LAW ON FINANCIAL INSPECTION IN THE PUBLIC SECTOR

I. GENERAL PROVISIONS

**Subject of regulations**

 **Article 1**

This law shall regulate the purpose, basic principles, organization and competencies of the financial inspection in the public sector (hereinafter: the financial inspection), the status and employment of the Financial Inspector, the license for the Financial Inspector, the rights, obligations and responsibilities of the Financial Inspectors when performing the financial inspection, the compensations of the salaries of the Financial Inspectors, professional development and training of the Financial Inspectors, the rights and obligations of the entities subject to financial inspection, the procedure for performing the financial inspection, as well as informing and cooperating with authorities in this area.

**Purpose of the Law**

 **Article 2**

The purpose of this law is to protect the financial interests in the financial management of the state budget funds, the budgets of self-government units and the funds of other public sources, as well as the EU funds, by determining the legality of the utilization of the above in accordance with the specific regulation which stipulates the competence for performing financial inspection.

**Application of the law**

 **Article 3**

(1) The financial inspection in the public sector shall be conducted in accordance with this law and the laws in which the inspection supervision of the financial inspection entities by the Financial Inspection is established.

(2) Financial inspection shall be conducted at the users of budget finances of the Budget of the Republic of North Macedonia, the funds, the municipalities and the City of Skopje, the agencies and other institutions established by law, public enterprises, public institutions and other legal entities which are owned by the state or by the municipalities and the City of Skopje, or where the state or the municipalities and the City of Skopje are shareholders, at beneficiaries of EU funds, the non-profit organizations and other legal entities and natural persons solely for the part of the received public funds or guarantees. (hereinafter: entities subject to financial inspection).

**Definitions**

 **Article 4**

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

1. „Financial inspection“ is conducting supervision of legality, efficiency and responsible utilization of budget funds, the use of EU funds and the funds of other public sources, regardless of whether such are revenues, cost, expenses, return on assets, receivables, liabilities and capital, of the entities of article 3 paragraph (2) of this law.

2. "Financial Inspector" is an official with powers, responsibilities, rights and obligations determined by this Law, who performs inspection supervision.

3. „Public funds“ are state budget funds, funds of the local self-government units and funds of other public sources.

4. „Funds of other public sources “ are funds of all legal entities owned by the state or owned by the municipalities and the City of Skopje, or whereat the state or the municipalities and the City of Skopje are shareholders.

5. „Irregularity“ is non-compliance or incorrect application of the laws and other regulations arising from acts, or omissions done by the entities referred to in Article 3 paragraph (2) of this law, which have or may have a detrimental effect on the budget funds and funds from other sources, regardless of whether such are revenues, cost, expenses, return on assets, receivables, liabilities and capital.

6. "Request" is a submission supported by evidence by which natural persons, heads or employees in the financial inspection entities and legal entities address the financial inspection.

7. "Minutes on conducted financial inspection" is a document compiled and issued by the Financial Inspector after conducting a financial inspection.

**II MAIN PRINCIPLES OF FINANCIAL INSPECTION**

**Article 5**

The financial inspection in the public sector shall be conducted in accordance with the principle of legality, protection of public interest, equality, impartiality and objectivity, responsibility, material truth, hearing the entities which are subject to financial inspection, independence, publicity and proportionality and subsidiarity.

**Principle of legality**

**Article 6**

When performing financial inspection, the Financial Inspector is obliged to act in accordance with the Constitution, the laws, international agreements ratified in accordance with the Constitution and other regulations adopted on the basis of law.

**Principle of protection of public interest**

**Article 7**

In performing financial inspection, the Financial Inspector shall provide protection of public interest.

**Principle of equality, impartiality and objectivity**

**Article 8**

The Financial Inspector, in performing the financial inspection, ensures equality, impartiality and objectivity for the entities of financial inspection.

**Principle of responsibility**

**Article 9**

The Financial Inspector is responsible for professional and diligent performance of financial inspection and for the damage caused by an unlawful action or unlawful refusal to take an appropriate action.

**Principle of material truth**

**Article 10**

The Financial Inspector ex officio determines the factual situation and provides evidence in the procedure for conducting a financial inspection.

**Principle of hearing the entities of financial inspection**

**Article 11**

Before undertaking the inspection measures for elimination of the deficiencies determined at the entities subject to financial inspection, the Financial Inspector is obliged to give the possibility to the entities subject to financial inspection to explain the facts and circumstances that are determined during the financial inspection.

**Principle of independence**

**Article 12**

The Financial Inspector within its authorisations and competences, determined in accordance with this or another law, is independent in performing the financial inspection and in undertaking inspection measures stipulated by law.

**Principle of publicity**

Article 13

(1) The Ministry of Finance, shall publish, through its website, information of importance to the public, on the implemented actions and undertaken inspection measures for the protection of public financial interests.

(2) The Financial Inspection shall publish in April the Annual Report on the work of the Financial Inspection in the public sector for the previous year on the official website of the Ministry of Finance.

**Principle of proportionality**

**Article 14**

1. When performing financial inspection, the financial inspector undertakes inspection measures in accordance with this and other laws that determine the competence to perform financial inspections, which are necessary for the removal of the identified irregularities and deficiencies, which are the most favourable for the financial inspection entities, paying attention to that it does not hinder the efficient functioning of the financial inspection entities.

(2) When determining the inspection measures and the deadline for elimination of the identified deficiencies, the Financial Inspector shall be guided by the seriousness of the deficiency, the harmful consequences on the public interest or the interest of third parties, as well as the time required for the entity subject to financial inspection to remove the identified deficiencies.

**Principle of subsidiarity**

**Article 15**

In the inspection procedure, the provisions of the Law on General Administrative Procedure shall be applied, unless otherwise stipulated by this or another law.

**III ORGANIZATION AND COMPETENCES WHEN PERFORMING FINANCIAL INSPECTION IN THE PUBLIC SECTOR**

**Organization of the financial inspection**

**Article 16**

(1) The work of the financial inspection shall be performed by the competent sector as a special internal organizational unit within the Ministry of Finance (hereinafter: the Department).

 (2) The work of the Department is managed by the Chief Financial Inspector (hereinafter: the Chief Inspector), who reports directly to the M Minister of Finance.

**Performing financial inspection**

**Article 17**

1. The financial inspection shall be performed by the public finance inspector (hereinafter: Financial Inspector).
2. The Financial Inspector shall perform financial inspection based on the authorization signed by the chief inspector.

**Responsibilities of the Chief Inspector**

**Article 18**

(1) The Chief Inspector shall perform the following activities**:**

- manages the operation of the Department;

- oversees the execution of inspection activities;

- issues the authorization for performing financial inspection upon submitted request in accordance with Article 21 of this law;

- approves the minutes of the performed financial inspection and the measures proposed by the Financial Inspector with regard to the identified findings of irregularities;

- proposes methodological guidelines and manuals for the implementation of inspection activities approved by the Minister of Finance;

- engages an external expert in accordance with Article 44 paragraph (10) of this law;

- on the basis of the minutes for the completed financial inspection, determines measures with a solution;

- monitors, measures and evaluates the effectiveness of financial inspections in the public sector;

- determines the training needs of the financial inspectors and coordinates the relevant training programs and

- cooperates and exchanges information with other public sector entities as well as other relevant international institutions.

