

# Audit Authority for audit of instrument for pre-accession assistance (IPA) Republic of North Macedonia

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# Audit Authority



- ▶ **Main goal** : Protection of EU interest through:
- ▶ Verification of the effective and efficient functioning of MCS and
- ▶ Verification of the completeness, correctness and accuracy in the annual financial reports and annual accounts as well as legality and regularity of the transactions



# Audit Authority



- ▶ Under programming period 2021-2027 AA participates in the following CBC programs:
  - INTERREG Bulgaria – North Macedonia (shared management)
  - INTERREG Greece – North Macedonia (shared management)
  - INTERREG Adriatic-Ionian (shared management)
  - INTERREG EuroMed (shared management)
  - URBACT IV (shared management)
  - IPA CBC Serbia-North Macedonia (shared management)
  - IPA CBC Albania-North Macedonia (direct management)
  - IPA CBC Kosovo-North Macedonia (direct management)



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Republic of North Macedonia and the AA in the audit of CBC programs participates as a member in the Group of Auditors (GoA)

Republic of North Macedonia and the National Authority have not conferral for managing CBC programs with MS

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## Risk Assessment:

- AA prepares three annual AS with update every year for IPA programs under indirect management
- In CBC programs AA follows AS's of responsible AA's under the respective programme
- Our AA is prepared on a base of risk assessment method
  - per process (programming, implementation and monitoring),
  - Per body/institution that implements respective IPA programme
  - Per requirements of the FwA/ Key requirement
  - Scoring from previous audit results
  - Changes made covering Operating Structure and Management Structure

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## Risk Assessment:

- Risk assessment method is used also for planning audits (three stage – initial risk assessment, entity-wide risk management effectiveness and confirmation of risk and targeted processes required to be tested)
- AA uses the following audit methodology steps:
  - Planning and design of audits objectives to be achieved, performing the audits and gathering evidence, evaluating evidence and forming conclusion, reporting, follow-up processes and quality control arrangements for the work of the AA

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## Main findings:

- Public procurements under PRAG
  - not comply with tender requirements
  - unlawful modification of contract
  - restrictive selection criteria
  - restrictive technical specification

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## Main findings:

- Not timely payment of National Co-financing
- Untimely payment of First Level Controller
- Untimely payment of employees in Antenna's
- Untimely payment to the final beneficiaries (Art.132 of 1303/2013)
- Insufficient audit trail
- Payments to the persons not involved in implementation of CBC programmes

# Risk Assessment:

- Risk assessment: similarities/differences
- Each side consult the other side and benefits from that (Reflection paper)
- KR4 (essential criteria) – Appropriate management verification
- KR5 All documents required for the audit trail need to be available for all costs
- Informal communication/formal communication
- Regularly revise the methodology (MA vs AA)



*Regional Conference of the IPA Audit Authorities for 2022*

**15 YEARS ANNIVERSARY of AAIPA**