



Ministry of Finance

Public Internal Financial Control  
Department

**ANNUAL REPORT  
FOR THE FUNCTIONING OF THE PUBLIC INTERNAL FINANCIAL  
CONTROL FOR 2015**

Skopje, July 2016

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## SUMMARY

The Annual Report on the Functioning of the Public Internal Financial Control System for 2015 is a report on the functioning of the financial management and control system and internal audit in the public sector in the Republic of Macedonia for 2015. It was prepared in accordance with Article 48, line 11 of the Public Internal Financial Control Law ("Official Gazette of the Republic of Macedonia " No. 90/2009, 12/2011, 188/2013 and 192/15) and the Rulebook for the form and content of reports and statement of the quality and condition of the internal controls of the annual financial report ("Official Gazette of the Republic of Macedonia" No. 147/2010, 34/2011 and 113/2014).

The obligation for submission of Annual Financial Report for 2015 is fulfilled by 81% public sector entities on central level and 70% of public sector entities on local level, that compared with 2014 represents a decrease of 5 percentage points on central and 1 percentage point on local level.

From the submitted data from annual reports for the financial management and control and records in the Central Harmonization Unit (CHU), in 2015 was found next progress: in 5 entities at central level and 12 units of local self government are established new units for financial affairs, in 8 entities at central level and 6 units of local self government are appointed managers of the financial affairs units, in 12 entities at central level and in 7 unit and the local self government are appointed persons responsible for irregularities according to the Article 50 from the Public Internal Financial Control Law and in 6 entities on central level are appointed responsible accountants.

Obligation for submission of Annual Report on performed audits and internal audit activities in the 2015 was fulfilled by 64% of public sector entities on central level and 60,5% of public sector entities on local level.

From the submitted data from annual reports for functioning of internal audit and records in the Central Harmonization Unit (CHU), in 2015 was found next progress on **central level**: increased number of established internal audit units by 7,7% (from 78 to 84), increased number of auditors for 4% (from 142 to 145), increased number of appointed managers units for 8,5% (from 47 to 51), increased number of submitted annual reports for 12% (from 58 to 65), decreased number of recommendations for which internal audit units have not submitted details of their implementation by 4 percentage points (from 7% to 3%), decreased number of ad-hoc audits for 51% (from 45 to 22) decreased percentage of unrealized recommendations by 2 percentage points (from 25% to 23%) and increased the percentage of partially implemented recommendations by 4 percentage points (from 17% to 21%). At **local level** was found next progress: increased number of established internal audit units by 1,5% (from 67 to 68), increased number of appointed managers of the internal audit units for 11,1% (from 18 to 20), increased the number of municipalities that submitted reports on conducted audits and internal audit activities by 2,1% (from 48 to 49), increased realization of the planned audits by 3,6 percentage points (from 72 to 75,6) and reduced the number of performed ad-hoc revisions to 53,3% ( from 15 to 7).

Within the project "Training of internal auditors in the public sector," the number of certified internal auditors in the public sector is increased with 29 persons, bringing the total number of certified internal auditors in the public sector in the Republic of Macedonia is 77, of which 4 persons possess CGAP certificate and 73 possess CIPFA international certificate.

In second half of September 2015 started the implementation of the third cycle of training of internal auditors in the public sector in Republic of Macedonia (Training of Internal Auditors in the Public Sector - TIAPS) which covers 19 people.

In November 2015 was organized Conference on Public Internal Financial Control 2015-2017 at local level, which was attended by mayors, heads of internal audit units and heads of financial affairs units.

## **1. INTRODUCTION**

The Annual Report on the functioning of the Public Internal Financial Control System for 2015 is prepared on the basis of the submitted annual financial reports by the entities in accordance with Article 48, paragraph 11 of the Public Internal Financial Control Law ("Official Gazette of Republic of Macedonia" no. 90/2009, 12/2011, 188/2013 и 192/15).

This report, the Ministry of Finance not later than the end of July current year for the previous year submits to the Government of the Republic of Macedonia, and after its consideration and adoption, the general part, without conclusions and annexes is published on the website of the Ministry of Finance and submitted to DG Budget of European Commission.

Republic of Macedonia implements reforms in public finance management, in which important part are establishment and development of the public internal financial control system. The aim of this reform is the development of a comprehensive system of internal financial controls in the public sector, which will enable the introduction of sound financial management of public funds. It is a part of the preparation process for the successful implementation of EU accession of Chapter 3.32 Financial control.

The establishment of the Public Internal Financial Control System is the task of the heads of public sector entities. Ministry of Finance or CHU as a central harmonization unit is responsible for coordinating the development, establishment, implementation and maintenance of public internal financial control system.

The implementation of this reform is not only because of meeting the requirements for membership in the European Union, but also improvement of the management and control systems with public funds, which will ensure better use of IPA funds and as a future member state would readily to deal with the challenges of the membership.

Purpose of the Annual Report is to inform the Government of the Republic of Macedonia about the activities that are carried out in 2015 in the area of development on internal financial controls, as well as the current state and future directions in the development of this system.

## **2. SUBMITTED ANNUAL FINANCIAL REPORTS FOR 2015**

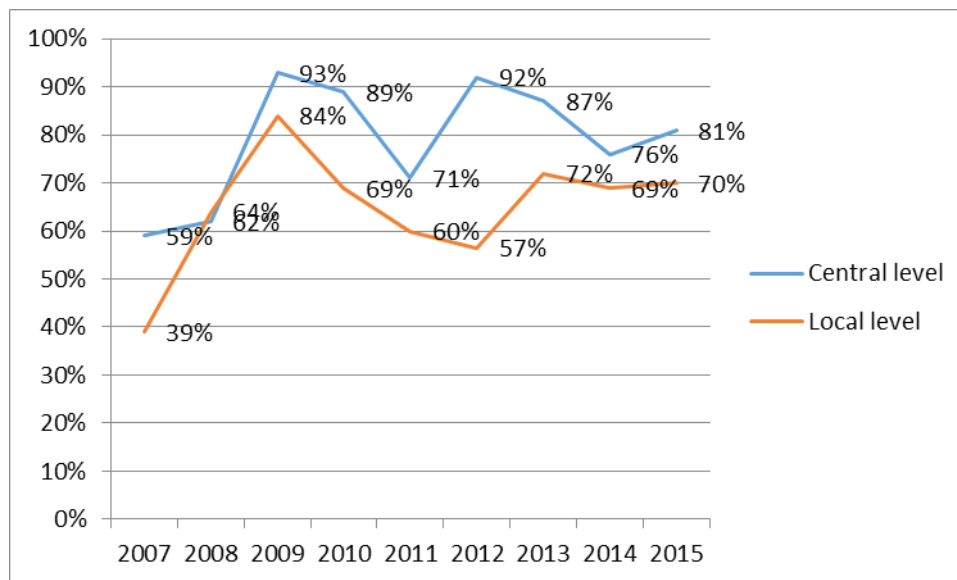
According to Article 47 of Public Internal Financial Control Law ("Official Gazette of the Republic of Macedonia " no. 90/2009, 188/2013 и 192/15) and the Rulebook on the form and content of reports and the statement about the quality and condition of the internal controls of the annual financial report ("Official Gazette of the Republic of Macedonia " no. 147/10, 34/11 and 1 13/1 4) the head of first line budget user of the legislative, executive and judicial authorities (except the State Audit Office) funds, municipalities and the City of Skopje is obliged to submit to CHU an annual financial report no later than May 10 of the current year for the previous year. Annual Financial Report contains:

- Report for planned and spent funds by items (comparative overview tables)
- Report for realized programs, projects and contracts
- Annual accounts and consolidated annual account
- Report for performed self-assessments (results of self-assessments that are not entirely positive, comments of the head of the entity referring to the recommendations of the self-assessments and opinion for the financial management and control)
- Statement for the quality and condition of the internal controls
- Report for the activities of the establishment and development of financial management and control and

- Report for performed audits and internal audit activities.

