



Република Северна Македонија

Министерство за правда
Сектор за меѓународна правна соработка

Courtesy translation

No. 14-457/2

Skopje, 05.03.2021

TO:

MINISTRY OF FOREIGN AFFAIRS

- Department for Multilateral Relations and Security Cooperation

SUBJECT: UNODC/UN Convention against Corruption

References:

- Your letter No. 28-1-2982/21-1, 02.02.2021
- UNODC verbal note CU 2021/21(A)/DTA/CEB, 27.01.2021

Respected,

In connection with your letter under the above number, as contribution to the preparations of the 12th Meeting of the Open-ended Intergovernmental Working Group on Prevention of Corruption, to be held in June 2021 in Vienna, the Ministry of Justice submits the following relevant information on the role of the national supreme audit institution and the role of the legislative body in the prevention and fight against corruption:

I. Implementation of Article 9 paragraph 2 of the United Nations Convention against Corruption, from the aspect of the independence and role of the supreme audit institution

The State Audit Office (hereinafter: SAO) is the independent supreme audit institution in the Republic of North Macedonia.

The independence of this institution is determined by the Law on State Audit¹, which regulates the competencies of SAO, with a broad mandate that has been established in conducting regularity and performance audits, with unlimited access to all necessary information, documentation and records for conducting the state audit.

In the performance of its functions, without bias and free from external influences, SAO independently determines its annual work program for each year, independently decides on the topics and entities subjected to audit as well as on the manner and the content of the reporting from the performed audits.

In accordance with the Law on State Audit:

A) The state audit is performed in accordance with the auditing standards of the International Organization of Supreme Audit Institutions (INTOSAI) and the rules established by the INTOSAI Code of Ethics, published by the Minister of Finance in the Official Gazette of the Republic. SAO conducts regularity audit and performance audit. (Article 18)

The state audit includes:

¹ Official Gazette, No. 66/10,145/10,12/14,43/14,154/15,192/15, 27/16 and 83/18





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- 1) examination of documents, official documents and reports, accounting and financial procedures, electronic data and information systems and other records, from the aspect of whether the financial statements accurately and objectively express the financial situation and the result of financial activities, in accordance with accepted accounting principles and accounting standards;
- 2) examination and evaluation of the reports of the performed internal control and public internal financial control, examination and evaluation of the system of financial management and control;
- 3) examination of financial transactions that represent public revenues and public expenditures in terms of legal and purposeful use of funds;
- 4) assessment of the use of the funds from the aspect of the achieved economy, efficiency and effectiveness and
- 5) assessment of the measures taken by the audited entities, in relation to the identified conditions and the given recommendations contained in the final audit report (Article 19)

B) SAO is headed by a Chief State Auditor. The Chief Auditor has a Deputy. The Chief State Auditor and the Deputy Chief State Auditor are appointed and dismissed by the Assembly of the Republic. The term of office of the Chief State Auditor and his/her Deputy is nine years without right to reappointment. (Article 4)

The Chief State Auditor and his/her Deputy are selected following a public announcement. The Chief State Auditor i.e. the Deputy Chief State Auditor should meet the following conditions:

- 1) to be a citizen of the Republic;
- 2) to have university education in the field of economics or law;
- 3) to have at least 7 years of experience in the field of economics or law;
- 4) to have an internationally recognized certificate or certificate for active use of the English language, not older than 5 years;
- 5) not to perform another public function or profession, not to be a member of bodies of a political party, member of management board, supervisory board or any other body of another legal entity; and
- 6) not to have been imposed a misdemeanour sanction, i.e. a penalty of prohibition to perform a profession, activity or duty. (Article 5)

The Chief State Auditor and the Deputy Chief State Auditor shall be dismissed when:

- 1) cease to meet the conditions for selection and
- 2) are not able to perform the tasks for more than 6 months due to illness or other justified reasons. (Article 7)

Certified state auditors and state auditors have the status of administrative servants. (Article 13-a)

To obtain the title of certified state auditor, the person must meet the following conditions:

- 1) to be a citizen of the Republic;
- 2) to have university education in the field of economics, law, information technology or other appropriate education for auditing;
- 3) to have passed the exam for obtaining the title of certified state auditor or to have a certificate for certified state auditor and
- 4) to give a statement that in his/her work he/she will apply the rules determined by the INTOSAI Code of Ethics. (Article 14)





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The exam for obtaining the title of certified state auditor can be taken by a person who has at least 5 years of work experience in accounting or financial affairs or 3 years of work experience in auditing and control affairs. The time spent in practice due to professional training in SAO and audit companies, in terms of the conditions for taking the exam, is considered as time spent working in those institutions. (Article 15)

