the manner of obtaining a certificate for certified internal auditor in the public sector referred to in paragraph (7) of this Article.
- (7) The person holding a international certificate for a certified internal auditor (CIA) issued by the Institute of Internal Auditors (IIA) or Center of Excellence in Finance (CEF) and Chartered Institute of Public Finance and Accountancy (CIPFA) meets the condition for obtaining a certificate for certified internal auditor in the public sector and to that person is issued a certificate for certified internal auditor in the public sector.
- (8) For taking the exam for obtaining a certificate for certified internal auditor in the public sector from paragraph (1) of this article, a fee is charged, which is determined by a rate list adopted by the Minister of Finance. The fee is determined based on the real costs of organizing and conducting the exam.

7. Manner of performing of Internal Audit work

Framework of internal audit work

Article 38

(1) Internal audit work shall be performed in accordance with:

- regulations prescribing internal audit in the public sector of the Republic of North Macedonia,
- International Professional Practices Framework,
- the internal audit charter and the internal acts of the public sector entity harmonized with this Law,
- best practices from EU member states.

(2) The Central Harmonisation Unit shall prepare and update the Manual for internal audit which shall be published on the website of the Ministry of Finance, upon approval by the Minister of Finance. The Manual for internal audit shall include the methodology that internal auditors shall be obliged to apply when performing internal audit work.

Planning of internal audit

Article 39

(1) Internal audit work shall be performed according to:

- internal audit strategy,
- annual internal audit plan,
- individual internal audit plan.

(2) The head of internal audit unit shall prepare based on risk assessment the Strategy and Annual internal audit plan and submit to the head of the public entity for adoption no later than 31 December of the current year for the next period. Any amendments to the Strategy and Annual internal audit plan shall be also adopted by the head of the public entity, i.e. the board where applicable.

(3) The head of internal audit unit established in the public entity under the authority of the parent budget user shall prepare the proposal of Strategy and Annual internal audit plan in coordination with the head of internal audit unit in the parent budget user.

(4) The Head of the Internal Audit Unit of the parent budget user electronically shall submit the Strategy and the Annual audit plan for the next year, by the end of the current year to the Central Harmonisation Unit and to the heads of the organizational units within the public entities.

(5) Amendments to the Strategy and Annual internal audit plans must be submitted to the Central Harmonization Unit within 8 days of their adoption.

(6) Managers which are responsible for internal control system must provide data for risk assessment which have an impact on business so that internal audit plans referred to in paragraph (1) of this Article, could cover areas of potentially significant risk.

(7) For each individual internal audit, the plan for the individual internal audit shall be prepared by internal auditors and approved by the head of internal audit unit.

Performing internal audit work

Article 40

- (1) Internal auditors shall be responsible for identifying, analysing, evaluating and documenting enough information for achieving individual audit objectives.
- (2) Internal auditors when performing internal audit activities shall be responsible for identifying information and facts that are sufficient, reliable, relevant and useful for achieving individual audit objectives.
- (3) Internal auditors shall be required to base their conclusions and results of individual audits on audit evidences which they collect and form by applying appropriate audit procedures.

Reporting on internal audit results

Article 41

- (1) The head of internal audit shall be responsible for reporting on the results of individual audit to the management of auditee subjects and to the head of the public entity and if necessary to other concerned organizational units within the public entity. It also reports to the board quarterly or upon request, when applicable..
- (2) Results of individual audit shall be reported in a form of an audit report.
- (3) Reporting on the results of the internal audit shall include preparation of draft audit report, agreeing the draft audit report with auditee subjects, preparation of the final audit report and distributing the final audit report.
- (4) The final audit report shall be approved and signed by the head of internal audit unit.
- (5) The action plan for the implementation of internal audit recommendations, which is part of the final audit report, shall be signed by the head of public entity.

8. Responsibility for Implementing and Monitoring the Implementation of Internal Audit Recommendations

Article 42

- (1) The responsible person from the auditee subjects shall be responsible for implementation of recommendations in the action plan from Article 41 paragraph (5) of this Law.
- (2) The responsible person from the auditee subjects shall inform the head of the internal audit unit regarding the status of the implementation of the recommendations within agreed deadlines.

(3) The head of the internal audit unit shall monitor the implementation of the recommendations and shall inform the head of the public entity, i.e. the board where applicable.