(2) The authorization of paragraph (1) indent 3 of this Article shall be issued for managing requests according to their priority, which is determined on the basis of:

 - completeness of the requests of Article 21 paragraph (1) of this law;

 - the amount of the approved budget of the financial inspection entities;

 - the amount of public funds subject to the request referred to in Article 21 paragraph (1) of this Law and

 - the number of issued misdemeanor payment orders or submitted requests for initiation of misdemeanor proceedings for entities subject to financial inspection.

1. The method of determining the priority of the requests referred to in paragraph (2) of this Article is determined by the Ministry of Finance.
2. The method of monitoring, measuring and assessment referred to in paragraph (1) indent 8 of this Article is determined by the Ministry of Finance.

**Competencies of the Assistant - Chief Inspector**

**Article 19**

(1) The Assistant - Chief Inspector assists the Chief Inspector in performing the activities determined in Article 18 paragraph (1) of this Law.

(2) The assistant chief inspector shall replace the chief inspector, when absent or when due to illness or other reasons he is not able to perform the tasks established in Article 18 paragraph (1) of this law, as well as the tasks for which authorization is granted in accordance with this law.

**Responsibilities of the Financial Inspector**

**Article 20**

The Financial Inspector performs the following tasks:

- performs financial inspection in accordance with law;

- identifies actions which are contrary to the laws and have an impact on public funds and EU funds,

- identifies the persons responsible for the occurrence of the detected irregularities and determines the responsibility;

- submits requests for initiating a misdemeanour procedure when there are legal preconditions, i.e. submits the report on conducted financial inspection with enclosed evidence to the competent body when there is a suspicion of a criminal offence;

- analyses the reasons and circumstances that led to non-execution, negligent and untimely execution of activities of management of public funds as well as EU funds and gives a proposal to the Chief Inspector to take measures and

- performs verification of the implementation of the measures identified by the Chief Inspector regarding the financial inspection.

**Grounds for initiating financial inspection**

**Article 21**

(1) The financial inspection shall be performed on the basis of submitted hard copy requests filed by natural persons, heads or employees of the entities subject to financial inspection and other legal entities supported by evidence and/or allegations of reasonable suspicion of irregularities or deficiencies and/or suspected crime in the financial management of public funds as well as EU funds, as well as upon a request of the Department for the Coordination of the Fight against Fraud on EU Funds (AFCOS), which acts at the request of the European Office for Fight against Fraud (OLAF - Office Europeen de Lutte Anti-Fraude) at the financial inspection entities.

(2) The requests referred to in paragraph (1) of this Article may be delivered by natural persons and other legal entities in electronic form using a means of electronic identification through the National Portal for Electronic Services, in accordance with the regulations in the field of electronic management and electronic services. and in the field of electronic documents, electronic identification and confidential services.

(3) The requests referred to in paragraph (1) of this Article may be delivered by the heads or the employees of the public sector institutions in electronic form through the National Platform for Interoperability, in accordance with the regulations in the field of electronic management and electronic services.

(4) As an exception to paragraph (2) and (3) of this Article, and in case of technical interruption in the operability of the National Portal for Electronic Services or the National Platform for Interoperability, the requests of paragraph (1) of this Article in the form of electronic documents are delivered by qualified electronic registered delivery at the electronic address of the Ministry of Finance, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

(5) The financial inspection may be conducted ex officio, in cases of verbal reporting or as per information obtained during the financial inspection on the existence of reasonable suspicion of irregularity, deficiency and/or suspicion of a crime in financial management of public funds, as well as the funds of the EU held with the entities subject to financial inspection.

(6) The financial inspection shall be conducted in accordance with Article 18 paragraph (1) indent 3 of this Law, taking into account the efficiency of the procedure and the public interest.

(8) Financial inspection is not conducted in case of filed anonymous request, pursuant to paragraph (1) of this article, except in cases when the anonymous request is supported by evidence and/or contains allegations of existence of reasonable suspicion of an irregularity or deficiencies and/or suspected crime in the financial management of public funds as well as the funds of the EU held with the entities subject to financial inspection.

**Decision to reject the submitted request for financial inspection**

**Article 21**

(1) The Financial Inspector shall reject the request for financial inspection if it is not supported by evidence and/or does not contain allegations of reasonable suspicion of an irregularity or deficiencies and/or suspected crime in the financial management of public funds as well as EU funds of the entity subject to financial inspection or if there are other circumstances that prevent the financial inspection from being performed.

(2) In the cases referred to in paragraph (1) of this article, the chief inspector adopts a decision to reject the request within ten days from the day of receipt of the request and delivers it to the applicant in paper form, at the latest within five days from the day upon its adoption.

(3) The decision to reject an anonymous request for financial inspection is published on the website of the Ministry of Finance within ten days from the date of receipt of the request, and after 15 days from the date of publication, it is assumed that the applicant has been duly notified.

(4) The decision referred to in paragraph (2) of this Article may be delivered to natural persons and other legal entities also in the form of an electronic document which is delivered on the profile of the submitter on the National Portal for Electronic Services, in accordance with the regulations in the field of electronic management and electronic services, and in the field of electronic documents, electronic identification and confidential services.

(5) The decision referred to in paragraph (2) of this Article may be delivered to the public sector institutions in electronic form through the National Interoperability Platform, in accordance with the regulations in the field of electronic management and electronic services.

(6) As an exception to paragraphs (4) and (5) of this Article, and in case of technical interruption of the operability of the National Portal for Electronic Services or the National Interoperability Platform, the notification referred to in paragraph (2) of this Article shall be delivered in the form of an electronic document through qualified electronic registered delivery to the electronic address of the submitter, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

**Criteria for exemption from conducting financial inspection**

**Article 23**

(1) The Financial Inspector is exempted from performing the financial inspection, if:
in the last three years he has worked or has been a member of the management or supervisory board in the entity in which the financial inspection is performed,

- in the last three years his/her spouse or relative to the second degree is a member of the management or supervisory board in the entity in which the financial inspection is performed,
- there are reasonable reasons that he/she has personal interests in the activities that are subject to control and

- there are other reasons that cast doubt on his impartiality.

(2) The Financial Inspector immediately upon discovering that there is one of the reasons for exemption from paragraph (1) of this Article, without delay, terminates the inspection and immediately notifies in writing the Chief Inspector who decides with a decision on the exemption or continuation of the financial inspection.

**IV STATUS, EMPLOYMENT OF THE FINANCIAL INSPECTOR AND LICENCE**

**Status of the Financial Inspector**

**Article 24**

(1) The Financial Inspectors have the status of administrative officers.

(2) The titles of the Financial Inspectors are: Junior Inspector, Inspector, Senior Inspector, Assistant Chief Inspector and Chief Inspector.

