

The step under review	PIFC Law is adopted by the Parliament
Baseline	0 (2024)
Deadline of the step	December 2024 (February 2025)
Actual results	<p>The Law on the Internal Financial Control System in the Public Sector was adopted by the Parliament at the 22nd plenary session held on 12.12.2024. This law was published in the Official Gazette of the Republic of North Macedonia No. 255/24.</p> <p>This law defines a framework for a modern, adequate and effective system of internal financial control in the public sector, which includes financial management and control, internal audit and central coordination and harmonization.</p> <p>This law is aligned with international standards for internal control and auditing, in accordance with the requirements of Chapter 32 - Financial Control.</p> <p>The law will apply to all public entities, except the National Bank of the Republic of North Macedonia.</p> <p>A novelty in the law is the creation of a new model of "management responsibility and accountability" that clearly distinguishes "who", "to whom" and "for what" is responsible and accountable, thus contributing to the strengthening of internal financial control. This strengthens the role of the head of the parent budget user to whom the budget users under his jurisdiction are accountable, and the heads of publicly owned enterprises under his jurisdiction are obliged to follow his procedures and guidelines.</p> <p>Internal financial control will also be strengthened by creating an obligation for key financial processes not to be implemented directly by applying the laws, but by applying internal acts prepared on the basis of the relevant legal and by-laws, prepared on the basis of a risk assessment.</p> <p>In order to increase the efficiency of internal audit, in the section on internal audit, it is prescribed which public entities are required to establish internal audit units, and at the same time the minimum number of employees in the internal audit units is defined. According to the law, a functional internal audit unit is mandatory established at the parent</p>

	<p>budget users. The internal audit unit established at the parent budget user performs the function of internal audit at the budget users and publicly owned enterprises, under their jurisdiction, in which a functional internal audit unit has not been established.</p> <p>This law establishes mechanisms for significantly strengthening the quality of the work of internal auditors, by providing that internal audits will be conducted only by persons who have acquired a certificate as an authorized internal auditor in the public sector, and the main task of the head of the internal audit unit will be to ensure the quality of the internal audit through a previously prepared program.</p> <p>In addition, the quality of internal audit activities will also be monitored by the Central Harmonization Unit in the Ministry of Finance.</p> <p>The law creates a basis for the adoption of by-laws within 18 months from the date of adoption of the law.</p> <p>Until their entry into force, the by-laws prepared on the basis of the previous Law on Public Internal Financial Control will apply.</p>
<p>Evidence provided</p>	<p>1. Law on the Internal Financial Control System in the Public Sector (Official Gazette of the Republic of North Macedonia No. 255/24)</p> <p>https://finance.gov.mk/wp-content/uploads/2024/12/MK-Zakon-za-sistemot-na-vnatresna-finansiska-kontrola-vo-javniot-sektor.pdf</p> <p>https://finance.gov.mk/wp-content/uploads/2025/02/Law-on-PIFC-EN-Official-Gazette-no.-255.-17.12.2024.pdf</p>
<p>Checks performed in the verification of the step and related findings</p>	<p>The Government of the Republic of North Macedonia submitted the Draft Law on the Internal Financial Control System in the Public Sector to the parliamentary procedure in December 2020. The previous parliamentary composition did not complete the parliamentary procedure for adopting this draft law. After the formation of the new Government in June 2024, and in accordance with the Rules of Procedure of the Parliament (Article 178), the Draft Law on the Internal Financial Control System in the Public Sector was withdrawn from the parliamentary procedure. In July 2024, the Ministry of Finance began preparing a new Draft Law on the Internal Financial Control System in the Public Sector, i.e. an update of the previous draft law (since in the meantime the new OBL was adopted, and the new Global Standards for Internal Audit were published). The EU Delegation in Skopje was informed/involved in the process of updating the draft law (a draft text of the law was submitted via email to the EU Delegation in Skopje on November 9, 2024. No comments were received, only an opinion was requested on the process of implementing the law). The Ministry of Finance after receiving an opinion on the draft text of the law from the Secretariat for Legislation, submitted the Draft Law on the Internal Financial Control System in the Public Sector in November 2024 to the government procedure. In the government</p>

	<p>procedure, the law passed the following stages/sessions: Session No. 12 of the General Collegium held on 20.11.2024, Session No. 12 of the Committee on the Economic System and Current Economic Policy held on 02.12.2024, Session No. 7 of the Committee on the Political System held on 02.12.2024, and at the 36th session held on 03.12.2024, the Government reviewed the Draft Law on the Internal Financial Control System in the Public Sector, adopted it and concluded in accordance with the Rules of Procedure of the Assembly of the Republic of North Macedonia to submit it to the Assembly, following an expedited procedure.</p> <p>The Draft Law was reviewed by the Parliamentary Committee on Finance and Budget and the Legislative and Legal Committee and Law on the Internal Financial Control System in the Public Sector was adopted by the Parliament at the 22nd plenary session held on 12.12.2024. The President of the Republic signed the Decree Promulgating the Law on the Internal Financial Control System in the Public Sector. This law was published in the Official Gazette of the Republic of North Macedonia No. 255/24 issued on 17.12.2024.</p>
<p>Clear conclusion on the achievement of the step</p>	<p><i>Fully Achieved</i></p>