9. Program for Quality Assurance and Improvement of Internal Audit

Article 43

(1) The Program for Quality Assurance and Improvement of internal audit shall be prepared and performed by the head of internal audit unit, with the aim to:

- evaluate the level of compliance of internal audit activities with this law and other regulations that regulates the internal audit in the public sector,
- assess the efficiency and effectiveness of the internal audit function,
- identify opportunities for improvement.

(2) The Minister of Finance shall prescribe the manner of the preparation of the quality assurance and improvement of internal audit from paragraph (1) of this Article.

(3) The certified internal auditor should be sent for training of at least 60 hours for a period of three years, i.e. attend training of at least 20 hours per year within the framework of continuous professional development.

(4) The Minister of Finance shall prescribe the manner of continuous professional development of internal auditors.

10. Quality Checks of Internal Audit Activities

Article 44

(1) Quality checks of internal audit activities shall be performed by the Central Harmonisation Unit with the aim to:

- determine the state of the internal audit in the public sector and the level of compliance of internal audit function with law and other regulations that regulates the internal audit in the public sector, with the internal audit methodology and with best practices from the EU Member States,
- give recommendations for improvement of internal audit functions, where is appropriate,
- gather information to improve the internal audit methodology.

(2) The Minister of Finance prescribes the manner of performing quality check of the internal audit functions by the Central Harmonization Unit.

11. Responsibilities and Obligations of the Head of Internal Audit Unit

Article 45

(1) The head of internal audit unit shall be responsible for:

- preparing the Strategy and Annual plan of internal audit based on risk assessment in cooperation with managers i.e. responsible persons in the public entity,
- ensuring the performance of internal audit functions in accordance with the International Professional Practices Framework (IPPF) as well as regulations that regulate internal audit in the public sector, including participation in implementation of internal audit,
- ensuring the monitoring of the implementation of the recommendations given by internal and external audit.e. whether the recommendations are implemented in accordance with the action plan,
- preparing the individual, periodic and annual reports on internal audit work,
- preparing reports on the status of the implementation of the internal audit recommendations on the request of the Central Harmonization Unit,
- preparing the quality assurance and improvement program,
- preparing the internal audit charter,
- fulfilling other obligations arising from the International Professional Practices Framework (IPPF) as well as regulations that regulate internal audit in the public sector.

(2) For the purpose of performing audits of specific areas the head of public entity, upon the recommendation of the head of internal audit unit, may engage experts with specialist knowledge to provide professional assistance in performing audit.

(3) The Head of internal audit unit attends the collegiums of the management of the public entity and presents the Strategy and Annual audit plan, the Annual report on the performed audits and reports on the implementation of the internal audit recommendations.

Article 46

The head of internal audit unit, in accordance with the instructions from the Ministry of Finance, shall submit information related to the internal audit unit and internal auditors for the purpose of maintaining the Register of internal audit units, Register of internal auditors and the Register of certified internal auditors in the public sector.

Audit Board

Article 47

(1) The public entities shall establish an Audit Board in accordance with the provisions of the law regulating the conditions for conducting audits in legal entities operating in the Republic of North Macedonia.

IV. REPORTING ON FINANCIAL MANAGEMENT AND CONTROL AND INTERNAL AUDIT

Reporting of the Parent budget users

Article 48

(1) The head of the parent budget user shall submit an annual report on public internal financial control system to the Central Harmonisation Unit the latest by 15th of April in the current year for the previous year.

(2) The annual report on public internal financial control system shall particularly include the following:

- Report on planned and spent funds by items (comparative overview tables),
- Report on the success of implemented programmes and projects,
- Report on activities on the establishment and development of financial management and control system,
- Report on performed self-assessments of internal control system in budget planning, executing, public procurement and contracting, accounting and reporting,
- Report on performing the internal audit function,
- Report on implemented and outstanding external and internal audit recommendations related to budget users and publicly owned enterprises under its authority,
- Report on financial indicators of publicly owned enterprises under its authority
- Statement on the quality and condition of the internal controls.

(3) Annual report on public internal financial control from paragraph (2) of this Article shall be signed by the head of the parent budget user and is an integral part of the Annual Report on the activities of the parent budget user.

(4) The Minister of Finance shall prescribe in more detail the form, content and the manner of delivery of the reports referred to in paragraph (2) lines 1, 2, 4, 5, 6, 7 and the statement referred to in paragraph (2) line 8 from this Article.

Reporting of the budget users

Article 49

(1) The head of the budget users, except the State Audit Office, shall be obliged to submit to the parent budget users annual report on public internal control system the latest by 15st of March the current year for the previous year.