(3) A Junior Inspector may be an official who meets the conditions for the title of senior associate of the Law on Administrative Servants.

(4) An Inspector may also be an official who fulfils the conditions for the title of advisor of the Law on Administrative Servants.

(5) A Senior Inspector may be an official who meets the requirements for the title of head of department of the Law on Administrative Servants.

(6) The Assistant Chief Inspector may be an official who meets the requirements for the title of Assistant Head of Sector of the Law on Administrative Servants.

(7) The Chief Inspector may be an official who meets the requirements for the title of Head of Sector of the Law on Administrative Servants.

(8) The Department shall also determine jobs for performing professional-administrative work with the titles of Junior Associate and Associate.

**Conditions for the Financial Inspector**

**Article 25**

The Financial Inspector can be a person:

- who is a citizen of the Republic of North Macedonia;

- who has not been sentenced with a final court decision for prohibition to perform a profession, activity or duty;

-  who has obtained at least 240 credits according to ECTS or has completed VII / 1 degree in economics or law;

- who fulfils the other conditions determined in article 25 of this Law.;

- who has active knowledge of one of the three most commonly used languages ​​of the European Union (English, French, German), active knowledge of computer programs for office work, who has passed the administrative management exam and has other specific job competencies determined in the act for job systematization for the appropriate job, and

- who has a licence for a Financial Inspector.

**Requirements for a financial inspector**

**Article 26**

(1) In addition to the requirements of Article 24 of this Law, the Chief Inspector must have at least five years of work experience in the field of finance or internal or external audit, of which at least two years on a managerial position in the public sector, i.e. at least eight years of work experience in the field of finance or internal or external audit of which at least three years on a managerial position in the private sector.

(2) The Assistant Chief Inspector and the Senior Inspector, in addition to the conditions referred to in Article 25 of this Law, shall have four years of work experience in the field of finance or internal or external audit, of which at least one year in a public sector position, i.e. at least six years of work experience in the field of finance or internal or external audit of which at least two years in a managerial position in the private sector.

(3) The Inspector, in addition to the conditions referred to in Article 25 of this Law, should have three years of work experience in the field of finance or internal or external audit.

(4) The Junior Inspector, in addition to the conditions referred to in Article 25 of this Law, shall have two years of work experience in the field of finance or internal or external audit.

**V. LICENSE AND OFFICIAL IDENTIFICATION DOCUMENT FOR A FINANCIAL INSPECTOR**

**V. Licence for a Financial Inspector**

**Article 27**

The candidate for financial inspector shall acquire a license for financial inspector, upon previously having completed training and passing the exam for obtaining a license for financial inspector.

**Training for obtaining a licence for a Financial Inspector**

**Article 28**

(1) The training for obtaining a licence for a Financial Inspector is implemented based on the Theoretical training and Practical Work Program that consists of two parts in total duration of 12 months, including:

1) three months of theoretical training and

2) nine months of practical work on-the-job, under the supervision of a mentor, appointed by the Chief Inspector.

(2) The mentor is appointed to each candidate for financial inspector from the ranks of Financial Inspectors with at least three years of work experience as a Financial Inspector.

(3) The candidate for a Financial Inspector selected in an employment procedure and the candidate for a Financial Inspector employed by a procedure of transfer of an administrative officer, shall attend training for obtaining a financial inspector licence referred to in paragraph (1) of this Article.

(4) The candidate for a Financial Inspector employed by a procedure of transfer of an inspector from one inspection service to another, shall attend training for obtaining a licence for financial inspector referred to in paragraph (1), item 2) of this Article.

(5) The candidates for financial inspector for participation in the training referred to in paragraph (1) item 1) of this Article shall pay a fee determined by a tariff list adopted by the Minister of Finance. The fee is determined based on the costs of organizing and conducting the training for obtaining a license for financial inspector.

 (6) The trainings referred to in paragraph (1) item 1) of this Article are organized and implemented by the Ministry of Finance, by foreign trainers who have over 3 years of experience in the field of finance or law and domestic trainers who have over 3 years of work experience in the field of finance or law and proof of completed training for trainers appointed by the Minister of Finance.

(7) The trainers referred to in paragraph (6) of this Article are entitled to monetary compensation, the amount of which is determined depending on the duration of the training in hours, the complexity of the training and the need to prepare materials for conducting the training. The amount of the monetary compensation for the trainers is determined in the Tariff list adopted by the Minister of Finance.

(8) The Ministry of Finance shall issue a certificate for the successfully completed training for obtaining a license for financial inspector, valid for two years.

 (9) The program for theoretical training and practical work referred to in paragraph (1) of this Article, as well as the form and content of the certificate referred to in paragraph (8) of this Article shall be adopted by the Minister of Finance.

(10) The method of hiring trainers referred to in paragraph (6) of this article is determined by the Minister of Finance.

**Examination for obtaining a licence for a Financial Inspector**

**Article 29**

(1) The exam for obtaining a license for Financial Inspector consists of a general and practical part.

(2) The general and practical part of the exam referred to in paragraph (1) of this Article shall be taken according to the Program for sitting the exam and manner of conducting the exam for obtaining a license for financial inspector, adopted by the Minister of Finance.

(3) The general and special part of the examination from paragraph (1) of this article is organized and implemented by the Commission established by the Ministry of Finance and composed of six members, of whom one is the chairman, one is the deputy chairman, two are members and two are deputy members, from the ranks of senior civil servants, employed in the Ministry of Finance.

(4) The members of the Commission are entitled to monetary compensation in the amount of one fifth of the average salary paid in the Republic of North Macedonia in the previous year published by the State Statistical Office.

(5) The program referred to in paragraph (2) of this article is publicly available on the website of the Ministry of Finance.

(6) The candidate for a Financial Inspector selected in an employment procedure and the candidate for a Financial Inspector employed in a procedure of transfer of an administrative officer, after the expiration of the training period referred to in Article 28, paragraph (1) of this Law, shall take an exam for obtaining the financial inspector licence.

(7) The candidate for a Financial Inspector selected in a procedure of transfer of an inspector from one inspection service to another, after the expiration of the training period referred to in Article 28, paragraph (1), point 2) of this Law, shall take an exam for obtaining the financial inspector licence.

(8) The candidate for a Financial Inspector referred to in paragraph (6) and (7) who has not passed the exam for obtaining the license for Financial Inspector, has the right to take it again, in one of the next two examination sessions.

(9) The candidate for a Financial Inspector who has not passed the exam for obtaining licence for Financial Inspector during the re-examination shall be assigned to another job with the same title in the Ministry of Finance according to the Act of Systematization.

(10) The procedure for conducting the exam for obtaining a license for a financial inspector is prescribed by the Ministry of Finance.

**Issuance and validity of the licence for a Financial Inspector**

**Article 30**

(1) The Financial Inspector licence shall be issued by the Minister of Finance.

(2) The licence referred to in paragraph (1) of this article is issued in the Macedonian language and its Cyrillic script, and if the person to whom the license is issued speaks a language spoken by at least 20% of the citizens of the Republic of North Macedonia, it is issued in the Macedonian language and his Cyrillic script and the language he/she speaks and its script.