The total number of budget users that are obliged to submit an annual financial report is 173 of which 92 are at central and 81 at local level (80 municipalities and the City of Skopje). From the total 173 entities at central and local level, annual financial report submitted 76% or 132 entities (of which 75 at central (81%) and 57 at local level (70%)).

By years from 2007 to 2015 the percentage of submitted annual financial reports at central and local level is as follows:



From total 92 entities at central level, 18% or 17 entities didn't submit a statement and annual financial report. From total 81 local self government units 30% or 24 municipalities didn't submit an annual report (**Annex I/1 Review of entities at central and local level which haven't submitted annual financial report**).

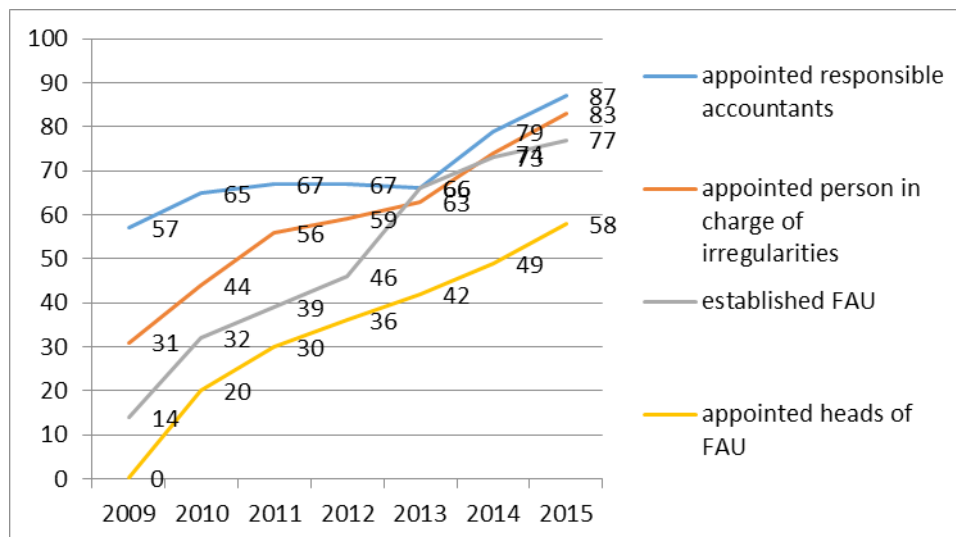
### 3. REPORT FOR QUALITY AND THE STATE OF FINANCIAL MANAGEMENT AND CONTROL

#### 3.1 The state in financial management and control at central level

The state on the financial management and control at 92 direct budget users – entities at central level to the end of 2015 is as follows:

- 77% of the entities at central level (71) established Financial Affairs Units (departments /units);
- 58% of the entities at central level (53) appointed heads of the units for financial management and control;
- 87% of the entities at central level (80) appointed responsible accountants, in according to the Accounting at Budgets and Budget Users Law;
- 83% of the entities at central level (76) appointed person in charge of irregularities in accordance with Article 50 of the Public Internal Financial Control Law;
- 46 % of the entities at central level (42) adopted risk management strategies in accordance with the Article 15, paragraph 2 of the Public Internal Financial Control Law. As of 30.06.2016 risk management strategies are adopted in 59 entities at central level or 64%. **(Annex I/2 Review on entities at central level that adopted risk management strategies).**
- 39% of the entities at central level (36) prepared Risk registers. As of 30.06.2016 Risk registers are prepared in 46 entities or 50%. **(Annex I/3 Review of entities at central level that prepared Risk registers).**

By years from 2009 to December 2015 the state of financial management on central level is as follows:

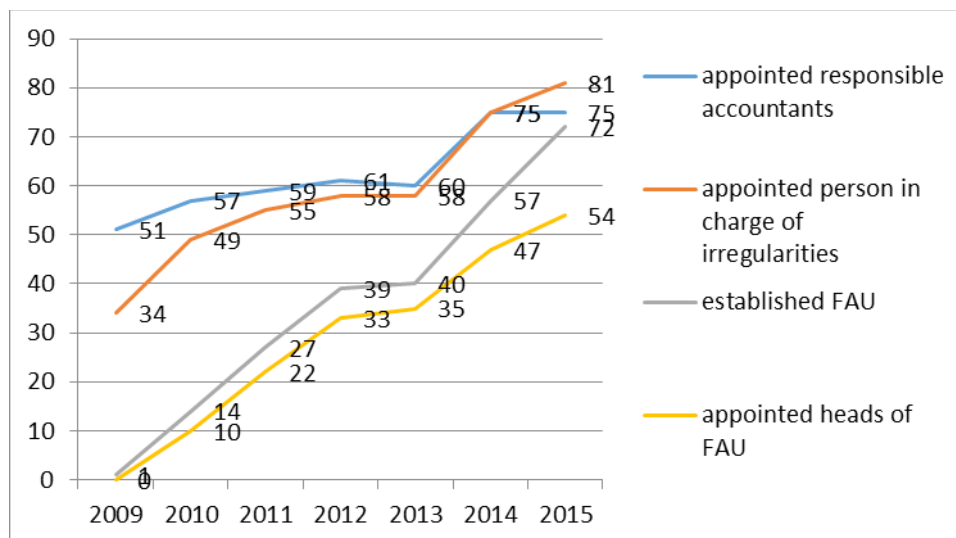


### 3.2 The state in financial management and control at local level

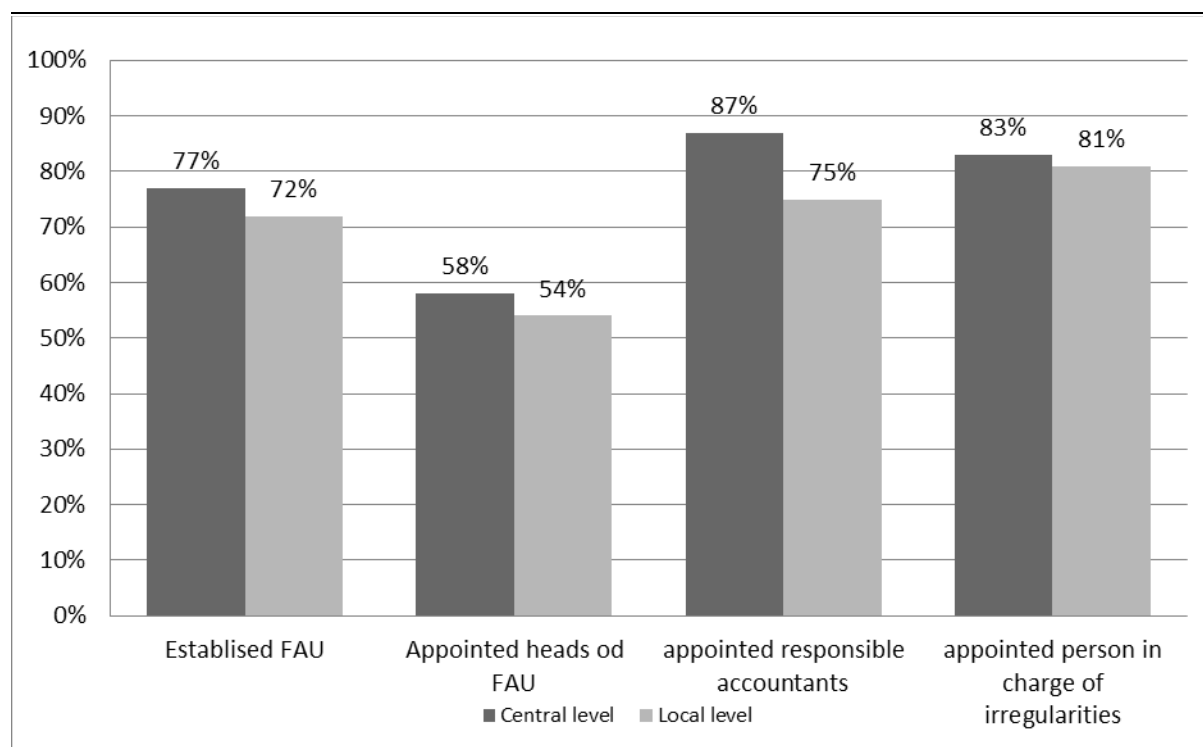
The state in financial management and control in 81 units of local self government at the end of 2015 is as follows:

- 72% of local self government units (58) established Financial Affairs Units (departments/units);
- 54% of local self government units (44) appointed head of units for financial management and control;
- 75% of local self government units (61) appointed responsible accountants, according to the Accounting at Budgets and Budget Users Law;
- 81% of local self government units (66) appointed person in charge of irregularities in accordance with Article 50 of the Public Internal Financial Control Law;
- 27% of the entities at local level (22) adopted risk management strategies in accordance with the Article 15, paragraph 2 of the Public Internal Financial Control Law. As of 30.06.2016 risk management strategies are adopted in 31 entities or 38%. **(Annex I/4 Review on entities at local level that adopted risk management strategies).**
- 20% of the entities at local level (16) prepared Risk registers. As of 30.06.2016 Risk registers are prepared in 24 entities at local level or 30%. **(Annex I/5 Review of entities at local level that prepared Risk registers).**

By years from 2009 to December 2015 the state of financial management at local level is as follows:



The state in financial management and control compared to central and local level as of December 2015 is shown at the following graph:



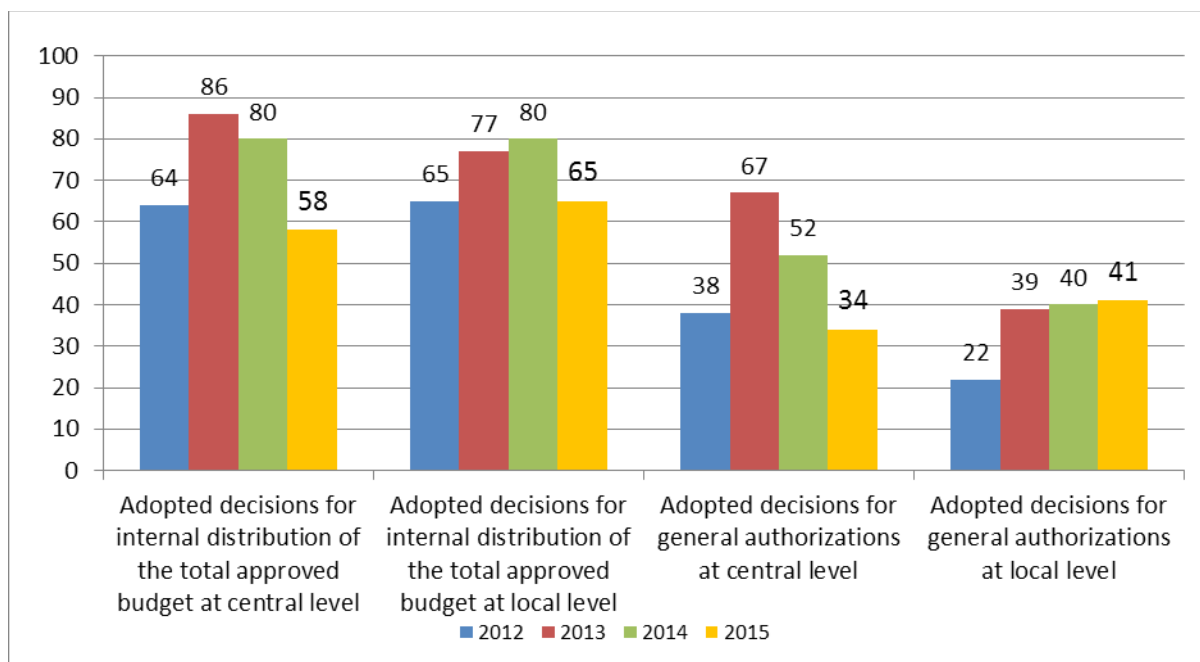
### 3.3 Establishment of decentralized system of financial management and control

The state in the establishment of a decentralized system of financial management and control as of December 2015 is as follows:

- 58% of the entities at central level (53) and 65% of municipalities and the City of Skopje (53) adopted decisions for internal distribution of the total approved budget.
- 34% of the entities at central level (31) and 41% of municipalities and the City of Skopje (33) adopted decisions for general authorizations.

The state in the degree of decentralization of the financial management and control system at central and local level through the decisions made for internal distribution of the total approved budget and adopted decisions for general authorizations, as of December 2015 in percentage of implementation is shown in the following graph:





### 3.4 Results from the performed self-assessment of the financial management and control components

Within the annual report on the activities for establishment and development on financial management and control for 2015, 72 entities at central level and 57 local self government units made self-assessment on financial management and control system.

Summary results of performed self-assessment on implemented financial management and control components are presented in the following table:

Components of Financial Management and Control	Central level %	Local level %
<b>I. Control environment</b>	<b>65.5</b>	<b>65,2</b>
a) Ethics and integrity	43.00	40,80
b) Governance and management style	77.80	83,90
c) Planning approach to work	76.00	69,50
d) Organizational structure, mandates and responsibilities, reporting system	60.30	63,60
e) Development of human resources	70.30	68,00
<b>II. Risk Management</b>	<b>68.4</b>	<b>52,1</b>
<b>III. Controls</b>	<b>82.8</b>	<b>96,9</b>
<b>IV. Information and communication</b>	<b>71.5</b>	<b>84,3</b>
<b>V. Monitoring (monitoring and evaluation of the system)</b>	<b>50.9</b>	<b>61,8</b>
<b>Total average</b>	<b>67.8</b>	<b>72,1</b>

The weakest results that have been observed:

- the component "control environment" - the area of "Ethics and Integrity", because 92% of the entities at central level and 93% at local level haven't appointed a person (a trustee) for ethics, 65% of entities at local level haven't adopted additional internal instructions/guidelines for behavior of employees and 76 % of entities at central level and 72% of entities at local level have not clear rules (internal regulations) that define the conditions for a potential conflict of interests and the manner of proceeding;
- the component "control environment" - the area 'Governance and management style," because 68% of entities at central level at the meetings on the highest level of management do not participate heads of bodies within the entity;
- the component "control environment" - the area "Planning approach to work (mission, vision, goals)," because 87% of institutions at central level don't include the second line budget users in the preparation of strategic documents, and 70% of local government units have not established performance indicators for monitoring the implementation of the established goals;
- the component "control environment" - the area "Organizational structure, authorizations and responsibilities, reporting system, because 55% of institutions at central level do not prepare a report on the realization of the approved budget;
- the component "control environment" - the area "Development of human resources (planning the operation and monitoring the success of the achieved results)," because 61% of institutions at central level and 67% of local self government units have not assigned tasks/activities individually per employee in annual work plans of organizational units ;
- in component "Risk management" because:
  - 56% of local government units risks are not mentioned in the plans, and 61% of local government units, the risks are not stated in writing in the risk register;
  - 57% of institutions at central level and 81% of local self government units haven't established system for reporting on the most important risks;
  - 53% of institutions at central level and 81% of local government units have not appointed person responsible for coordinating the establishment of managing risks process;
  - 71% of institutions at central level and 90% of local self government units haven't appointed risk coordinators in the organizational units;
  - 87% of institutions at the central level and 72% of local self government units, do not inform budget users within the entity about main risks;
- in component "controls" because:
  - 56% of institutions at central level and 61% of local self government units haven't written internal procedures (rulebooks, instructions, guidelines) that as continuation of regulations are regulating more detailed the process of preparation and implementation of strategic plan;
  - 73% of institutions at central level haven't written internal procedures (rulebooks, instructions, guidelines) that as continuation of regulations are regulatting more detailed the process of collection of own revenues;
  - 75% of institutions at central level haven't written internal procedures (rulebooks, instructions, guidelines) that as continuation of regulations are regulatting more detailed the process of recovery of unjustified spent or wrongly paid budget funds;