- C) The certified state auditors and the state auditors may not perform audits if they:
- 1) have previously been employed or have been legal representatives of the audited entity for at least five years prior to the audit;
 - 2) participated in the keeping of the business books or prepared the annual calculation and financial reports of the audited entity at least five years before performing of the audit;
 - 3) are spouses or are in an extramarital union, blood relatives in the direct line up to the third degree of kinship with the owner or the legal representative of the entity subject of the audit and
 - 4) are founders, shareholders or partners in the entity subject of the audit. (Article 21)

If the certified state auditor during the audit assesses that the subject of audit has committed a misdemeanour or a criminal offense, he is obliged to immediately inform the competent authorities. (Article 35)

The Chief State Auditor and the Deputy Chief State Auditor may not be held criminally liable or detained for the views, opinions and recommendations expressed in connection with the audits. (Article 11)

The certified state auditor and the state auditor may not be called to account for the given opinion in connection with the exercise of their official authorisations. (Article 28)

- D) The funds for the work of SAO are provided from the Budget of the Republic and are determined by the Assembly of the Republic on the proposal of the SAO. The Assembly votes on the part of the Budget of the Republic that is intended for SAO, separately. (Article 12)

The salary of the Chief State Auditor and the Deputy shall be determined in accordance with the regulations for salaries of appointed and elected persons. (Article 13)

The entities that keep administrative records, registers and databases and the payment operations holders shall be obliged to submit to the certified state auditor the data for the entities that are subject to state audit, in a manner determined by law. (Article 36)

SAO may engage experts in the field of audit and other experts in conducting the audit. (Article 27)

If the data and information obtained by the certified state auditor i.e. the state auditor during the state audit are of special interest to the Republic and are classified information, the certified state auditor shall prepare a special audit report in accordance with the Law on Classified Information. (Article 29)

- E) The Chief State Auditor is obliged to submit the draft audit report and the final audit report to the legal representative of the audited entity, the person who was responsible for the audited entity in the period for which the audit was performed and to the bodies responsible for oversight and control of the audited entity. The Chief State Auditor publishes on SAO's website the final audit reports and the





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submitted remarks made by the legal representative of the audited entity, the person who was responsible for the audited entity in the period for which the audit was performed and to the bodies responsible for oversight and control of the audited entity. (Article 31)

The legal representative of the audited entity is obliged to inform SAO and the body responsible for its oversight and control, about the measures taken regarding the findings and recommendations from the audit report, within 90 days from the receipt of the final report. (Article 32)

SAO prepares an annual report on the performed audits and on its work and submits it to the Assembly of the Republic, no later than June 30 of the current year for the previous year. The Assembly reviews the report and adopts conclusions on it. The final audit reports are submitted to the Assembly of the Republic. (Article 33)

F) After each fiscal year and before the adoption of the final account of the Budget of the Republic, SAO prepares an audit report on the Budget of the Republic and submits it to the Assembly of the Republic. (Article 34)

G) Audit of the work of SAO is performed by an audit company that has a work permit for performing audits in accordance with the Law on Audit. The selection of the audit company is performed by the Assembly of the Republic on the basis of a previously conducted procedure in accordance with the Law on Public Procurement. The audit company has access to the entire accounting records of the SAO. The report from the performed audit is submitted to the Assembly of the Republic and to SAO no later than June 30 of the current year. The Assembly reviews the audit report prepared by the audit company together with the report from the annual report on the performed audits and the work of SAO. (Article 38)

H) SAO cooperates with international organizations of supreme audit institutions and with supreme audit institutions of other countries, in performing state audit. (Article 37)

This cooperation aims at exchanging knowledge, experiences, methodological materials, documents and information with other supreme audit institutions, regional working groups (EUROSAI and others), professional organizations and associations; harmonization of the work methodology within the internationally accepted auditing standards; following the modern practices for development of the auditing profession; informing about the activities, results and effects of SAO's work, on international forums, and contributing to the reputation and image building of the SAO before other supreme audit institutions and other audit associations in Europe and the World.

SAO has been a member of the International Organization of Supreme Audit Institutions (INTOSAI) since 2001 and of the European Organization of Supreme Audit Institutions (EUROSAI) since 2002.

In addition, since 2002 i.e. since 2005, SAO is a member of both the working group for environment and the working group for information technology of EUROSAI. Since 2005, SAO is an active member of the network of supreme audit institutions of the candidate and potential candidate countries for accession to the European Union and to the European Court of Auditors. SAO cooperates with the European Court of Auditors on the basis of the internship program of the Court which is offered to the younger auditors from the supreme audit institutions of the candidate countries for membership in the European Union.





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SAO develops and maintains bilateral and multilateral cooperation with other supreme audit institutions, international organizations and institutions in order to exchange experiences and gain new knowledge in the field of public sector auditing. Within this cooperation, several projects were realized or are in the phase of implementation. SAO cooperates with SIGMA and the European Commission on a regular basis within activities related to the annual evaluation missions on the functioning of the financial control in the Republic.