(3) The license referred to in paragraph (1) of this article has permanent validity.

(4) In case of termination of employment of the financial inspector, the validity of the license ceases.

(5) The format and content of the license form for a financial inspector is prescribed by the Minister of Finance.

**Revocation of licence of the financial** **inspector**

**Article 31**

(1) The Minister of Finance within seven days from the day of finalising the decision on the termination of the employment of a Financial Inspector by law and the decision on noted disciplinary offense, whereby the damaging consequences on the institution have taken effect, and there are no mitigating circumstances for the Financial Inspector who has committed the offense, shall decide to revoke the license of the Financial Inspector.

(2) The decision on revocation of the license referred to in paragraph (1) of this Article may also be issued in the form of an electronic document which is delivered through a qualified electronic registered delivery to the e-mail address of the financial inspector whose employment was terminated, in accordance with regulations in the field of electronic documents, electronic identification and confidential services.

**Official identification card**

**Article 32**

(1) The Financial Inspector has an official identification card, which proves his/her status, identity and authorizations.

(2) The official identification referred to in paragraph (1) of this Article shall be issued by the Minister of Finance upon acquisition of licence of the Financial Inspector.

(3) The official identification card from paragraph (1) of this article is issued in the Macedonian language and its Cyrillic script, and if the person to whom the official identification card is issued speaks a language spoken by at least 20% of the citizens of the Republic of North Macedonia, it is issued in the Macedonian language and its Cyrillic script and in the language spoken by that person and its script.

(4) In the case of termination of employment or suspension in accordance with the law, upon adoption of a decision for termination of employment, i.e. a decision for suspension, the Minister of Finance shall take away the official identity card of the financial inspector.

(5) In the case of damage or loss of the official identification card of the financial inspector, its replacement shall be made at the request of the financial inspector.

(6) The format and content of the official identification card from paragraph (1) of this article, as well as the manner of its delivery, withdrawal and replacement, shall be prescribed by the Minister of Finance.

**VI RIGHTS, OBLIGATIONS AND RESPONSIBILITY OF THE FINANCIAL INSPECTOR**

**General provision**

**Article 33**

The provisions of the Law on Administrative Officers and the Law on Employees in the Public Sector shall apply to issues related to the rights and obligations of the employment relationship of financial inspectors, which are not regulated by this law.

**Rights of the Financial Inspector**

**Article 34**

(1) When performing the financial inspection, the Financial Inspector has the right to:

* + unlimited access to all information and documents relevant to the inspection, including classified information in accordance with the law, which are kept by the subjects of the financial inspection;
	+ unlimited access to the premises and funds of the entities subject to financial inspection;
	+ control the legality of the spending of funds and sources of funds (assets and liabilities), accounting systems and all documents, including those in electronic form;
	+ demand from the entities subject to financial inspection certified copies of documents related to the financial inspection within the specified deadlines as required by Article 43 paragraph (2) of this law;
	+ require identification and handwritten declarations, in case there is no evidence to establish the factual situation;
	+ demand from the entities subject to financial inspection an insight into the bank accounts in the country and abroad within certain deadlines;
	+ block bank accounts or the use of funds approved in the budget at the level of the program, item or project until the identified irregularities are removed;
	+ request within specific deadlines reports from the internal auditors, reports from the State Audit Office and other control bodies that are kept by the entities subject to financial inspection;
	+ control and request information and certified copies of documents and of legal or physical persons outside of the entities subject to financial inspection in connection with the performance of the financial inspection;
	+ be informed by the competent court about the decisions made in connection with the transferred measures and inspection activities and
	+ prevent access of responsible persons to the safes, warehouses and other objects that are the subject to financial inspection, by sealing them in the presence of an official from the entities subject to financial inspection.
1. Proves referred to in paragraph (1) indent 4, 5, 8, 9 and 10 of this article may also be in the form of electronic documents, in accordance with the regulations on electronic documents, electronic identification and confidential services and be delivered through the National Platform for Interoperability or via qualified electronic registered delivery to the electronic address of the Ministry of Finance, as prescribed by the regulations on electronic management and electronic services and electronic documents, electronic identification and confidential services.
2. In the cases defined in paragraph (2) of this article, electronic documents can be obtained as duplicated or digitized copies, and statements must be signed with a qualified certificate for electronic signature issued in accordance with the law.
3. With the exception of paragraph (2) of this article, and in the case of a technical interruption of the functionality of the National Platform for Interoperability, the proves of paragraph (1) indents 4, 5, 8, 9 and 10 of this article in the form of electronic documents shall be delivered via qualified electronic registered delivery to the electronic address of the Ministry of Finance, in accordance with regulations on electronic documents, electronic identification and confidential services.

**Functional independence of the financial inspector**

**Article 35**

The Financial Inspector may not be entrusted with other matters which will be an obstacle to the performance of his basic work or in any way will damage his reputation and impartiality in the performance of his function.

**Salary, allowances and salary supplements of the financial inspector**

**Article 36**

(1) The Financial Inspector is entitled to a salary and allowances of wages under the terms and conditions stipulated in the Law on Administrative Officers, unless otherwise prescribed by this law.

(2) The Financial Inspector has the right to a salary supplement due to the existence of a high risk for life and health during the performance of the works and tasks of an inspector in the amount of 30% of the amount of the basic salary.

**Award for the Financial Inspector**

**Article 37**

(1) The Financial Inspector may once in a calendar year be remunerated a monetary reward in the amount of one of his/her monthly salary paid out in the previous month.

(2) The criteria for remuneration referred to in paragraph (1) of this Article are as follows:

- particular engagement in the execution of the work;

- quality in performing the work;

- significant contribution to the realization of the function of financial inspection and

- percentage of realization of cases received at work.

(3) The monetary award referred to in paragraph (1) of this Article excludes the compensation for performance of administrative employees, in accordance with the Law on Administrative Servants.

(4) By means of a decision, and upon a proposal of the immediate superior the Minister of Finance shall decide on the monetary award referred to in paragraph (1) of this Article.

 **Professional development and training of the Financial Inspector**

**Article 38**

(1) The Financial Inspector has the right and duty to continuously improve and train professionally, in accordance with the needs of the financial inspection.

(2) The professional development referred to in paragraph (1) of this Article shall be conducted through generic and specialized trainings in accordance with the Law on Administrative Servants.

(3) The specialized trainings for the Financial Inspector are organized and implemented according to the training program for performing financial inspection which is adopted by the Minister of Finance.

(4) Specialized training for the Financial Inspector can be organized and implemented by the Ministry of Finance based on the Program from paragraph (3) of this article, by hiring foreign trainers with at least three years of experience in the field of finance or law and domestic trainers who have at least three years of experience in the field of finance or law and proof of completed training for trainers appointed by the Minister of Finance.

 (5) Trainers from paragraph (4) of this article have the right to monetary compensation, the amount of which is determined depending on the duration of the training in hours, the complexity of the training and the need for preparation of materials for conducting the training. The amount of the monetary compensation for the trainers is determined in the tarrif of fees adopted by the Minister of Finance.