(2) The annual report on public internal financial control system shall particularly include the following:

- Report on planned and spent funds by items (comparative overview tables),
- Report on the success of implemented programmes and projects,
- Report on the performed self-assessments of internal control system in budget planning, executing, public procurement and contracting, accounting and reporting,
- Report on implemented and outstanding external and internal audit recommendations, Report on the performance of the internal audit functions, in case when budget user has established internal audit.

- (3) The annual report on the system of internal controls in the public sector referred to in paragraph (2) of this Article shall be signed by the head of the budget user and is an integral part of the Annual Report on the activities of the budget user.
- (4) The Minister of Finance shall prescribe in more detail the form, content and the manner of delivery of the reports referred to in paragraph (2) of this Article.

Reporting of publicly owned enterprises

Article 50

- (1) The head of the publicly owned enterprise shall be obliged to submit to the parent budget users an Annual Report on the system of internal control in the public sector no later than March 15 of the current year for the previous year, which shall consist of:
 - Report on the implemented and outstanding recommendations of the external and internal audit and
 - Report on financial indicators.
- (2) The annual report on the system of internal controls in the public sector referred to paragraph (1) of this Article shall be signed by the head of the publicly owned enterprise and shall be an integral part of the Annual report on the activities of the publicly owned enterprise.
- (3) The Minister of Finance shall prescribe in more detail the form, content and the manner of delivery of the reports of paragraph (1) from this article.

V. PUBLIC INTERNAL FINANCIAL CONTROL COUNCIL

Article 51

- (1) The Public Internal Financial Control Council (hereinafter: the Council) shall be established for the purpose of promoting the development of financial management and control system in the public sector. The Council shall be an advisory body to the Minister of Finance, and without any management authorities.
- (2) By the proposal of the Minister of Finance, the Government of the Republic of North Macedonia shall appoint and dismiss the members of the Council. The President (chairman) of the Council is the Minister of Finance.
- (3) Members of the Council shall be appointed among the persons possessing knowledge and experience in the field of financial management and control, internal audit or audit, heads of the public entities, and the Head of Central Harmonization Unit.
- (4) Members of the Council shall be appointed for the period of four years.
- (5) Administrative technical tasks for the Council is carried out by the Central Harmonization Unit. The Secretary of the Council and his deputy are appointed among the employees of the Central Harmonization Unit.
- (6) A member of the Council shall be dismissed before the expiration of his/her term:
 - at his/her personal request, or

- in case no longer performs duties he/she was performing at the time of appointment.

(7) The tasks of the Council shall be:

- providing recommendations for the development of financial management and control and internal audit,
- follow-up of implementation of recommendations referred to in line (1) of this paragraph, given by the Council and the Ministry of Finance,
- providing advices and opinions on the Consolidated annual report on internal financial control system in the public sector prior to its approval by the Minister of Finance and before submitting it to the Government of the Republic of North Macedonia.

(8) The Ministry of Finance shall give to the Council all information necessary to perform tasks according this Law, and the head of the public entity shall, at the request of the Council, provide the necessary information for performing its tasks.

(9) Manner of work, decision making and other issues of importance for the work of the Council shall be determined by the rules of procedure of the Council.

(10) The Council shall be convened as needed, at least twice a year.

VI. CENTRAL HARMONISATION UNIT

Article 52

(1) The Central Harmonisation Unit shall be in charge for:

- preparation of laws and by-laws in the field of financial management and control and internal audit,
- coordination of the development of the public internal financial control system with ministries competent for administrative reforms and other public sector entities,
- preparing methodology for development of financial management and control and internal audit,
- coordination of trainings for managers and persons involved in coordination of development of financial management and control and internal auditors in order to disseminate the prescribed methodology and standards for work,
- preparing the consolidated annual report on functioning of public internal financial control system in the public sector,
- establishing and maintaining the register of the internal audit units, internal auditors and certified internal auditors for the public sector,
- establishing and maintaining the register of organizational units for financial matters and heads of organizational units for financial matters,
- performing quality review of development of the financial management and control system,
- performing quality review of internal audit activities, and
- organizing of ad hoc audits performed by internal auditors from individual entities from the public sector, for audits where the subject of audit exceeds the scope, that is, the competence of the individual entity from the public sector or the subject of audit is of such a nature that the multidisciplinary approach of the internal audit is more useful. The findings and

recommendations of this type of audit are presented to the audited entities and the final report is delivered to the involved entities.

(2) The manner of establishing and maintaining the registers referred to in paragraph (1), lines 6 and 7 of this Article shall be prescribed in more details by the Minister of Finance.