I) Cooperation with national authorities:

- Cooperation with the legislature

SAO informs the Assembly of the Republic about its work. The mission of SAO, which is defined by its Strategy for Development, is to timely and objectively inform the Assembly, as well as the Government, other holders of public office and the public about the audit findings from the conducted audits. Also, SAO's mission is to provide support to the Assembly in fulfilling its competencies through the detection and presentation of irregularities, cases of illegal operations, and disclosing possible cases of corruption and abuse of office.

The cooperation between SAO and the Assembly takes place continuously in several directions and is realized through the following forms determined by the Law on State Audit:

- SAO submits an annual work program to the Assembly, for its information;
- SAO submits an annual report on its work to the Assembly, for its consideration, and the Assembly adopts conclusions thereon;
- SAO submits final audit reports to the Assembly.

- Cooperation with the Government

Pursuant to the Law on State Audit, the Chief State Auditor submits audit reports to the Government for the entities for which the Government is the competent oversight body.

Within the Government, a special body has been established responsible for the review of these reports and for proposing measures and activities for successful implementation of the recommendations given by the auditors in the audit reports.

Pursuant to Article 42-a of the Rules of Procedure of the Government, the Audit Committee separately reviews the audit reports on the Budget of the Republic, on the ministries and other state administration bodies, on the budgets of the funds, on the public enterprises established by law and on the public institutions established by the Government, as well as the reports of the ministries and other bodies of the state administration on the measures taken to overcome the irregularities identified by SAO audit reports. The Audit Committee has a chairman and six members appointed by the Government, of which the chairman is the Minister of Finance, two members are from among the members of the Government, one is a senior civil servant from the General Secretariat, one is a senior civil servant from the Office of the Prime Minister, one a senior civil servant from the Ministry of Finance and one member of scientific staff. The sessions of the Audit Committee are attended by the Chief State Auditor, the certified state auditor who has compiled and signed the final report and the legal representative of the audited entity. The Audit Committee submits written reports to the Government, with opinions and proposals on the measures taken in relation to the findings of the audit reports. The Secretary General shall inform SAO about the conclusions of the Government on the measures taken by the audited entities in relation to the findings from the audit reports.

- Cooperation with the Ministry of Finance





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SAO is obliged to submit to the Ministry of Finance every audit report in which findings in the field of finance have been ascertained. SAO and the Ministry of Finance within the Protocol on Cooperation concluded on 20.10.2006 cooperate in the field of financial management and control system, internal audit in the public sector and state audit, in order to successfully perform their functions in strengthening the system of management and control of public funds and ensuring a high level of competence of both institutions in performing audits.

- Cooperation with institutions responsible for initiating procedures following audit reports

Bodies that have competencies to initiate procedures following audit reports are: the State Commission for Prevention of Corruption, the Public Prosecutor's Office and the Ministry of Interior. The cooperation with these bodies takes place in accordance with the authorizations and obligations determined by the Law on State Audit, the Law on Prevention of Corruption and Conflict of Interest, the Law on Public Prosecution, the Electoral Code and other laws and related bylaws. Within the cooperation with these bodies, SAO continuously provides the following: submission of audit reports, information and materials related to findings that initiate activities within the competence of the State Commission for Prevention of Corruption, the Public Prosecutor's Office and the Ministry of Interior and vice versa; responding and submitting information and materials on audits conducted at the request of these bodies, and providing feedback from these bodies on previously submitted information, materials and audit reports.

SAO actively cooperates with all competent state bodies in direction to prevent and reduce corruption and conflicts of interest. SAO is also a signatory to the Protocol on Cooperation for Prevention and Repression of Corruption and Conflict of Interest, signed on 25.12.2007, concluded between the State Commission for Prevention of Corruption, the Public Revenue Office, the Public Prosecutor's Office, the State Attorney's Office, the Judicial Council, the Ministry of Interior, the SAO, the Customs Administration, the Financial Police, the Financial Intelligence Office and the State Geodetic Office. SAO also participates in the preparation of national anti-corruption strategic documents and in the implementation of the National Program for the Adoption of the EU Acquis, through the activities foreseen under Chapter 3.23 Judiciary and Fundamental Rights, Area - Anti-Corruption Policy and Chapter 3.32 Financial Control, Area - External audit.

- Cooperation with the Audit Body for IPA audit

In October 2011, SAO signed a memorandum of understanding with the Audit Body for the Audit of the Instrument for Pre-Accession Assistance. The memorandum defines the cooperation between the two institutions in terms of data exchange, professional assistance, realization of joint trainings and more.

J) Sufficient and adequate human resources², budget funds³, as well as premises and technical resources have been provided to SAO. The professional development of state auditors is a constant strategic priority for SAO. For that purpose, trainings are planned and implemented in accordance with the annual plan for continuous professional development of the SAO employees. The smooth functioning of the information system infrastructure and implemented systems for centralized storage and exchange of data is ensured, with special attention to key services and processes

² Out of the total number of 90 state auditors, 68 are certified state auditors.