(6) The method of hiring the trainers and the method of conducting the specialized training from paragraph (4) of this article shall be determined by the Minister of Finance.

**Insurance against accident at work**

**Article 39**

The Ministry of Finance shall be obliged to ensure on their own account the Financial Inspector for cases of accidents at work.

**Obligations of the Financial Inspector**

**Article 40**

(1) The Financial Inspector shall act legally, in a timely manner and in accordance with the Code of Ethics for Administrative Servants.

(2) During the financial inspection, the Financial Inspector is obliged to inform the responsible person of the entity subject to financial inspection about the legal basis for conducting the inspection, the beginning of the inspection, unless otherwise determined by law, or if such notification reduces the efficiency of the inspection, or the protection of public interest and the life and health of people and property.

(3) The notification from paragraph (2) of this article to the users of the funds from the Budget of the Republic of North Macedonia, funds, municipalities and the city of Skopje, agencies and other institutions established by law, public enterprises, public institutions and other legal entities that are in state property or property of the municipalities and the city of Skopje or in which the state or the municipalities and the city of Skopje are shareholders, can be submitted and delivered in electronic form through the National Platform for Interoperability, in accordance with the regulations in the field of electronic management and electronic services.

 (4) As an exception of paragraph (3) of this article, in the event of a technical interruption of the functionality of the National Interoperability Platform or when the notification from paragraph (2) of this article refers to the users of EU funds, non-profit organizations and other legal entities and natural persons users of public funds or guarantees, the above is delivered in the form of an electronic document through qualified electronic registered delivery to the electronic address of the entities subject to financial inspection, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

 (5) The Financial Inspector shall inform the responsible person of the entity subject to financial inspection in an objective and clear manner of the results of the performed inspection, the determined irregularities and deficiencies, as well as of the misdemeanours determined based on the facts and circumstances.

(6) The Financial Inspector is obliged, during and 5 years after the termination of the employment, to keep secret all the data that he has found out during the financial inspection, which by a regulation or by a general act of the entity subject to financial inspection, are determined as business secret, except in cases determined by law.

(7) In the case of obtaining information from a competent authority for initiation of an investigative proceeding in the entity subject to financial inspection and at the request of the competent authority, the Financial Inspector shall stop undertaking any actions that could obstruct the investigation and shall by decision cease the procedure.

(8) In case of impossibility to conduct financial inspection in the premises of the entity subject to financial inspection, impossibility to obtain equipment and business documentation, the Financial Inspector may request assistance from the Ministry of Interior.

(9) The Financial Inspector is obliged to apply the regulations on personal data protection during the financial inspection.

**Responsibility of the Financial Inspector**

**Article 41**

In addition to the responsibility for a disciplinary offense in accordance with the Law on Administrative Servants, the Financial Inspector is disciplinary responsible even if during the inspection:

1) does not take appropriate measures which in accordance with this or another law are obligatory to be undertaken;

2) does not inform the competent bodies about the violation of laws or other regulations that he/she has ascertained with minutes during the financial inspection;

3) fails to act in accordance with the obligation to keep a business secret referred to in Article 40 paragraph (6) of this Law, and

4) fails to act in accordance with the obligation to apply the regulations for personal data protection referred to in Article 40 paragraph (9) of this Law.

**VII RIGHTS AND OBLIGATIONS OF THE RESPONSIBLE MANAGER OF THE ENTITY SUBJECT TO FINANCIAL INSPECTION**

**Rights of the entity subject to financial inspection**

**Article 42**

The entity subject to financial inspection has the right to:

1) propose and submit evidence that are important for determining the factual situation, during the procedure of performing the financial inspection;

2) provide comments with justification to the minutes of the executed financial inspection of article 45 of this law herein in relation to:

- the legality of the financial inspection procedure;

- the behaviour of the Financial Inspector and

- the accuracy of the established factual situation;

3) a notification for starting the financial inspection in accordance with Article 40 paragraph (2), (3) and (4) of this law,

4) be acquainted with the rights and duties he/she has in the context of the financial inspection;

5) be acquainted with the legal basis for performing the financial inspection;

6) warn the Financial Inspector about the confidentiality of the information provided to him/her;

7) accompany the Financial Inspector during the financial inspection conducted in the entity upon a request of the Financial Inspector;

8) be notified of the results of the performed inspection, in accordance with Article 40 paragraph (5) of this law.

**Obligation of the entity subject to financial inspection**

**Article 43**

(1) The entity subject to financial inspection is obliged to enable the Financial Inspector to perform the inspection without interruption and to make available the information and documents necessary for performing the inspection, including:

- to provide him/her with the necessary conditions for uninterrupted work and for determining the factual situation and

- to provide within a determined deadline access to the premises, products, documents, electronic databases or any other means which are subject to financial inspection.

 (2) The entity subject to financial inspection is obliged upon a written request of the Financial Inspector, within the deadline determined by the request of the Financial Inspector, to submit or prepare accurate and complete data, reports, materials or other documents necessary for conducting the financial inspection.

 (3) The entity subject to financial inspection is obliged to provide information from the previously performed financial inspections by other entities that perform controls and audits, the documents and data kept in hard copy or electronic form with appropriate degree of confidentiality, in accordance with the regulations on protection of classified information and documents containing personal data.

(4) The entity subject to financial inspection is obliged to appoint a person who will be present during the inspection oversight.

(5) The entities subject to financial inspection are obliged to notify the Financial Inspector in hard copy whether the inspection measure has been carried out after the expiration of the deadline determined for the execution of the inspection measure in accordance with Articles 47 and 48 of this Law herein, and within three days at the latest.

(6) The request from paragraph (2) of this article and the notification from paragraph (5) of this article which is delivered to, or submitted by the users of Budget finances of the Republic of North Macedonia, funds, municipalities and the city of Skopje, agencies and others institutions established by law, public enterprises, public institutions and other legal entities that are state-owned or owned by the municipalities and the city of Skopje, or in which the state or the municipalities and the city of Skopje are shareholders, may also be delivered or submitted in electronic form through the National Platform for Interoperability, according to the regulations in the field of electronic management and electronic services.

(7) As an exception to paragraph (6) of this article, and in the event of a technical interruption of the functionality of the National Interoperability Platform or when the request from paragraph (2) of this article and the remarks from paragraph (5) of this article apply to the users of EU funds, to non-profit organizations and other legal entities and natural persons users of public funds or guarantees, they are delivered or submitted in the form of electronic documents through qualified electronic registered delivery to the electronic address of the entities subject to financial inspection, i.e. to the electronic address of the Ministry of Finance, according to the regulations in the field of electronic documents, electronic identification and confidential services.

**VIII. PROCEDURE FOR PERFORMING FINANCIAL INSPECTION**

**Initiation of a financial inspection procedure**

**Article 44**

(1) The procedure for financial inspection may be initiated by the Chief Inspector in accordance with Article 21 of this Law.

