



ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА
ENTI SHTETËROR I REVIZIONIT
STATE AUDIT OFFICE

Pursuant to Article 9, paragraph 1 point 3 and 4 of the State Audit Law (Official Gazette of RNM no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16 and 83/18), as well as the Guidelines for Strategic and Annual Audit Planning no. 02 - 735/1 from 09 July 2020, Auditor General passed a

DECISION

on setting strategic audit objectives of the State Audit Office for 2021 - 2023 and priority audit areas by audit departments

Article 1

Based on implemented procedures in accordance with the Guidelines for strategic and annual audit planning by audit departments in the State Audit Office (SAO) and the information received on the scope, significance and risks arising from the strategic objectives (SO) and the immediate objectives (IO) of SAO Development Strategy 2018 - 2022 as follows:

SO 2: Further development of the quality of state audit:

- IO 2.1 Improving efficiency of planning and programming financial and performance audits;
- IO 2.2 Improving quality of audits and monitoring effects of performed audits;
- IO 2.3 Further development of the system for monitoring and informing on systemic weaknesses common to audited entities and on activities by areas and entities.

SC 5: Improving communication and information exchange system

with national and international legal entities and informing the public about SAO operation,

Auditor General has set the strategic audit objectives for a period of three years (2021-23) as follows:

- Providing opinion on the true and fair presentation of financial statements and the results of financial activities of audited entities in line with INTOSAI Framework of Professional Pronouncements (IFPP), the State Audit Law and the approved accounting standards and principles;
- Providing opinion on the earmarked and legal use of funds in line with the positive legislation-examination of financial transactions that are public revenues and expenditures;
- Assessing the use of public resources with regard to achieved economy, efficiency and effectiveness;
- Transparent and accountable reporting on identified shortcomings, given recommendations and action (not) taken by audited entities upon performed audits, as well as initiating proposals for improving the legal framework before the Assembly of the Republic of North Macedonia, the public and all stakeholders;
- Taking action on informing and cooperating with competent authorities in RNM, when conducting audits and issuing audit reports, concerning potential or detected risks,

uncertainties, illegal action and transactions, which indicate possible conflict of interest, corruption and fraud aimed at further action;

- Selecting audits that will contribute to improvement of public services;
- Selecting audits that will contribute to increasing public awareness and importance of priority areas concerning environment and sustainable development goals;
- Selecting audits of public interest;
- Selecting audits as part of SAO international activities aimed at increasing auditors' knowledge, capacity and skills.

Article 2

Strategic objectives and priorities of SAO audit departments for the period 2021-23 are:

- supervision over spending of public funds;
- fight against corruption;
- quality financial reporting;
- contributing to improvement of public services;
- continuous increase of responsibility, accountability and transparency;
- increasing accountability and transparency in the use of public funds;
- improving operation of public funds' users;
- improving quality of work of audit departments through continuous professional development of auditors;
- improving work performance by strengthening communication and cooperation between auditors and institutions;
- providing appropriate work environment;
- improving corporate culture and ethics in performing audit and other SAO activities.

Article 3

Priority audit areas of the State Audit Office for the period 2021-23 are:

- Budget of the Republic of North Macedonia;
- national security and defense;
- state of crisis and emergency;
- effects of pandemic;
- political parties and electoral processes in RNM;
- local self-government and balanced regional development;
- labor and social policy;
- education;

- culture and sports;
- healthcare system;
- environment;
- agriculture, forestry and water economy;
- judiciary and rule of law;
- economy;
- traffic, transport and communications;
- UN sustainable development goals;
- it systems, security and data protection; and
- EU funds and funds from other international institutions.

Article 4

The list of audit sub-areas and entities by types of audits is determined by the audit departments separately by applying selection criteria and results of applied criteria as well as by applying professional judgment.

Article 5

Supervision over the implementation of this Decision is carried out by all Assistants Auditor General (AAGs) for the department they are in charge and by the Auditor General at SAO level.

AAG of the department for audit development and monitoring of international practice and implementation of international auditing standards follows and reports on the implementation of the Decision provisions to the Auditor General.

Article 6

This Decision enters into force on the day of its adoption.

EXPLANATION

INTOSAI Framework of Professional Pronouncements (IFPP) sets out the requirements for strategic and operational planning of the Supreme Audit Institutions (SAIs) by publishing the International Standards on Supreme Audit Institutions (ISSAIs) and the INTOSAI Guidelines (GUIDs).

The requirements for strategic and operational planning of SAIs are aimed at determining their priorities for fulfilling their legal mandate and other obligations in line with the regulations and the application of professional criteria for selection of audit areas and entities.

SAIs have an obligation to plan and conduct audits in a manner that ensures consideration of expectations of all stakeholders and all foreseeable and expected risks.

In accordance with the vision and mission of SAIs, the mandate, the strategic objectives and the strategic and operational planning activities are intended for ensuring the requirements of transparency, accountability, integrity and objectivity of SAIs operation.

This Decision is adopted for monitoring potential risks that will serve as basis for selection of audits of public interest and audits with added value for the functioning of public sector entities. The Decision determines clear direction for the State Audit Office as the supreme audit institution of the Republic of North Macedonia in the following three years.

This Decision is the basis for SAO annual audit planning and the Annual Work Program for planning the scope, volume, audit areas, fulfilling SAO mandate and for economical, efficient and effective allocation of resources available to the State Audit Office. The Decision will enable SAO to respond to short-term and long-term challenges given the ever-changing environment.

The adoption of this Decision is in support of fulfilling SAO mandate while observing and applying independence and autonomy in the audit selection and the criteria for selection of audit sub-areas. The Decision contributes to improving accountability and transparency of both the state audit and the public sector governance.

The Decision is a tool that will maintain, improve or open new ways of communication with all stakeholders of state audit work.

In accordance with the requirements for passing this Decision, the Auditor General adopted Guidelines for Strategic and Annual Audit Planning of the State Audit Office, no. 02–735 / 1 dated 09 July 2020; SAO working group for strategic audit planning was set up no. 02–735 / 2 dated 10 July 2020 and proposed the contents of the Decision, and the Auditor General passed this Decision.

No. _____

Skopje, 16 November 2020

Auditor General

Maksim Acevski, MSc