- 57% of the central level institutions do not perform additional controls on the proper usage of paid budget funds;
- 73% of institutions at central level and 75% of local self government units haven't written internal procedures (rulebooks, instructions, guidelines) that as continuation of regulations are regulating more detailed the procedure for implementing additional (ex-post) controls;
- 93% of institutions at central level and 72% of local self government units haven't written internal procedures (rulebooks, instructions, guidelines) relating to the preparation and implementation of strategic plans, preparation and realization of the financial plan/budget, procurement and contracting, additional control etc. and contain instructions on the manner of cooperation and activities that are expected from second line budget users;
- 95% of institutions at central level and 77% of local self government units haven't findings to what extent second line budget users have established control activities in the processes of preparation and implementation of financial plans/budgets, procurement and contracting, property management etc;
- in component "Information and communication" because:
  - 58% of local government units have not established a reporting system for implementation of programs / projects;
  - 91% of institutions at central level and 72% of local self government units second line budget users, have not prepared other reports except prescribed financial reports that submitted to the first line budget user;
  - 88% of institutions at central level haven't realized IT connection with the second line budget users;
- in component "Monitoring (monitoring and evaluation system)" because:
  - 55% of institutions at central level, top managers have not established a reporting system which allows receiving reports on the functioning of financial management and control system for which they are responsible;
  - 89% of institutions at central level and 65% of local self government units there aren't appropriate reporting systems established by first-line budget users that provide monitoring of the functioning of the financial management and control system in second line budget users.

### **3.5 Achieved progress in financial management and control in 2015**

From data submitted in annual reports for financial management and control and records in CHU in 2015 is ascertained the following progress:

- 5 entities at central level and 12 local self-government units established new financial affairs units;
- 8 entities at central level and 6 local self-government units appointed heads of financial affairs units;
- 12 entities at central level and in 7 local self-government unit appointed persons in charge of irregularities in accordance with Article 50 of Public Internal Financial Control Law and
- 6 entities at central level appointed responsible accountants.

### **3.6 Identified weaknesses**

Weaknesses in the establishment and functioning of financial management and control are:

- 17 of the entities at central level and 20 local self government units haven't established financial affairs units **(Annex I/6: Review of entities at central and local level which haven't established a separate financial affairs unit);**
- 37 of entities at central level and 37 local self government units haven't appointed heads of financial affairs units; **(Annex I/7: Review of entities at central and local level which haven't appointed heads of financial affairs units);**
- 14 entities at central level and 15 municipalities haven't appointed persons in charge of irregularities in accordance with Article 50 of Public Internal Financial Control Law **(Annex I/8: Review of entities at central and local level which haven't appointed person in charge of irregularities);**
- 12 entities at central level and 20 municipalities haven't appointed responsible accountants, according to obligation of Accounting for Budgets and Budget Users Law **(Annex I/9: Review of entities at central and local level which haven't appointed a responsible accountant);**
- 33 of entities at central level and 50 local self government units have not adopted the Risk Management Strategy **(Annex I/10: Review of entities at central and local level that haven't adopted the Risk Management Strategy);**
- 46 of the entities at central level and 57 of local self government units haven't prepared risk register **(Annex I/11: Review of entities at central and local level which haven't prepared a risk register);**

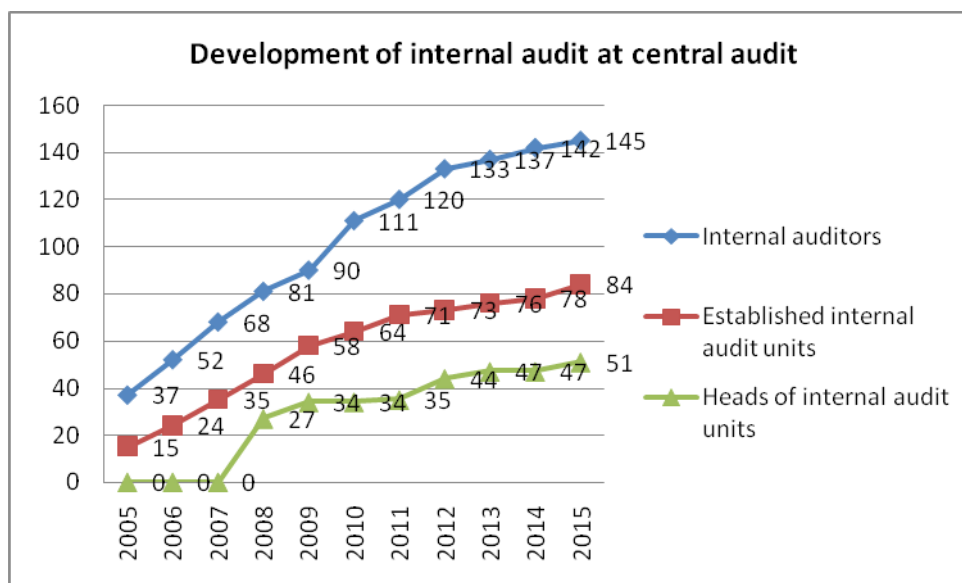
### **3. 7 Individual reports**

Based on the submitted annual reports for the quality and condition of the financial management and control in 2015, the Ministry of Finance - Public Internal Financial Control Department, prepared individual reports for entities at the central and local level **(Annex II/1 Individual reports for quality and condition of the financial management and control of entities at central level and Annex II/2 Individual reports for quality and condition of the financial management and control of entities at local level).**

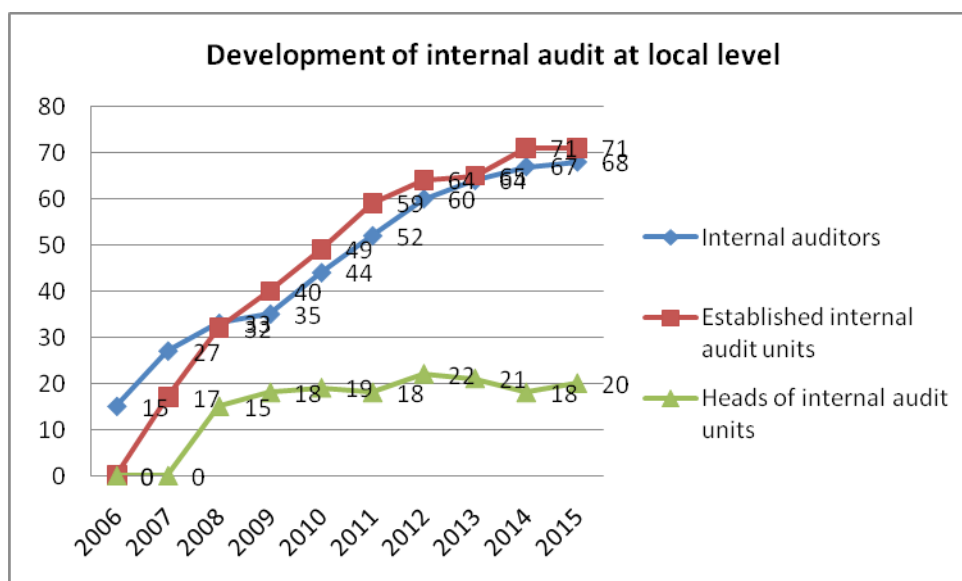
#### 4. REPORT FOR PERFORMED AUDITS AND INTERNAL AUDIT ACTIVITIES IN 2015

##### 4.1 State in internal audit at central and local level according to the records of the Central Harmonization Unit

As of 31.12.2015 in the public sector entities at **central level** are established 84 internal audit units, employing 145 internal auditors, of which 51 head of units and 19 public sector entities have contract for performing internal audit from internal audit unit of another entity. The number of established internal audit units, internal auditors and heads appointed by years at central level is shown in the following graph:



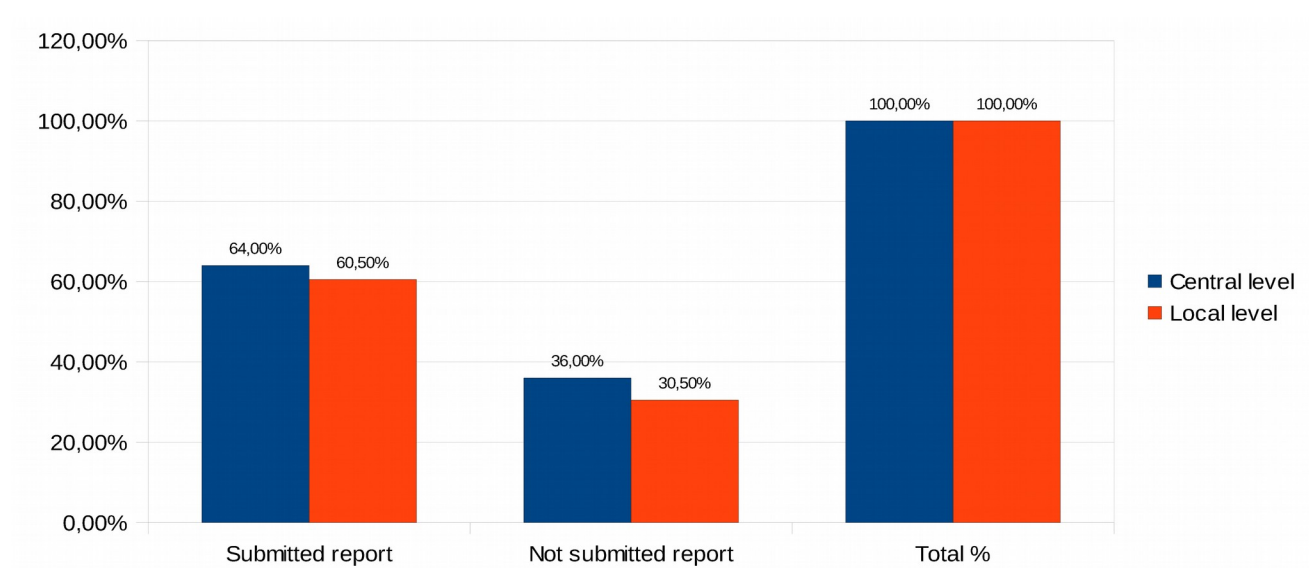
As of 31.12.2015 in the public sector entities at local level are established 71 internal audit unit, employing 68 auditors, of which 20 are heads of units (29.4%), while 24 municipalities have contract for performing internal audit with another municipality . The number of established internal audit units, internal auditors and heads of units appointed by years at the local level is shown in the following graph:



#### 4.2 State in internal audit at central and local levels in accordance with the submitted annual reports for 2015

The total number of entities that are obliged to submit a report on performed audits and internal audit activities is 173 of which 92 at central and 81 at local level (80 municipalities and the City of Skopje).

From 173 entities at central and local level reports submitted 108 subjects (62.4%), of which 59 central (64%) and 49 local level (60.5%). Beside these, six public sector entities at central level submitted report, although not obliged to deliver, bringing the number of reports submitted 65. The percent of subjects who submitted and not submitted reports is shown in the following graph:



From 173 entities at central and local level, 37.6%, 65 entities have not submitted report from which 33 at central (36%) and 32 at local level (39.5%).

**(Annex I / 12th Review of entities at central and local level who have not submitted a report on audits and internal audit activities).**

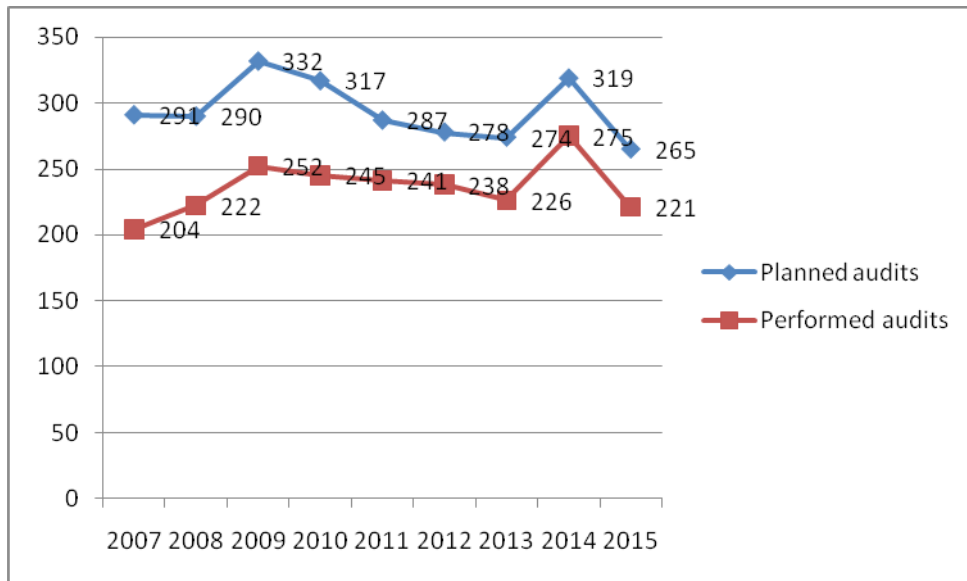
#### 4.2.1 State in internal audit at central level according with the submitted annual reports for 2015

From 65 entities at central level that submitted reports, 61 have established internal audit unit in which are systematized 314 job posts, 110 are filled, that is only 35%.

According to the annual plans for 2015 it is planned an execution of 243 audits in the public sector entities at central level. At the request of the heads of the subjects are planned 22 additional (ad-hoc) audits, bringing the total number of planned audits on 265. In 2015, 221 audits are performed (83.4% of total planned), for which are issued final audit reports in 45 public sector entities that submitted reports.

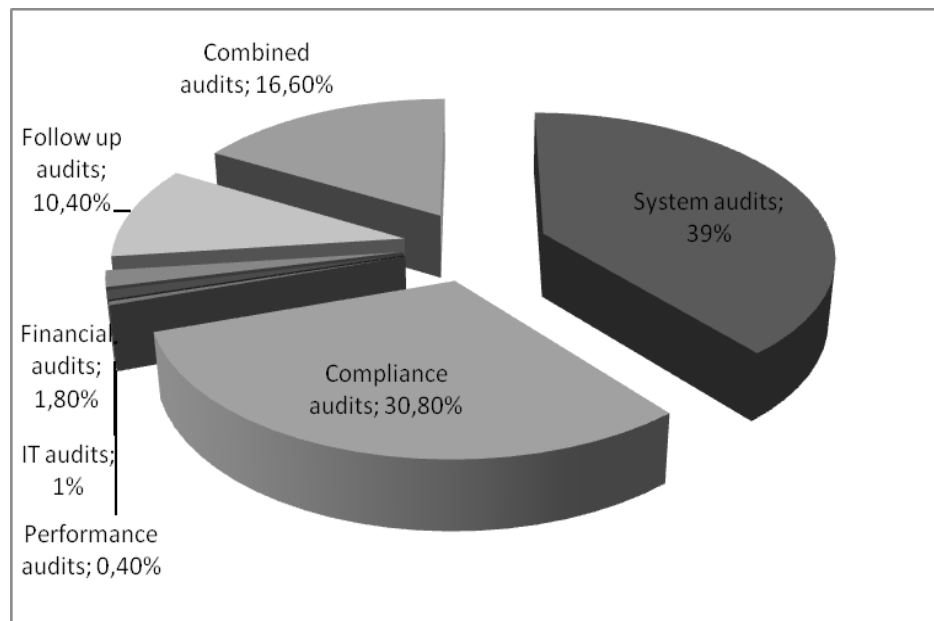
In 2015 were planned 37 audits related to EU programs out of which 17 were performed (46%).

By years planned and performed audits are as follow:



From performed 221 audits, 39% (86) are system audits, 30.8% (68) compliance audits, 0.4% (1) performance audits, 1% (2) IT audits, 1.8 % (4) financial audits, 10.4% (23) follow-up audits and 16.6% (7) are combined audits.