(2) The Chief Inspector shall issue written authorization for conducting a financial inspection based on its priority in accordance with criteria of article 18 paragraph (2) of this Law herein.

(3) The authorization from paragraph (2) of this article which is delivered to the users of Budget finances of the Republic of North Macedonia, funds, municipalities and the city of Skopje, agencies and other institutions established by law, public enterprises, public institutions and other legal entities which are state-owned or owned by the municipalities and the city of Skopje or in which the state or the municipalities and the city of Skopje are shareholders, can also be submitted in electronic form through the National Platform for Interoperability, in accordance with the regulations in the field of electronic management and electronic services.

 (4) As an exception of paragraph (3) of this article, and in the event of a technical interruption of the functionality of the National Interoperability Platform or when the authorization from paragraph (2) of this article refers to the users of EU funds, to non-profit organizations and other legal entities and natural persons users of public funds or guarantees, they are delivered or submitted in the form of electronic documents through qualified electronic registered delivery to the electronic address of the entities subject to financial inspection, according to the regulations in the field of electronic documents, electronic identification and confidential services.

 (5) The authorization for conducting financial inspection shall contain in particular: the name of the entity subject to financial inspection, the subject of financial inspection, data on the Financial Inspectors who will perform financial inspection, date and beginning of the financial inspection.

(6) The financial inspection shall be announced by submitting a written notification to the entity subject to financial inspection for the time and the subject of the financial inspection in accordance with Article 40 paragraphs (2), (3) and (4) of this Law herein.

(7) As an exception to paragraph (6) of this Article, the financial inspection shall not be announced when there are reasons for immediate action or justified concern that the announcement will prevent or reduce the achievement of the purpose of the financial inspection or when there is a public interest for eliminating a danger to life and health of the people and the environment.

(8) In the cases referred to in paragraph (7) of this Article, the Financial Inspector shall be obliged to note the reasons in the minutes of the financial inspection.

(9) The financial inspection can also be conducted in the official premises of the Ministry of Finance.

(10) During the implementation of the financial inspection, the Chief inspector may hire an external expert from the Assessment Bureau to prepare an expert finding and opinion, in order to fully and correctly determine the factual situation.

**Minutes on performed financial inspection**

**Article 45**

(1) Upon conduction of a financial inspection in which the Financial Inspector has determined the factual situation, irregularities and deficiencies, remarks, statements and other relevant facts and circumstances, the Financial Inspector shall compile and sign preliminary minutes in a hard copy or electronic form in accordance with the law, in his official premises.

(2) The minutes referred to in paragraph (1) of this Article shall be submitted by the Chief Inspector in a hard copy or electronic form in accordance with the law to the head of the entity subject to financial inspection for written remarks within 10 days from the day of receipt of the minutes.

(3) If within 10 days from the day of receipt of the minutes of paragraph (1) of this Article, the entity subject to financial inspection does not submit any written remarks on the minutes, the Financial Inspector shall within 3 days upon the deadline for submission of comments compile new final minutes and shall submit them in a hard copy to the entity subject to financial inspection.

(4) If the entity subject to financial inspection timely submits written remarks on the minutes of paragraph (1) of this Article and such are not accepted, the Financial Inspector shall within 10 days of the receipt of the written remarks compile new final minutes and shall submit them in a hard copy to the entity subject to financial inspection stating therewith the reasons for not accepting the remarks.

(5) If new facts and material evidence are submitted in the written remarks by the entity subject to financial inspection which imply a change of the factual situation determined in the minutes, the Financial Inspector shall accept the submitted written remarks on the minutes and within 10 days of the receipt of the remarks shall compile new final minutes according to the new factual situation and shall submit them in a hard copy to the entity subject to financial inspection.

(6) The minutes from paragraphs (1), (3), (4) and (5) of this article which are delivered to, or the remarks from paragraph (2) of this article which are submitted by the users of Budget finances of the Republic North Macedonia, funds, municipalities and the city of Skopje, agencies and other institutions established by law, public enterprises, public institutions and other legal entities that are state-owned or owned by the municipalities and the city of Skopje or in which the state or the municipalities and the city of Skopje are shareholders , can be delivered to, or submitted by, in electronic form through the National Platform for Interoperability, in accordance with the regulations in the field of electronic management and electronic services.

(7) As an exception of paragraph (6) of this article, and in the event of a technical interruption of the functionality of the National Interoperability Platform or when the minutes from paragraphs (1), (3), (4) and (5) of this article and the remarks from paragraph (2) of this article refer to the users of EU funds, non-profit organizations and other legal and natural persons users of public funds or guarantees, the above are delivered in the form of electronic documents through a qualified electronic registered delivery to the electronic address of entity subject to financial inspection, i.e. the electronic address of the Ministry of Finance, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

(8) The form and content of the minutes from paragraph (1) of this article and of the minutes from paragraphs (3), (4) and (5) of this article from a performed financial inspection shall be prescribed by the Minister of Finance.

**Records of data related to the conducted financial inspection**

**Article 46**

(1) The financial inspection must keep records of the data related to the conducted financial inspections.

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

**IX. MEASURES OF FINANCIAL INSPECTION**

**Measures to eliminate the established irregularities and deficiencies and to terminate the detected irregularities**

**Article 47**

(1) In case when in the minutes on the performed financial inspection there are identified irregularities and deficiencies that can be removed, the Chief Inspector shall within 10 days from the compilation of the minutes in accordance with Article 45 paragraphs (3), (4) and (5) of this law issue a decision in hard copy for elimination of the determined irregularities and deficiencies, depending on the type of irregularities/deficiency.

(2) In case whereat the minutes of the conducted financial inspection determine irregularities that can be terminated, the Chief inspector shall, within 10 days of compiling the minutes of Article 45 paragraphs (3), (4) and (5) of this law, adopt a decision in hard copy for termination of the determined irregularities, depending on the type of irregularity/deficiency.

(3) The decisions from paragraphs (1) and (2) of this article, which are delivered to the users of Budget finances of the Republic of North Macedonia, funds, municipalities and the city of Skopje, agencies and other institutions established by law, public enterprises, public institutions and other legal entities that are state-owned or owned by the municipalities and the city of Skopje or in which the state or the municipalities and the city of Skopje are shareholders, can also be submitted in electronic form through the National Interoperability Platform, in accordance with the regulations in the field of electronic management and electronic services.

 (4) As an exception of paragraph (3) of this article, and in the event of a technical interruption of the functionality of the National Interoperability Platform or when the decision from paragraphs (1) and (2) of this article refer to the users of EU funds, non-profit organizations and other legal entities and natural persons users of public funds or guarantees, the above are delivered in the form of electronic documents through a qualified electronic registered delivery to the electronic address of entities subject to financial inspection, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

(5) The entity subject to financial inspection shall, within three days after the expiry of the deadline stipulated in the decision of paragraph (1) and (2) of this Article, notify the Chief Inspector of the measures taken, in accordance with Article 43 paragraphs (5), (6) and (7) of this Law herein.

