

1) **Fiche to be used for each step:**

The step under review	Minimum of 70% of parent budget users at central level have a risk management document, including anti-corruption risk and record the identified risks in mitigation plans
Baseline	60% (2023)
Deadline of the step	December 2025
Actual results	<p>Pursuant to Article 14 of the Law on the System of Internal Financial Control in the Public Sector (Official Gazette No. 255/2024), which regulates risk management within public entities, and in accordance with the guidelines set out in the Methodology for Risk Management in Public Entities issued by the Ministry of Finance, 64 first-line budget users (out of a total of 84) submitted risk registers to the Central Harmonization Unit within the Ministry of Finance in 2025, representing an achievement of 76 percentage points in the risk documentation process.</p> <p>These data are as of 31 December 2025 and are appropriately presented in the “Monitoring Table,” which is submitted as evidence within this procedure.</p> <p>Within its competencies as stipulated in Article 52 of the Law on the System of Internal Financial Control in the Public Sector, the Central Harmonization Unit carried out a series of activities in the past period aimed at improving the risk management process. In this regard, during the current year, the Central Harmonization Unit (CHU) prepared a new Methodology for Risk Management in Public Entities, which has been published on the official website of the Ministry of Finance. In order to facilitate the application of this Methodology, and with the support of the Public Finance Academy within the Ministry of Finance, the Central Harmonization Unit organized an online training session on 18 September 2025, attended by approximately 180 participants (state advisers, heads of departments, heads of units, and staff involved in risk management structures), the majority of whom were from first-line budget users.</p> <p>Chronologically, following the above-mentioned activities, the Government of the Republic of North Macedonia, at its 118th session held on 7 October 2025, reviewed the Annual Report on the Functioning of the Public Internal Financial Control System for 2024 and adopted several conclusions aimed at improving the system of internal financial control in the public sector. Conclusion No. 1, adopted by the Government, is directly related to risk management in the public sector and states: <i>“All first-line budget users from the legislative, executive, and judicial branches of government (central government) and the funds are instructed, and units of local self-government are recommended, to establish and/or improve the risk management process by documenting key risks in a risk</i></p>

	<p><i>register, including various forms of corruption-related risks, with defined mitigation measures, and to inform the Ministry of Finance – Department for Central Harmonization of the System of Internal Financial Control in the Public Sector thereof by submitting the complete risk management documentation by 15 October 2025”.</i></p> <p>Based on all received and processed notifications, as evidenced by the data in the Monitoring Table, it was determined that risk registers were received from 64 public entities (i.e. 76%). Furthermore, the analysis of the risk registers yielded the following aggregated results:</p> <ul style="list-style-type: none"> • Number of identified strategic risks: 427 • Number of identified operational risks: 1471 • Number of identified strategic corruption-related risks: 64 • Number of identified operational corruption-related risks: 229 • Identified measures for addressing strategic risks (including corruption-related risks): 452 • Identified measures for addressing operational risks (including corruption-related risks): 1478 <p>Based on the above, the assessment is that, compared to previous years, institutions have demonstrated a high degree of commitment and interest in risk management. The quality of the prepared risk registers is at a highly satisfactory level, having been developed in accordance with the templates provided in the Methodology for Risk Management in Public Entities. The rate of prepared risk registers, including corruption-related risks and corresponding mitigation measures, increased significantly, by 16 percentage points compared to the baseline year. It is assessed that this situation will substantially contribute to improved accountability, increased awareness in terms of preventing fraud, corruption, and misuse of funds, as well as enhanced transparency in institutional operations, ultimately leading to more efficient use of public funds.</p>
<p>Evidence provided</p>	<ol style="list-style-type: none"> 1. Report on the Implementation of the Step “Minimum 70% of parent budget users at central level to have a risk management document, including anti-corruption risk, and to record the identified risks in mitigation plans,” from Policy Area 1 – PAR (including PFM) – Sub-area “Public Finance Management” – reform “Strengthen Public Internal Financial Control” established by the Reform and Growth Facility for the Western Balkans – Reform Agenda for the Republic of North Macedonia 2024–2027 https://portal.mdt.gov.mk/post-body-files/centralna-edinica-zaxarmonizacija-na-sistemot-na-jvfk-file-nS44.pdf 2. Methodology for Risk Management in Public Entities – issued by the Ministry of Finance – Central Harmonization Unit https://portal.mdt.gov.mk/post-body-files/centralna-edinica-zaxarmonizacija-na-sistemot-na-jvfk-file-HXen.pdf