³ SAO annual budget: for 2021, 110.903.000 MKD; for 2020, 103.258.000 MKD; for 2019, 99.800.000 MKD.





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such as e-mail, archiving, and integrated financial information system, system for analysis of data from audit reports and Audit Management System (AMS). The systems and applications have been developed taking into account the principles and rules for: availability of data to an authorized user, confidentiality, integrity, secure storage of data at a central location, compliance, regular backup, protection from unwanted physical and other data access. In accordance with the 2019 IT strategy, procurement of specialized software for antivirus and backup protection was realized, based on previously conducted analyzes of needs for appropriate software solutions, as well as clear definition of their technical characteristics and checking and unification of the operating system at all workstations used by employees. For the smooth performance of audit activities, each audit team is provided with: mobile internet access, independent of the conditions of the entity, portable devices for digital security of evidence, as well as uninterrupted and reliable VPN access to the information system of SAO. Auditors use computer-aided auditing techniques (CAAT's) in the audit process, while auditors in the information systems audit department use IDEA software to analyze the data from which financial statements are generated. The use of information technology, especially in state audit, is based on consistent monitoring of the SAO Information System Security Policy, as well as the applied IT security procedures and IT procedures for the implementation of the Audit Process Management System (AMS). The same are subject to annual analysis in order to always be in step with new solutions in the field.

K) Measures taken to include the Supreme Audit Institution and Internal Audit Units in the second cycle review of the implementation of the Convention:

The meetings within the visit of the expert teams, May 15-18, 2018, were also attended by nominated representatives of the State Audit Office and the Ministry of Finance - Central unit for harmonization of the system of public internal financial control.

L) Examples:

- Audit reports published on SAO's web-site:
<https://dzt.mk/mk/revizorski-izvestai>
- List of planned audits, published on SAO's web-site:
<https://dzt.mk/mk/planirani-revizii>
- SAO's annual programmes: <https://dzt.mk/mk/godisni-programi-arhiva>
- SAO's annual reports: <https://dzt.mk/mk/godisni-izvestai>

II. The role of the legislative body in the prevention and fight against corruption

In accordance with the Constitution of the Republic of North Macedonia, Article 68, the Assembly of the Republic of North Macedonia (hereinafter: the Assembly):

- adopts and changes the Constitution;
- adopts laws and gives the authentic interpretation of laws;
- determines public taxes and fees;
- adopts the budget and the balance of payments of the Republic;
- adopts the spatial plan of the Republic;
- ratifies international agreements;
- decides on war and peace;
- makes decisions concerning any changes in the borders of the Republic;





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- makes decisions on association in and disassociation from any form of union or community with other states;
- issues notice of a referendum;
- makes decisions concerning the reserves of the Republic;
- sets up councils;
- elects the Government of the Republic of Macedonia;
- elects judges to the Constitutional Court of the Republic of Macedonia;
- carries out elections and discharges judges;
- selects, appoints and dismisses other holders of public and other office determined by the Constitution and law;
- carries out political monitoring and supervision of the Government and other holders of public office responsible to the Assembly;
- proclaims amnesties; and
- performs other activities determined by the Constitution.

Laws have been *adopted* that contain provisions by which corruption and money laundering offences are criminalized, preventive measures and competent institutions are established, a procedure for asset recovery is determined, and transparency and accountability are promoted in the area of public finance management and budget oversight:

- Criminal Code (Official Gazette, No. 37/96, 80/99, 4/2002, 43/2003, 19/2004, 81/2005, 60/2006, 73/2006, 7/2008, 139/2008, 114/2009, 51/11, 135/11, 185/11, 142/12, 166/12, 55/13, 82/13, 14/14, 27/14, 28/14, 115/14, 132/14, 160/14, 199/14, 196/15, 226/15, 97/17 and 248/18);
- Law on the Criminal Procedure (Official Gazette, No. 150/10, 100/12 и 142/16);
- Law on Management of Confiscated Property, Property Benefits and Seized Assets in Criminal and Misdemeanour Procedure (Official Gazette, No. 98/2008, 145/10, 104/13, 187/13, 43/14, 160/14, 97/15, 148/2015 and 64/18);
- Law on International Cooperation in Criminal Matters (Official Gazette, No. 124/10);
- Law on Prevention of Money Laundering and Financing Terrorism (Official Gazette, No. 120/18, 275/19 and 317/20);
- Law on Prevention of Corruption and Conflict of Interest (Official Gazette, No. 12/19);
- Law on Free Access to Public Information (Official Gazette, No. 101/19);
- Law on Public Internal Financial Control (Official Gazette, No. 90/2009, 188/13 and 192/15);
- Organic Budget Law (Official Gazette, No. 4/2005, 4/2008, 103/2008, 156/2009, 95/10, 180/11, 171/12, 192/15 and 167/16);
- Law on Public Procurement (Official Gazette, No. 24/19).