(3) The head of the public entity shall be obliged to provide access to the employees from the Central Harmonisation Unit to documents and other information necessary to check the quality of the functioning of financial management and control and the internal audit.

(4) Trainings for managers and persons involved in the coordination of the development of financial management and control and internal audit, with the aim of disseminating the prescribed methodology and work standards, are organized and implemented by the Ministry of Finance.

(5) The trainings from paragraph (4) of this article are conducted by domestic and/or foreign trainers with more than five years of experience in the field of financial management and control or auditing, appointed by the minister of finance.

(6) For participation in the training from paragraph (4) of this article, a fee is charged, which is determined by a Tariff list adopted by the Minister of Finance. The amount of the monetary compensation for participating in the training is determined based on the costs of organizing and conducting the training.

(7) Trainers from paragraph (5) of this article have the right to monetary compensation, the amount of which is determined depending on the duration in hours, the complexity and the need to prepare materials for conducting the training. The amount of the monetary compensation for the trainers is determined in the Tariff adopted by the Minister of Finance.

Article 53

(1) The consolidated annual report referred to in Article 52, paragraph (1), line 5 of this Law shall be prepared on the basis of annual reports of the parent budget users referred to in Article 48, paragraph (1) of this Law.

(2) The draft of the consolidated annual report referred to in paragraph (1) of this Article, shall be discussed by the Council, after which it shall be approved by the Minister of Finance and submitted to the Government of Republic of North Macedonia by 31 July of the current year for the previous year.

(3) The consolidated annual report referred to in paragraph (1) of this Article, shall be published on the website of the Ministry of Finance.

VII. TAKING ACTIONS AGAINST IRREGULARITIES

Article 54

(1) The public internal financial control system shall be in function of preventing the risks of irregularities and fraud.

(2) In case the irregularity is identified and/or there is suspicion on irregularity and fraud which may have negative impact on revenues/receipts, expenditures/expenses, assets and liabilities, the cases of such irregularity and suspicions of irregularity and fraud will be reported in accordance with the provisions of the Whistleblower Protection Law.

(3) The Central Harmonization Unit shall not be body in charge of acting upon reported irregularities and fraud.

Article 55

(1) Supervision over the implementation of the provisions of this law for which misdemeanor have been determined is carried out by the Ministry of Finance through the financial inspection in the public sector, in accordance with the law regulating financial inspection in the public sector.

VIII. MISDEMEANOR PROVISIONS

Article 56

- (1) Fine in the amount of EUR 250 to 500 in denars equivalent shall be imposed on the head of the public entity for perpetrated misdemeanor if:
- it fails to adopt internal acts through which the procedures for the implementation of key financial management processes at the entity level should be elaborated, including elaboration of ex-ante and ex-post controls and the roles and tasks, authorities and responsibilities of the internal organizational units involved in the implementation of key financial management processes (Article 8 paragraph 1);
 - when delegating competencies and responsibilities, does not apply the principle of segregation of duties and the same official at the same time is responsible for two of the following: approval of financial commitments, approval of payment and accounting (Article 10 paragraph 3);
 - it fails to establish an internal audit (Article 33 paragraph (1));
 - does not sign the action plan for implementation of the recommendations from the final report of the internal audit (Article 41 paragraph 5).
- (2) Fine in the amount of EUR 250 to 400 in denars equivalent shall be imposed on the head of the financial affair unit of the parent budget user for perpetrated misdemeanor if does not adopt the Annual plan for development of the internal control system for the key processes of financial management and control (Article 21 paragraph (1) line 7 and Article 25 paragraph (1) line 8);
- (3) Fine in the amount of EUR 250 to 500 in denars equivalent shall be imposed on the head of parent budget user, budget user and publicity owned enterprises for perpetrated misdemeanor if the organizational unit for financial affairs performs procurements and signs contracts contrary to the principle of segregation of duties (Article 10 paragraph (4));
- (4) Fine in the amount of EUR 250 to 500 in denars equivalent shall be imposed on the head of parent budget user for perpetrated misdemeanor if it fails to submit an annual report on the internal control system in the public sector (Article 48 paragraph (1));
- (5) Fine in the amount of EUR 250 to 400 in denars equivalent shall be imposed on the head of budget user (except the State Audit Office) for perpetrated misdemeanor if fails to submit to the parent budget user an annual report on the system of internal control in the public sector (Article 49 paragraph (1));
- (6) Fine in the amount of EUR 250 to 400 in denars equivalent shall be imposed on the head of the public entity for perpetrated misdemeanor committed offense if it fails to submit to the parent budget user an Annual Report on the internal control system in the public sector (Article 50 paragraph 1).