	<ol style="list-style-type: none"> 3. Annexes (Templates) for the Risk Management Process (https://portal.mdt.gov.mk/post-body-files/centralna-edinica-za-xarmonizacija-na-sistemot-na-jvfk-file-tB0Z.xlsx) 4. Monitoring Table – Central Level (with a selected sample and brief explanation), including scanned versions of the risk registers of the institutions selected as the sample, under the following serial numbers: 1.23; 2.40; 3.50; 4.54; 5.60; 6.64; 7.65; 8.67; 9.68; and 10.82
<p>Checks performed in the verification of the step and related findings</p>	<p>Pursuant to Article 14 of the Law on the System of Internal Financial Control in the Public Sector (Official Gazette No. 255/2024), which regulates risk management within public entities, the head of a public entity is required to establish risk management as an overall process of identifying, assessing, and monitoring risks in relation to set objectives and taking necessary measures to mitigate those risks. Additionally, the head of the public entity must ensure the documentation of key risks in the risk register maintained by the public entity. Employees of the Central Harmonization Unit (CHU), in coordination with the Assistant Head of the CHU and under the supervision of the Head of the CHU, carried out the entire process of receiving, processing, analysing, and recording risk registers in electronic form, received from public entities via official correspondence and electronic communication.</p> <p>Consequently, the employees of the Central Harmonization Unit, in coordination with the Assistant Head of the CHU and under the supervision of the Head of the CHU, prepared the “Report on the Implementation of the Step “Minimum 70% of parent budget users at central level to have a risk management document, including anti-corruption risk, and to record the identified risks in mitigation plans,” from Policy Area 1 – PAR (including PFM) – Sub-area “Public Finance Management” – reform “Strengthen Public Internal Financial Control” established by the Reform and Growth Facility for the Western Balkans – Reform Agenda for the Republic of North Macedonia 2024–2027”.</p> <p>This report was approved by the State Secretary of the Ministry of Finance and submitted by the Minister of Finance to the Government of the Republic of North Macedonia on 11 December 2025 for adoption. Considering that the report was submitted through the government procedure on 11 December 2025, while the deadline for completing the step is 31 December 2025, there is a further increase in the fulfilment rate of the step in the statistical data presented in the Monitoring Table, compared to the version submitted to the Government. Both documents confirm the fulfilment of this step of the Reform Agenda, with the Monitoring Table containing updated data as of 31 December 2025.</p> <p>Within the framework of the governmental procedure, the report was reviewed at the 61st session of the General Collegium of State Secretaries, held on 17 December 2025, where a positive opinion was issued for further action. Subsequently, at the 56th session of the Commission for Economic System and Current Economic Policy, the report was reviewed, and it was proposed that the Government consider and adopt it as an informational document. At the 138th</p>

	<p>session of the Government, held on 23 December 2025, the Government reviewed and adopted this report as informational material.</p> <p>Through this procedure of adopting the “Report on the Implementation of the Step “Minimum 70% of parent budget users at central level to have a risk management document, including anti-corruption risk, and to record the identified risks in mitigation plans,” from Policy Area 1 – PAR (including PFM) – Sub-area “Public Finance Management” – reform “Strengthen Public Internal Financial Control” established by the Reform and Growth Facility for the Western Balkans – Reform Agenda for the Republic of North Macedonia 2024–2027”, the fulfilment of this step of the Reform Agenda was effectively confirmed.</p>
Compliance with general principles and DNSH principle	<p>The implementation of the steps does not contravene the general principles outlined in Article 4 and 11(4) of Regulation (EU) 2024/1449 and Article 3 of the Facility Agreement.</p> <p>The implementation of the steps does not contravene the ‘Do No Significant Harm’ principle (DNSH).</p>
Double funding	For the implementation of this step, no donor assistance was used.
Clear conclusion on the achievement of the step	Fully achieved