The Law on Prevention of Corruption and Conflict of Interest regulates the measures and activities for prevention of corruption in the exercise of governance, public authorisations, official duties and policies, measures and activities for prevention of conflict of interest and measures and activities for prevention of corruption in





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performing activities of public interest by the legal entities related to the exercise of public authorizations.

The State Commission for Prevention of Corruption (hereinafter: SCPC) is competent for the implementation of those measures and activities. The President and the members of the SCPC are appointed and dismissed by the Assembly.

The President and the members of the SCPC are selected and appointed following a public announcement published by the Assembly.

The procedure for selection of the President and members of the SCPC is conducted by the Committee on Elections and Appointments of the Assembly. The interview is conducted by the Selection Committee at a public session of the Committee on Elections and Appointments of the Assembly.

The President and the members of the SCPC are accountable for their work before the Assembly.

The Commission for Elections and Appointments has the right to submit a request for examination of the assets and interests of the President, a member of the SCPC or the Secretary General of the Secretariat of the SCPC, if they fail to act in accordance with the legal provisions regarding reporting assets and interests, as well as in case of received information or suspicions of disproportionately increased property or conflict of interest. (Article 14)

SCPC prepares a five-year national strategy for the prevention of corruption and conflict of interest with an action plan for its implementation. The national strategy is submitted to the Assembly for adoption.

SCPC monitors the implementation of the measures of the national strategy and prepares annual reports, as well as a final report on the implementation of the national strategy, and submits them to the Assembly, no later than March 31 of the current year for the previous year.

SCPC submits an annual report on its work to the Assembly no later than March 31 of the current year for the previous year. At the request of the Assembly, SCPC shall be obliged to submit a report for a period shorter than one year. (Article 19)

Oversight mechanisms

In accordance with the Constitution, an interpellation may be made concerning the work of any public office-holder, the Government and any of its members individually, as well as on issues concerning the performance of state bodies. (Article 72)

The Assembly sets up permanent and temporary working bodies. The Assembly may set up survey commissions for any domain or any matter of public interest. A proposal for setting up a survey commission may be submitted by a minimum of 20 members of the Assembly. The Assembly sets up a permanent survey commission for the protection of the freedoms and rights of citizens. The findings of the survey commissions form the basis for the initiation of proceedings to ascertain the liability of public office-holders. (Article 76)

The mandate of the member of the Assembly is terminated or his/her mandate can be revoked only in the cases and in a manner determined by the Constitution, law and the Rules of Procedure of the Assembly.

In accordance with the Rules of Procedure of the Assembly⁴, about the Member convicted of a crime for which a prison sentence of at least five years is prescribed, a notification shall be submitted to the President of the Assembly by the court that

⁴ Official Gazette, No. 91/2008, 119/10, 23/13 and 152/19





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imposed the sentence. The President shall immediately submit this notification to the Members of the Assembly.

The mandate of the Member who has been convicted of a crime punishable by imprisonment of at least five years shall be terminated. At the next session, the Assembly concludes that the mandate of the Member of the Assembly ends on the day he/she is convicted and informs the State Election Commission thereof. (Article 58)

For the Member of the Assembly who is convicted of a criminal or other punishable offense that makes him/her unworthy to perform his/her parliamentary office, a notification shall be submitted to the President of the Assembly by the court that imposed the sentence. The President shall immediately submit the notification to the Committee on Rules of Procedure and Mandate-Immunity Issues. For the Member of the Assembly who has been unjustifiably absent from the sessions of the Assembly for more than six months, the President of the Assembly shall inform the Committee on Rules of Procedure and Mandate-Immunity Issues. Upon the proposal of the Committee on Rules of Procedure and Mandate-Immunity Issues for revoking the mandate of the Member of the Assembly, the Assembly conducts a debate at the next session. The debate may end with a decision to revoke the mandate of the Member of the Assembly or with the conclusion that there are no elements for revoking the mandate of the Member of the Assembly. (Article 59)

In accordance with the Law on the Assembly of the Republic of Macedonia⁵, an oversight hearing shall be held in order to obtain information and expert opinions on the issues within the scope of the main working body regarding determination and implementation of a policy, implementation of laws and other activities of the Government and the state administration bodies. The oversight hearing shall be conducted by the main working body of the Assembly, which may invite authorized representatives of the Government or state administration bodies to a session and request from them information and clarifications that are the subject of the oversight hearing. Other persons who can provide information on the issues that are the subject of the oversight hearing can be invited to the oversight hearing. The invited authorized representatives are obliged to attend the session at which the oversight hearing will be held. The public is informed about the oversight hearing through the website of the Assembly and the channel of the Assembly. (Article 20)

An initiative for holding an oversight hearing may be initiated by one member of the main working body. The working body decides on the oversight hearing by a majority vote of the present number of members, and with at least one third of the total number of members. If through the President of the Assembly to the President of the working body, 15 members of the Assembly request (in writing) for holding an oversight hearing, the President of the working body is obliged to immediately convene its holding. The President of the Assembly, together with the vice-presidents and the coordinators of the parliamentary groups, may give a recommendation to the President and the members of the working body for holding certain oversight hearings. (Article 21)