(6) An administrative procedure may be initiated before a court of competent jurisdiction on the decision of paragraph (1) and paragraph (2) of this Article, within 30 days of the receipt of the decision.

**Measure for recovery of funds to the budget**

**Article 48**

(1) If the financial inspection establishes that public funds are used illegally and/or unjustifiably, the Chief Inspector shall within 10 days of drafting the minutes referred to in Article 45, paragraphs (3), (4) and (5) of this law, issue a decision requesting a recovery of the funds in the budget within the stipulated deadlines.

(2) The decision from paragraph (1) of this article, which is delivered to the users of Budget finances of the Republic of North Macedonia, funds, municipalities and the city of Skopje, agencies and other institutions established by law, public enterprises, public institutions and other legal persons that are state-owned or owned by the municipalities and the city of Skopje or in which the state or the municipalities and the city of Skopje are shareholders, can also be submitted in electronic form through the National Platform for Interoperability, in accordance with the regulations in the field of electronic management and electronic services.

 (3) As an exception of paragraph (2) of this article, and in the event of a technical interruption of the functionality of the National Platform for Interoperability or when the decision from paragraph (1) of this article refers to the users of EU funds, the non-profit organizations and other legal entities and natural persons users of public funds or guarantees, the above is delivered in the form of an electronic document through a qualified electronic registered delivery to the electronic address of the entities subject to financial inspection, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

 (4) The entity subject to financial inspection is obliged within three days after the expiration of the deadline determined in the decision referred to in paragraph (1) of this Article, to inform the Chief Inspector in writing about the undertaken measures in accordance with Article 43 paragraphs (5), (6) and (7) of this Law herein.

(3) An administrative procedure may be initiated before a court of competent jurisdiction on the decision of paragraph (1) of this Article, within 30 days of the receipt of the decision.

**X. INFORMING THE BODIES**

**Article 49**

(1) In case of identified irregularities during the financial inspection:

- in the users of the Budget of the Republic of North Macedonia and the funds, the information on the irregularities should be submitted in hard copy to the competent minister and/or the body before which it bears responsibility;

- in the local self-government units and the city of Skopje and their individual users, the information on the irregularities is submitted in hard copy to the mayor and the council of the municipality, i.e. to the mayor and the council of the city of Skopje;

- in the agencies and other institutions established by law, public enterprises, public institutions and other legal entities that are in state ownership or in the ownership of the local self-government units or the City of Skopje, or in which the state, the local self-government units or the City of Skopje is a shareholder, the information on irregularities shall be submitted in hard copy to the Government of the Republic of North Macedonia, the mayor of the local government units or the City of Skopje or to the legal entity holding the management package of the capital;

- in users of EU funds, the information on the irregularities should be submitted in hard copy to the EU Anti-fraud Coordination Unit (AFCOS);

- in the event of established irregularities in financial inspection of legal entities where the state or local self-government units have a majority capital, the data on the irregularities shall be submitted to the supervisory board or the management board, or the founder of the entity;

- in a trade company in which a bankruptcy or liquidation procedure has been initiated, the information on the irregularities shall be submitted in hard copy to the body of the state administration or the municipality that has ownership rights and to the bodies of the bankruptcy procedure and

- in non-profit organizations and other legal and natural persons only for the part of the received public funds or guarantees, the information on the irregularities is submitted in hard copy to the public sector institution that has granted the public funds or guarantees.

(2) The information on the irregularities from paragraph (1) of this article can also be submitted in an electronic form through the National Platform for Interoperability, in accordance with the regulations in the field of electronic management and electronic services.

(3) As an exception of paragraph (2) of this article, and in the event of a technical interruption of the functionality of the National Interoperability Platform, the information from paragraph (2) of this article shall be delivered in the form of electronic documents via a qualified electronic registered delivery to the electronic address of the competent authority, respectively, according to the regulations in the field of electronic documents, electronic identification and confidential services.

(4) The information on the irregularities referred to in paragraph (1) of this Article shall be submitted by the Chief Inspector to the Minister of Finance.

**Notifying a competent authority on action taken on identified violation of a regulation**

**Article 50**

(1) In case when in the course of conducting the financial inspection a violation of the regulations is identified, the implementation of which is supervised by another authority, the Chief inspector is obliged to notify in written the competent authority within five days from the day of detecting of the violation of the regulations.

(2) The notification from paragraph (1) of this article can also be submitted in electronic form through the National Platform for Interoperability, in accordance with the regulations in the field of electronic management and electronic services.

(3) As an exception to paragraph (2) of this article, and in the event of a technical interruption of the functionality of the National Interoperability Platform, the notification from paragraph (2) of this article is delivered in the form of an electronic document via a qualified electronic registered delivery to the electronic address of the authority, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

 (4) The competent body shall be obliged to inform the Chief Inspector within 30 days from undertaking the measures.

**XI. COOPERATION OF THE FINANCIAL INSPECTION WITH THE COMPETENT BODIES**

**Submitting a request for initiating a misdemeanour procedure and/or submitting minutes on performed financial inspection to a competent body re. existence of a suspicion of a crime**

**Article 51**

(1) When in the performance of the financial inspection, an irregularity or deficiency is determined that constitutes a misdemeanour, the Financial Inspector is obliged to submit to the competent authority a request in hard copy for initiating a misdemeanour procedure.

(2) When in the performance of the financial inspection there is basis for suspicion of a criminal act, the Financial Inspector is obliged to submit to the competent body the minutes of the performed financial inspection with attached evidence in hard copy.

(3) The body to which the minutes for performed financial inspection have been submitted, i.e. to which a request for initiating a misdemeanour procedure has been submitted, shall be obliged to inform the financial inspection about the results of the procedure in hard copy within 5 days from the enacted final executive act.

(4) The request from paragraph (1) of this article, the minutes with attached evidence from paragraph (2) of this article and the notification from paragraph (3) of this article can also be submitted in an electronic form through the National Interoperability Platform, in accordance regulations in the field of electronic management and electronic services.

 (5) As an exception of paragraph (4) of this article, and in case of a technical interruption of the functionality of the National Interoperability Platform, the request from paragraph (1) of this article, the minutes with attached evidence from paragraph (2) of this article and the notification from paragraph (3) of this article are delivered in the form of an electronic document via a qualified electronic registered delivery to the electronic address of the competent authority, i.e. to the electronic address of the Ministry of Finance, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

**Urgent procedure**

**Article 52**

(1) The Financial Inspector submits a request in hard copy for data for the needs of the financial inspection to a competent body,

(2) The request from paragraph (1) of this article can also be submitted in an electronic form through the National Platform for Interoperability, in accordance with the regulations in the field of electronic management and electronic services.

 (3) As an exception to paragraph (2) of this article, and in the event of a technical interruption of the functionality of the National Interoperability Platform, the request from paragraph (2) of this article shall be submitted in the form of an electronic document via a qualified electronic registered delivery to the electronic address of the authority, in accordance with the regulations in the field of electronic documents, electronic identification and confidential services.

 (4) The competent authority from paragraph (1) of this article is obliged to act on the request from paragraph (1) of this article and to notify the Financial Inspector within five days from the day of receipt of the request.