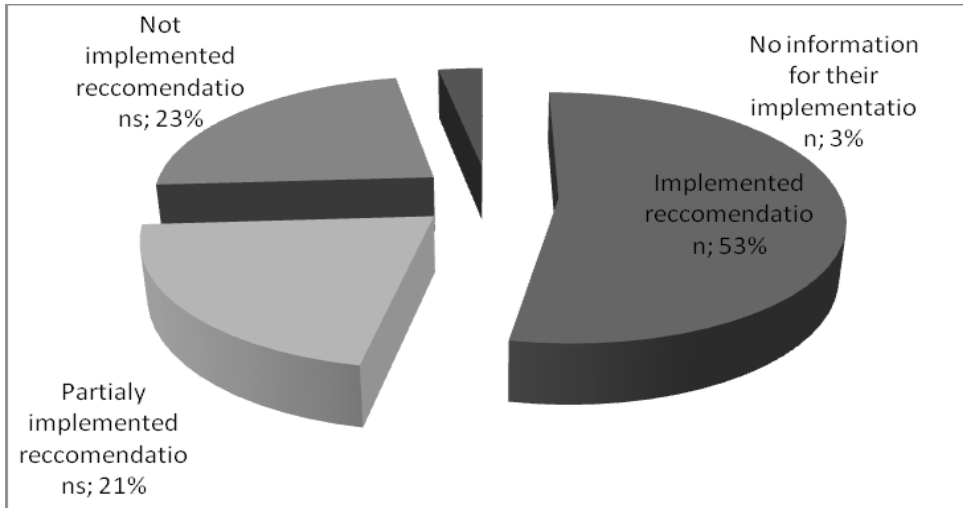
The percentage of audits performed by type is shown in the following graph:



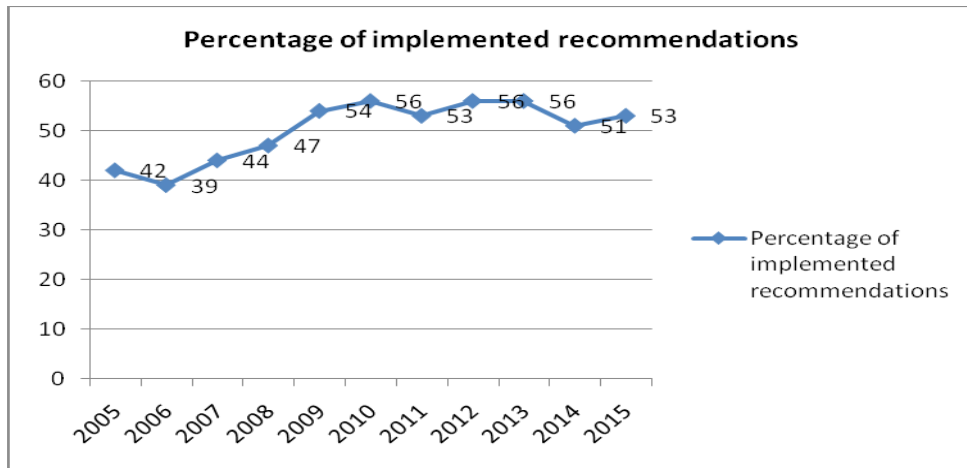
In 2015 from the performed audits were given 1016 recommendations, of which 53% (538) are implemented, 21% (214) are partially implemented, 23% (234)<sup>1</sup> are not implemented and for 3% (30) there is no information about their implementation.

The percentage of implementation of the recommendations in 2015 is shown in the following graph:

<sup>1</sup> For 151 (15%) recommendation from those not implemented, the deadline for their implementation has not expired yet.

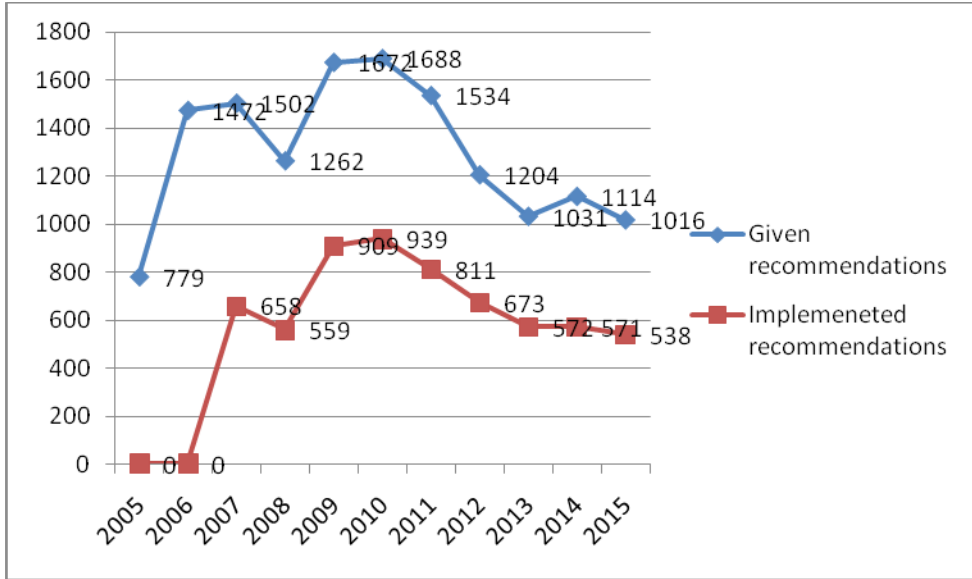


The percentage of implemented recommendations by year is shown in the following graph:

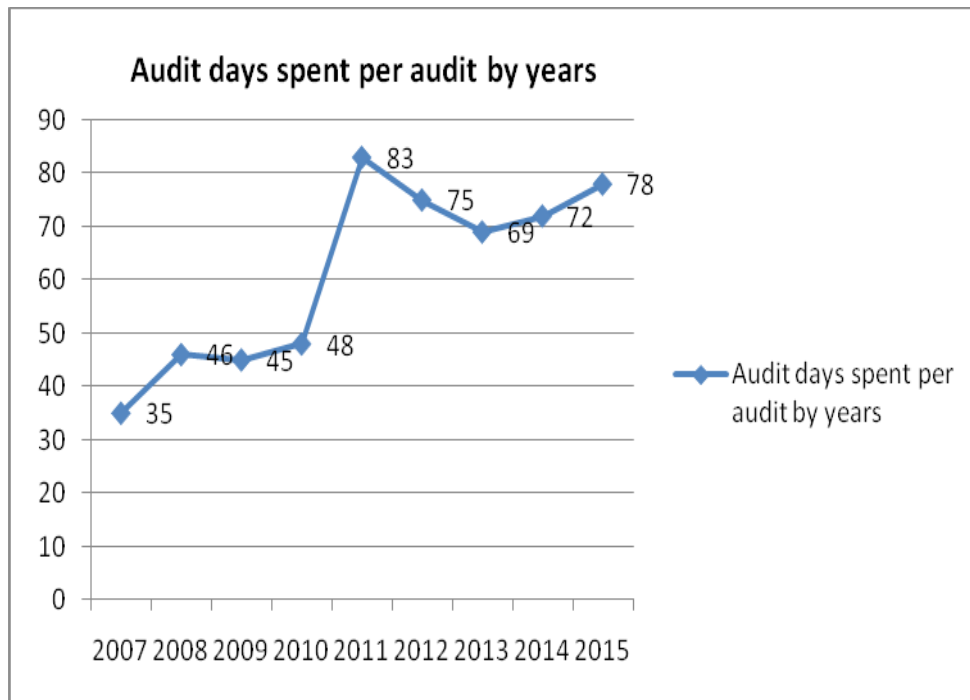


Given and implemented recommendations by years are shown in the following graph:





The internal audit units at central level in 2015 performed 221 audits for which have spent 17,304 audit days, or 78 audit days on average, which is about 6 days more than the previous year.