During the oversight hearing, the members of the main working body and members of the Assembly who are not members of the main working body may ask questions to the authorized representatives of the Government or the state administration bodies invited to the hearing, only regarding the issue that is the subject of the hearing. During the oversight hearing, discussions may be held with the summoned persons

⁵ Official Gazette, No. 104/2009 and 14/20





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providing the information only if it is necessary to reconcile or clarify specific issues and facts. The main working body decides on the duration of the hearing, ensuring the participation of each member of the main working body in the hearing. (Article 22)

The working body submits a report to the Assembly on the held oversight hearing including the essence of the speeches, and may propose conclusions which are submitted to the Government. The conclusions from the oversight hearing are published on the website of the Assembly. (Article 23)

Adoption of the National Budget

In accordance with the Organic Budget Law, the Ministry of Finance submits the draft budget of the Republic to the Government for adoption by November 1 of the current year at the latest. (Article 29)

At the end of each fiscal year, and before the adoption of the final account of the Budget of the Republic, the State Audit Office prepares an audit report on the Budget of the Republic and submits it to the Assembly of the Republic.⁶

The Government submits the draft budget of the Republic to the Assembly no later than November 15 of the current year. The Assembly may not review the draft budget of the Republic before 20 days have elapsed from the day it was submitted to the Assembly. The Assembly adopts the Budget of the Republic no later than December 31. The Minister of Finance presents the Draft Budget of the Republic to the Assembly. In the procedure of adopting the Budget of the Republic, any increase of the proposed approved funds must be followed by an appropriate reduction of other proposed approved funds. The reserve in the Draft Budget cannot be reduced in order to increase another item of approved funds. (Article 30)

The Assembly decides on redistributions between the budget users of the central government and between the funds. (Article 33 paragraph 7)

The Ministry of Finance monitors the implementation of the plan of revenues and other inflows, expenditures and other outflows of the Budget of the Republic, and the mayor monitors the same of the municipal budget⁷. If during the budget execution the Ministry of Finance i.e. the mayor of the municipality assesses that more significant redistributions of the approved funds with the budget are necessary or that the realization of revenues and other inflows deviates significantly from the plan, he/she will propose to the Government or the Municipal Council related amendments to the budget. The Assembly, i.e. the Municipal Council, at the proposal of the Government or the mayor, adopts the amendments to the budget no later than November 15 of the current year. (Article 36)

If during the fiscal year unforeseen significant liabilities of the budget occur, ie significant deviations in the realization of the planned revenues/inflows, the Government may, upon the proposal of the Ministry of Finance, suspend the execution of certain approved funds for a period not exceeding 45 days, for which the Government informs the Assembly. If within 30 days from the day of suspension of the execution, conditions for regular execution of the budget are not created, the Government, upon a proposal of the Ministry of Finance, submits to the Assembly a proposal for amendments to the Budget. (Article 36-a)

⁶ In accordance with Article 34 of the Law on State Audit

⁷ Financing sources of the municipality are: own sources of income, grants of funds from the Budget of the Republic and from the budgets of the funds and borrowing. (Article 3 of the Law on Financing of Local Self-Government Units (Official Gazette, No.61/2004, 96/2004, 67/2007, 156/2009, 47/11, 192/15, 209/18 and 244/19))





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Budget execution includes collection and recording of revenues and other inflows, as well as execution of expenditures and other outflows in accordance with the approved funds. Budgets are executed in accordance with the principles of comprehensiveness, specificity, economy, efficiency, effectiveness, transparency and sound financial management. The Assembly adopts a special law for the execution of the Budget of the Republic. (Article 37)

The budget and the final account of the Budget of the Republic are published in the Official Gazette of the Republic. The municipal budget and the final account of the municipal budget are published in the official gazette of the municipality. (Article 54)

Transparency in the work of the Assembly

Pursuant to the Law on the Assembly of the Republic of Macedonia, the Assembly has a program responsibility for broadcasting the program service intended for broadcasting the activities of the Assembly. The channel of the Assembly informs and educates the citizens about the political life, through parliamentary, educational and civic programs. The Assembly provides conditions for transmission of digital TV signal to the end users (viewers). (Article 32)

In accordance with the Rules of Procedure of the Assembly of the Republic of Macedonia, the Assembly provides information to the public on the work of the Assembly and the working bodies, as well as the permanent delegations in international organizations. (Article 225) The citizens can follow the sessions of the Assembly and the working bodies from the galleries, in accordance with the regulations on the internal order of the Assembly. (Article 226) The representatives of the mass media, in accordance with the regulations on the internal order of the Assembly, can attend the sessions of the Assembly and the sessions of the working bodies in order to inform the public about their work. (Article 227) The acts reviewed and adopted by the Assembly, the information and documentation materials on the issues reviewed by the Assembly and the working bodies, the reports on the work of the working bodies and the minutes of the sessions are made available to the representatives of the media, unless the Assembly or the working body has decided to consider a separate issue without the presence of the representatives of the mass media. (Article 228) The Assembly and the competent working bodies may decide a draft law or other general legal act that is being discussed by the Assembly and which is of special interest to the public, to be published through the press or in a special publication. (Article 230)