**XII. ANNUAL REPORT**

**Article 53**

The Ministry of Finance submits to the Government of the Republic of North Macedonia an annual report in hard copy on the work of the financial inspection in the public sector in the previous year, no later than March 31 of the current year**.**

**XIII. MISDEMEANOUR PROVISIONS**

**Article 54**

(1) A fine in the amount of 500 to 1.000 euros in denar equivalent shall be imposed for a committed misdemeanour to the head of the entity subject to financial inspection, if:

1) it does not provide the Financial Inspector with the necessary conditions for smooth operation in order to determine the factual situation (Article 43 paragraph (1) line 1 of this law);

2) it does not provide the Financial Inspector within a certain period of time with access to the premises, products, documents or any other means that are subject to the financial inspection (Article 43 paragraph (1) line 2 of this law);

3) upon a written request of the financial inspector, within the deadline determined in the request of the financial inspector, it fails to submit or prepare accurate and complete data, reports, materials or other documents necessary for conducting the financial inspection (Article 43 paragraph (2) of this law);

4) it does not provide information from previously performed inspections, controls or audits (Article 43 to paragraph (3) of this law);

5) does not take measures according the decision of the Financial Inspector within the determined deadline in order to eliminate the irregularities and/or to eliminate the negative consequences of these activities (Article 47 paragraph (1) of this law);

6) it does not terminate the activities within the determined deadline that led to irregularity or caused damage (Article 47 paragraph (2) of this law);

7) it fails to inform the Chief Inspector about the undertaken measures in accordance with Article 47 paragraph (5) and Article 48 paragraph (4) of this law and

8) fit fails to act in accordance with the decision of the Financial Inspector requesting the return of the funds to the budget within the deadline determined by the Financial Inspector (Article 48 paragraph (1) of this law).

(2) A fine in the amount of 300 to 500 euros in denar equivalent shall be imposed for a committed misdemeanour to the head of entity subject to financial inspection in case of illegal use of EU funds, unless otherwise determined by the legislation of the European Union.

(3) A fine in the amount of 100 to 300 Euros in denar equivalents shall be imposed on a natural entity for a committed misdemeanour in the event that he/she fails to provide the Financial Inspector with the conditions for performing control or fails to act within the deadlines set forth in the financial inspector's request and does not submit information and certified copies of the requested documents (Article 34 paragraph (1) paragraph 9 of this law).

 (4) A fine in the amount of 300 to 500 euros in denars equivalent value shall be imposed on a responsible person in a legal entity for a committed misdemeanour in the event that he/she fails to provide the Financial Inspector with conditions for performing control or fails to act within the deadlines set forth in the request of the Financial Inspector and does not provide him/her with information and certified copies of the requested documents (Article 34 paragraph (1) paragraph 9 of this law).

**Jurisdiction to initiate, conduct misdemeanour proceedings and impose**

**misdemeanour sanctions**

**Article 55**

(1) For the misdemeanours referred to in Article 54 of this Law, a misdemeanour procedure shall be conducted and a misdemeanour sanction shall be imposed by a competent court.

(2) For the misdemeanours defined in this Law or other special laws which prescribe the competence of the financial inspection of the Ministry of Finance, prior to submitting a request for initiating misdemeanour proceedings, mandatory procedure for settlement shall be conducted by issuing a misdemeanour payment order in accordance with Law on Misdemeanours.

**Obligation for keeping records of the issued misdemeanour payment orders and the outcome of the initiated procedures**

**Article 56**

(1) The Financial Inspectors are obliged to keep records of the issued misdemeanour payment orders and the outcome of the initiated procedures.

(2) In the records referred to in paragraph (1) of this Article, the following data shall be collected, processed and stored: name and surname, i.e. name of the perpetrator of the misdemeanour, place of residence, seat, type of misdemeanour, number of the misdemeanour payment order, competent court and the outcome of the proceedings.

(3) The personal data referred to in paragraph (2) of this Article shall be kept for five years from the day of entering in the records.

(4) The form and the content of the misdemeanour payment order and the records on issued misdemeanour payment orders and the outcome of the initiated procedures shall be prescribed by the Minister of Finance.

**XIV. TRANSITIONAL AND FINAL PROVISIONS**

**Application of the law on initiated procedures**

**Article 57**

The financial inspections initiated before the day this law enters into force, shall be completed according to the regulations then applicable.

**Application of Financial Inspector Licensing Training and Examination Provisions**

**Article 58**

The provisions of articles 27, 28 and 29 of this law shall become applicable from January 1, 2023.

**Validity of Financial Inspector Licences**

**Article 59**

(1) The licences for a Financial Inspector issued before the day this law enters into force are valid until the expiration of their validity.

(2) Three months before the expiration of the validity of the licence referred to in paragraph (1) of this Article, the Minister of Finance, at the request of the license holder, shall issue a new license for Financial Inspector with permanent validity.

**Adoption of by-laws**

**Article 60**

The bylaws stipulated by this law shall be enacted within six months from the date of entry into force of this law.

**Termination of validity**

**Article 61**

On the day of entry into force of this Law, the Law on Financial Inspection in the Public Sector shall cease to be valid ("Official Gazette of the Republic of Macedonia" No. 82/13, 43/14, 153/15 and 164/18 and "Official Gazette of the Republic of North Macedonia” No. 122/21).

**Commencement of application of the provisions of the Law**

**Article 62**

The provisions of Article 21 paragraphs (2), (3) and (4), Article 22 paragraphs (4), (5) and (6), Article 31 paragraph (2), Article 34 paragraphs (2), (3) and (4), Article 40 paragraphs (3) and (4), Article 43 paragraphs (6) and (7), Article 44 paragraphs (3) and (4), Article 45 paragraphs (6) and (7), Article 47 paragraphs (3) and (4), Article 48 paragraphs (2) and (3), Article 49 paragraphs (2) and (3), Article 50 paragraphs (2) and (3), Article 51 paragraphs (4) and ( 5) and Article 52 paragraphs (2) and (3) of this law shall begin to be applied starting from January 1, 2023.

**Termination of validity of the provisions of the Law**

**Article 63**

The provisions of Article 21 paragraphs (2), (3) and (4), Article 22 paragraphs (4), (5) and (6), Article 31 paragraph (2), Article 34 paragraphs (2), (3) and (4), Article 40 paragraphs (3) and (4), Article 43 paragraphs (6) and (7), Article 44 paragraphs (3) and (4), Article 45 paragraphs (6) and (7), Article 47 paragraphs (3) and (4), Article 48 paragraphs (2) and (3), Article 49 paragraphs (2) and (3), Article 50 paragraphs (2) and (3), Article 51 paragraphs (4) and ( 5) and Article 52 paragraphs (2) and (3) of this law cease to be valid on the day of accession of the Republic of North Macedonia to the European Union.

**Entry into force of the Law**

**Article 64**

This law enters into force on the eighth day from the day of its publication in the "Official Gazette of the Republic of North Macedonia".