#### 4.2.1.1 Progress achieved in internal audit at the central level in 2015 compared to the previous year

From the data in the submitted annual reports for the functioning of internal audit and records in the Central Harmonization Unit, in 2015 compared to the previous year, has been concluded the following:

- increase of the established internal audit units by 7.7% (from 78 to 84);
- increase of the number of auditors by 4% (142 of 145);
- increase of the number of heads appointed by 8.5% (47 to 51);
- increase of the number of entities that submitted annual reports by 12% (58 of 65);
- increase of the percentage of implemented recommendations from 51% to 53%;
- decrease of the number of recommendations for which the internal audit units have not submitted data for their implementation by 4 percentage points (from 7% to 3%);
- decrease of the number of ad-hoc audits by 51% (45 of 22);
- decrease of the percentage of not implemented recommendations by 2 percentage points (from 25% to 23%);
- increase of the percentage of partially implemented recommendations by 4 percentage points (from 17% to 21%).

#### 4.2.1.2 Identified weaknesses in internal audit at the central level in 2015 compared to the previous year

In 2015, the following weaknesses in the implementation and functioning of internal audit at the central level are identified:

- the number of performed audits is reduced by 19.6% (275 of 221) and as a result, the number of recommendations given is reduced by 8.8% (1114 to 1016);
- the number of planned audits is reduced by 17% (from 319 to 265);
- increased the number of average spent audit days to carry out an audit of 8.3% (72 of 78).

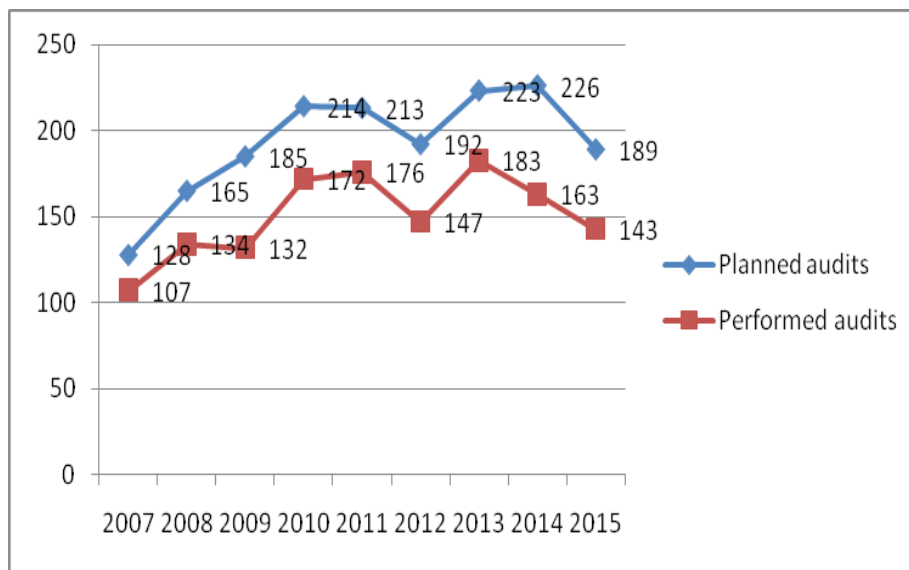
#### 4.2.2 State in internal audit at local level in accordance with the submitted annual reports for 2015

From 49 entities at the local level that submitted reports, 42 have established internal audit unit in which are systematized 176 job posts, 48 are appointed, that is only 27%.

According to the Annual plans for 2015 it is planned an execution of 182 audits in the public sector entities at the local level. At the request of the heads of the entities, planned are additional 7 (ad-hoc) audits, bringing the total number of planned audits of 189. In 2015, 143 audits were performed (75.6% of total planned), for which are issued final audit reports in the 34 municipalities that submitted report.

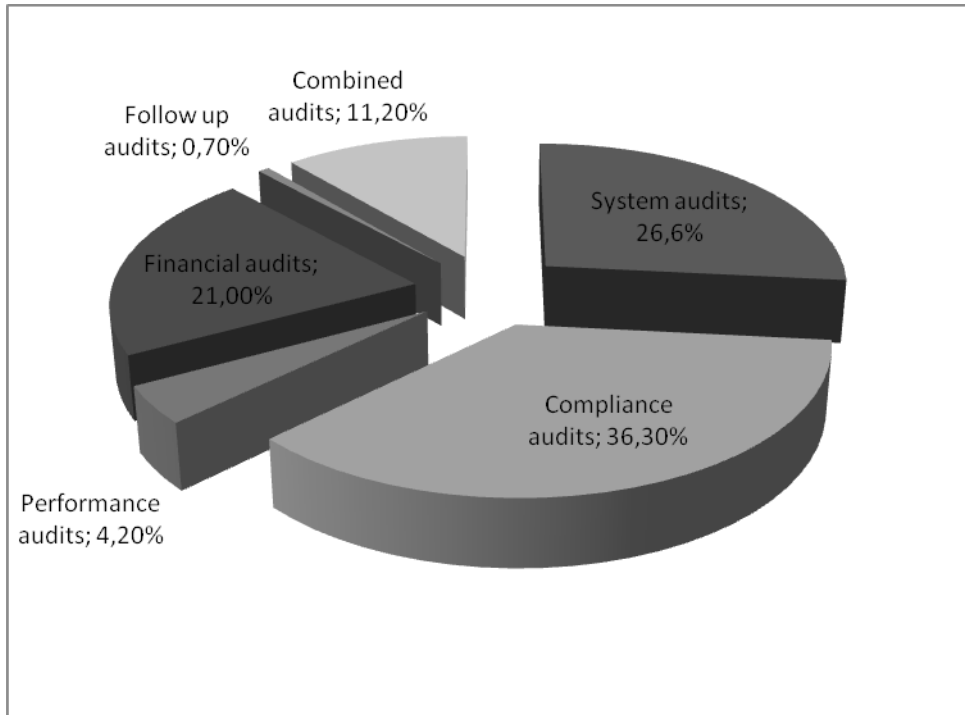
In 2015 there are not planned and performed audits related to EU programs, although 9 municipalities reported that they use EU funds.

By years the planned and performed audits are as follows:



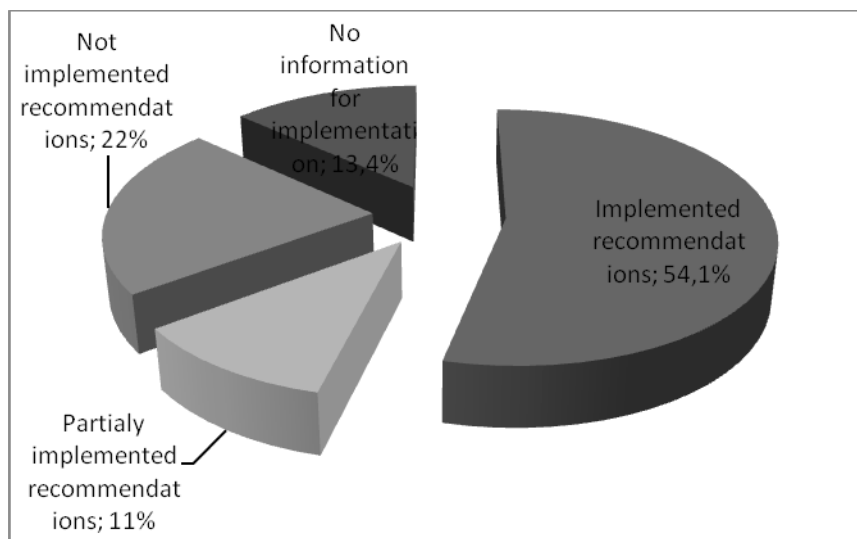
From the 143 performed audits, 26.6% (38) are system audits, 36.3% (52) compliance audits, 4.2% (6) performance audits, 21% (30) financial audits, 0,7% (1) follow-up audit and 11,2% (16) are combined audits.