The Assembly and its working bodies may decide, in order to inform the public about the work of the Assembly, to issue a statement to the media after the session of the Assembly or the working body held without the presence of the public i.e. without the presence of representatives of the media, as well as in other cases when decided by the Assembly or the working body. (Article 231) A press conference related to the work of the Assembly is held when it is decided by the President of the Assembly, parliamentary group, working body or the head of the delegation on a mission abroad, and they appoint a representative who will hold the press conference. (Article 232) The Assembly has a website containing general information about the Assembly, working bodies, the President of the Assembly, the members of the Assembly, parliamentary groups, delegations of the Assembly, adopted laws, sessions and other activities of the Assembly, the Service of the Assembly and other data related to the organization and the work of the Assembly. (Article 233) For the purpose of reporting on its work, the Assembly publishes a gazette and other publi-





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cations. The gazette is delivered to all members of Assembly in the premises of the Assembly and is posted on the website of the Assembly. (Article 234)

- Public discussion on proposed laws

According to the Rules of Procedure, for the proposed law of wider interest, the Assembly, after the general debate, may decide to conduct a public discussion on that law and to designate the main working body that will organize the public discussion. (Article 145)

The working body that organizes the public discussion will:

- ensure that the proposed law is published so that it is available to citizens, public institutions, citizens' associations, political parties, trade unions and other stakeholders,
- provide collection and sorting of opinions and proposals that were presented during the public discussion and
- prepare a report on the results of the public discussion. (Article 146)

The proposed law that is subjected to public discussion shall be published in the daily press which will be determined by the competent working body. In addition to the proposed law, a call for submission of opinions and proposals shall be published with a determined deadline for submissions. (Article 147)

Based on the opinions and proposals presented during the public discussion, the main working body prepares a report and submits it to the Assembly together with the proposed law for the second reading. (Article 148)

International cooperation of the Assembly

In accordance with the Rules of Procedure of the Assembly of the Republic of Macedonia, for international cooperation the Assembly establishes permanent delegations in the international parliamentary assemblies in which the Assembly is a member or an associate member, parliamentary groups for cooperation with other parliaments, and may establish mixed working bodies with other parliaments, international parliamentary organizations and institutions, occasional delegations and other forms of cooperation. Delegations, working bodies, parliamentary groups for cooperation, mixed working bodies and members of the Assembly submit a report on the realized international activity to the President of the Assembly, who submits it to the members of the Assembly and if necessary to other state bodies and institutions. (Article 223)

The working bodies can cooperate with the relevant working bodies of the parliaments of other countries and of international organizations. (Article 125 paragraph 7)

Code of Ethics for members of the Assembly

The Code of Ethics for Members of the Assembly, adopted in June 2018 and amended in January 2019, regulates the basic ethical principles, rules and standards of conduct of the members of the Assembly, including the rules for prevention of conflicts of interest, prohibition of corruption, receiving gifts and budgetary and financial discipline in order to properly manage public funds. The Committee on Rules of Procedure and Mandate-Immunity Issues of the Assembly is responsible for determining the minor and major violations and imposing measures. For violation of the Code, the Commission may issue a reprimand, which is issued for a minor violation and a public reprimand, which is issued for a major violation.

For major violations, in addition to a public reprimand, the Commission may decide to suspend a Member of the Assembly from membership in a working body for up to





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one month or to ban him/her from chairing a working body of the Assembly for up to one month. If the Member of the Assembly repeats the violation for which he/she has been suspended from membership in a working body or banned from chairing working bodies, the Committee may issue a decision to deduct 5% of his/her salary for a period of three to six months. The decisions of the Commission shall be published on the website of the Assembly.

Lobbying

In order to increase the transparency of the institutions in terms of influences on the legislative process and the adoption of public policies, the Ministry of Justice prepared the text of the Proposed Law on Lobbying, which is in parliamentary procedure.

The proposed law contains provisions that overcome the weaknesses in the text of the existing Law on Lobbying⁸ and establish balanced responsibilities in providing the information to be published about lobbying. The proposed law also contains provisions for proactive disclosure of data by institutions in order to prevent covert lobbying.