Article 57

- (1) For the offenses of article 56 of this law shall be conducted and the sanction imposed by a competent court.
- (2) Request for initiating misdemeanor procedure to competent court submit Ministry of Finance through financial inspection in the public sector.
- (3) For the offenses stipulated in this law the financial inspectors are obliged to propose a settlement procedure to the perpetrator of the misdemeanor, before submitting the request for misdemeanor procedure, in accordance with the Law on Misdemeanors.
- (4) The Minister of Finance prescribes the form and the content of the misdemeanor payment order.

IX. TRANSITIONAL AND FINAL PROVISIONS

Article 58

- (1) The by-laws provided for by this Law shall be adopted within eighteen months from the date of entry into force of this Law.
- (2) By the day of entry into force of the bylaws referred to paragraph 1 of this Article, shall be applied the bylaws adopted on the basis of the Law on Public Internal Financial Control (Official Gazette of the Republic of Macedonia No. 90/09, 12/11, 188/13 and 192/15).

Article 59

- (1) The heads of internal audit units and internal auditors who on the date of entry into force of this Law have passed the exam for certified internal auditor acquired within organisation of the Center of Excellence in Finance (CEF), the Institute of Internal Auditors (IIA) or by other relevant organizations meet the conditions for acquiring the Minister of Finance's certification as referred to in Article 35, paragraph 1, line 2 of this Law and from Article 36, paragraph 1 of this Law.
- (2) The heads of internal audit units and internal auditors who by the date of entry into force of this Law are in the process of taking the exam for certified internal auditor organized by relevant organizations shall meet the conditions for obtaining a certificate for certified internal auditor in the public sector issued by the Minister for Finance referred to in Article 35 paragraph (1) line 2 and Article 36 paragraph (1) of this Law, if within 2 years from the date of commencement of the examination for certified internal auditor in the public sector in accordance with the Program for conducting an examination referred to in Article 37 paragraph (1) of this Law pass the exam for certified internal auditor. The initiated procedure for taking the exam for certified internal auditor is proved by submitting a notification and attached proof for passed modules.
- (3) The Heads of Internal Audit units who on the date of entry of this Law into force do not possess a certificate for certified internal auditor, continue to perform task of the Head of Internal Audit and shall be obliged to acquire the Minister of Finance's certification for performing internal audit in the public sector within 2 years from the date of commencement of the examination for certified internal auditor in the public sector in accordance with the Program for conducting an exam referred to in Article 37 paragraph (1) of this law.
- (4) Internal auditors who on the date of entry of this Law into force did not pass the exam referred in paragraph 1 of this Article, continue to perform internal audit tasks and shall be obliged to acquire the Minister of Finance's certification for performing internal audit in the public sector within 4 years from

the date of commencement of conducting an exam for certified internal auditor in the public sector in accordance with the Programme for conducting an exam referred to in Article 37, paragraph 1 of this Law.

(5) To the heads of internal audit and internal auditors who have successfully passed the training and passed part of the modules of the exam for internationally recognized CIPFA audit certificate for certified internal auditor in the public sector, the passed modules are recognized, within 2 years from the day of starting the conducting the exam for certified internal auditor in the public sector in accordance with the Program for conducting an exam referred to in Article 37 paragraph (1) of this law.

(6) Public entities that are not covered by Article 31 of this law, and which, until the date of entry into force of this law, have established Internal audit function, shall continue to provide the same.

(7) The conducting of the examination for certified internal auditor in the public sector in accordance with this law shall commence no later than twenty-four months from the date of entry into force of this Law.

Article 60

On the day of entry into force of this Law, the Law on Public Internal Financial Control ("Official Gazette of the Republic of Macedonia" no. 90/09, 12/11, 188/13 and 192/15) shall cease to be valid, except for provisions of the Article 47 and Article 48 paragraph (1), line 10, which will be applicable until 31.07.2028, concluding with the preparation of the Annual Report on the functioning of the public internal financial control system for 2027.

Article 61

The provisions of Articles 48, 49, 50 and 53 of this Law, which relate to the preparation of the Consolidated Annual Report on the functioning of the internal financial control system in the public sector, shall apply from 1 January 2029.

Article 62

This Law shall enter into force on the day of its publication in the "Official Gazette of the Republic of North Macedonia".