The percentage of performed audits by type is shown in the following graph:



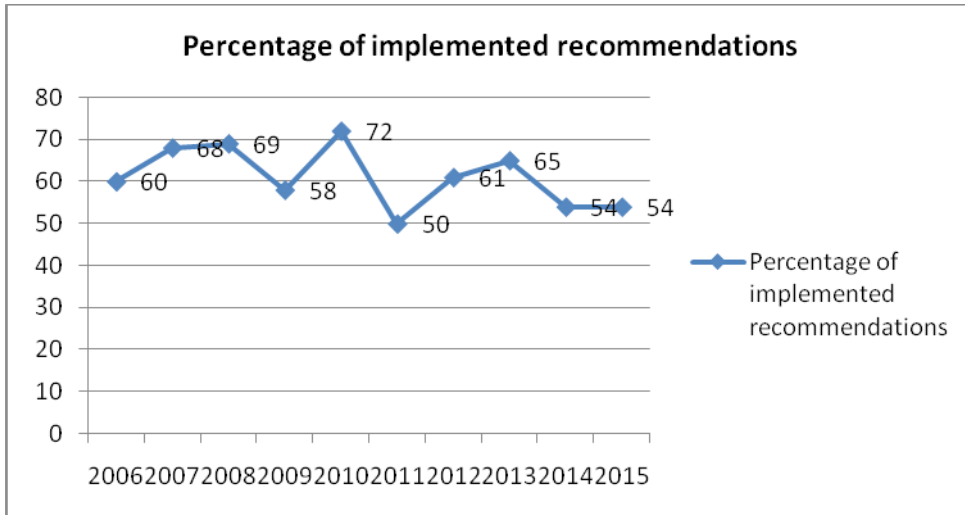
In 2015, for performed audits are given 966 recommendations, from which 54,1% (523) are implemented, 11% (106) are partially implemented, 22% (207)<sup>2</sup> are not implemented, and for 13,4% (130) there is no information on their implementation.

The percentage of implementation of the recommendations in 2015 is shown in the following graph:

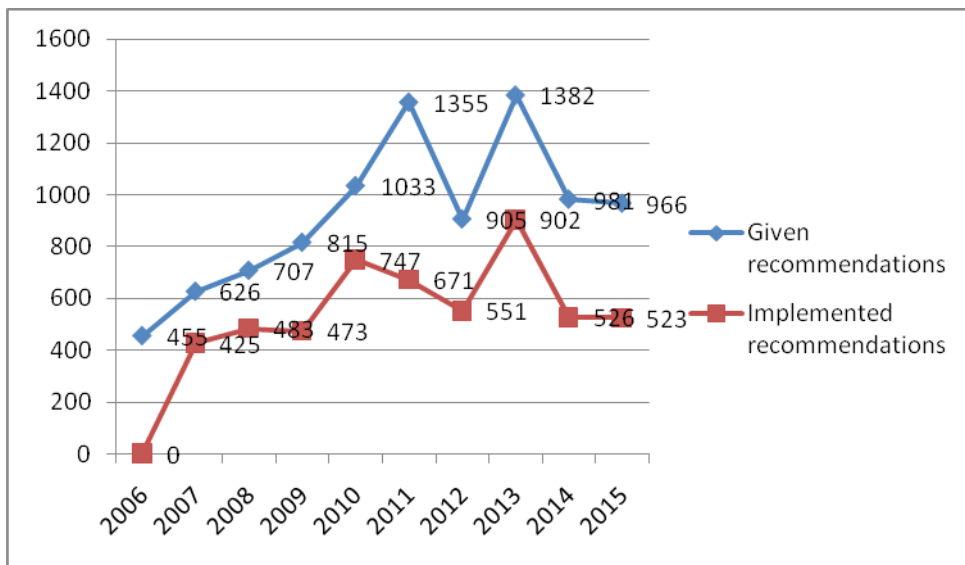


The percentage of implemented recommendations by years is shown in the following graph:

<sup>2</sup> For 71 (7,3%) recommendations from those not implemented, the deadline for their implementation has not expired yet.

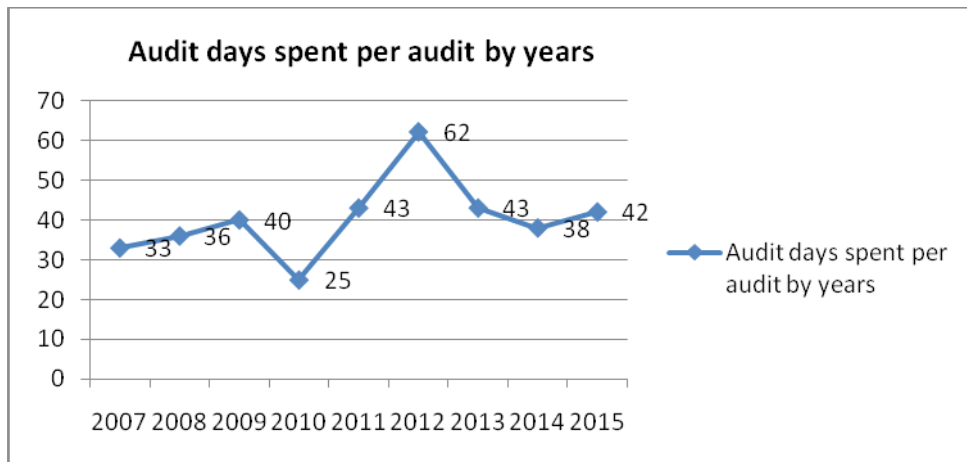


The given and implemented recommendations by years are presented in the following graph:



Internal audit units at local level in 2015 performed 143 audits for which had spent 5.974 audit days or 42 audit days on average, which is about 4 days more than the previous year.

The number of audit days spent per an audit by years is shown in the following graph:



#### 4.2.2.1 Achieved progress in the internal audit on local level in 2015 compared to the previous year

From the data in the submitted annual reports for functioning of internal audit and records in the Central Harmonization Unit (CHU) in 2015 the following has been concluded:

- increase of the number of internal auditors by 1,5% (from 67 to 68) ;
- increase of the number of appointed head of units of internal audit by 11,1 % (from 18 to 20);
- increase of the number of municipalities that submitted reports on the audit and internal audit activities by 2,1 % (from 48 to 49);
- increase of the performance of planned audits by 3,6 % percentage points (from 72 to 75,6);
- decrease of the number of performed ad-hoc audits by 53.3 (from 15 to 7) ;

#### 4.2.2.2 Noted weaknesses of internal audit on local level in 2015 year compared to the previous year

For 2015 the following weaknesses are noted in the establishment and functioning of internal audit at the local level:

- decrease of the number of planned audits by 16,4% (226 of 189)
- decrease of the number of audits performed by 12,3% (163 of 143)
- decrease of the number of recommendations by 1,5% (981 of 966)
- decrease of recommendations partially implemented by 2,3 percentage points (from 13,3% to 11%);
- increase of not implemented recommendations by 5 percentage points (from 17% to 22%);
- increase of the average spent audit days by 4 (38 to 42).

### 4.3 Implemented certification of internal auditors

Within the project "Training of internal auditors in the public sector," the number of certified internal auditors in the public sector increased by 29 persons bringing the total number of certified auditors in the public sector in the Republic of Macedonia on 77, of which 4 persons possess CGAP certificate and 73 possess CIPFA international certificate.

Also, the Ministry of Finance in cooperation with the Center of Excellence in Finance (CEF) and the Chartered Institute of Public Finance and Accountancy (CIPFA), in the second half of September 2015 started the implementation of the third cycle of Training of Internal Auditors in the Public Sector in the Republic of Macedonia (TIAPS) where 19 people are attending on the modules of the project.

#### **4.4 Individual reports**

Based on the submitted annual reports on performed audits and internal audit activities, the Ministry of Finance - Public Internal Financial Control Department prepared individual reports for public sector entities at central and local level (**Annex II / 3**: Individual annual reports on the audits performed and internal audit activities at central level and **Annex II / 4**: Individual annual reports on audits performed and internal audit activities at the local level).