Regulatory Impact Assessment (RIA)

The process of preparation of a draft/proposed law, which is carried out by the competent bodies of the state administration, includes the implementation of the RIA. According to the Rules of Procedure of the Government of the Republic of North Macedonia⁹, the ministers have the right and duty to assess the impact of the draft laws, except for laws whose adoption is proposed by urgent procedure, laws for ratification of international agreements, laws drafted for the purpose of harmonisation of used terminology, the draft Budget of the Republic of North Macedonia and the Law on Execution of the Budget of the Republic of North Macedonia, the laws on national borrowings and guarantees. (Article 8, paragraph 1, line 7)

It is mandatory to obtain an opinion from the SCPC on all draft laws for which RIA is implemented. (Article 68, paragraph 1, line 13)

The Methodology on Regulatory Impact Assessment (Official Gazette, No. 107/13 and 173/17) also includes a review of accepted and not accepted opinions/comments received during the consultation process. All RIA documents are published on the internet portal of the Unified National Electronic Register of Regulations, within the set deadlines during the process, so that they are available to the members of the Assembly and the public even before the submission of proposed laws in parliamentary procedure.

Corruption proofing of legislation

Pursuant to the Law on Prevention of Corruption and Conflict of Interest, the SCPC is also competent to conduct corruption proofing of legislation (laws, bylaws and other general legal acts), in accordance with the methodology it adopts. (Article 17, paragraph 1 line 2)

According to the Methodology for anti-corruption assessment of legislation, the corruption proofing of legislation represents an analysis and assessment of the form and content of laws, bylaws and other general legal acts that are in preparation or are

⁸ Official Gazette, No.106/2008 and 135/11

⁹ Official Gazette, No. 38/01, 98/02, 9/03, 47/03, 64/03, 67/03, 51/06, 5/07, 15/07, 26/07, 30/07, 58/07, 105/07, 116/07, 129/07, 157/07, 29/08, 51/08, 86/08, 114/08, 42/09, 62/09, 141/09, 162/09, 40/10, 83/10, 166/10, 172/10, 95/11, 151/11, 170/11, 67/13, 145/14, 62/15, 41/16, 153/16 и 113/17, 228/19, 72/20 and 215/20.





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already prepared, in terms of their practical implementation, compliance and improvement in order to detect, prevent and minimize risks related to the possibility of corruption and conflicts of interest arising from the implementation of the laws and regulations. As a rule, the corruption risk control is carried out over all laws, bylaws and other general legal acts.

The anti-corruption assessment does not cover the laws whose adoption is proposed by urgent procedure, laws for ratification of international agreements, laws that harmonize the terminology with other laws, the draft budget of the Republic and the law on execution of the Budget of the Republic.

In this process, the SCPC includes all draft laws and proposed laws, as well as adopted laws determined as priority, part of the bylaws and other general legal acts listed in the annual plan for conducting corruption proofing of legislation. In addition to the priorities set out in the annual program and plan, the SCPC may respond to any suspicions regarding laws already enacted that by their text or their implementation pose a risk of corruption or conflict of interest. The competent ministries are obliged to submit to the SCPC the published draft laws, proposed laws and other legislative proposals before their submission for adoption, in order to obtain opinion from the review of their form and content for the purpose of detecting, preventing and minimizing the risks of corruption and conflict of interests that may arise from their adoption or implementation. In case of appearing special interest in a process of drafting legislation related to corruption and conflict of interest, representatives of the SCPC, as experts in anti-corruption assessment of legislation, shall be involved and participate in the working group on drafting that legislative proposal.

Measures undertaken to address relevant recommendations arising from the reviewing mechanism of the implementation of the Convention:

In November 2015, the Law on Whistleblower Protection was adopted, the implementation of which started in March 2016.

Nominated representative of the Assembly of the Republic of Macedonia participated in the meetings within the country visit of the expert teams, 15-18 May 2018.

In May 2019, a new Law on Free Access to Public Information was adopted, the provisions of which, among other things, rationalized the exceptions for access to public information, taking into account the recommendations expressed during the visit of the expert teams.

In January 2019, the Law on Prevention of Corruption and Conflict of Interest was adopted, which inter alia envisages the use of electronic means and methods in the system for checking the asset declarations, tightened the criteria for selection of the president and members of the SCPC and, for that purpose, procedure for transparent selection with wide participation of the non-governmental sector has been established and a legal remedy for the dissatisfied candidates has been envisaged. In accordance with the provisions of this Law, in February 2019 a new composition of the SCPC was appointed.

The allocated funds from the national budget for the annual budget of the SCPC have been increased¹⁰, and appropriate facilities and equipment have been provided to improve its operational capacity.

A mechanism has been established for enforcement of the provisions of the Code of Ethics for Members of the Assembly (competent body and sanctions).

¹⁰ SCPC annual budgets: for 2019, 35.603.000 MKD; for 2020, 55.200.000 MKD; for 2021, 60.939.000 MKD.





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The Ministry of Justice will send the above information electronically to the Secretariat of the Conference of the States Parties to the United Nations Convention against Corruption, in accordance with the received guidelines.

About the above, please inform the Permanent Mission of the Republic of North Macedonia in Vienna.

Thank you for your cooperation.

Sincerely,

MINISTER OF JUSTICE,
Bojan Marichikj, LL.M

