

LAW ON STATE AUDIT

I. GENERAL PROVISIONS

Article 1

This Law shall regulate the conditions and the manner of conducting state audit, as well as the organization and the competences of the State Audit Office.

Article 2

The terms used in this Law shall have the following meaning:

1. **Revenues** are taxes and other mandatory payments determined by law, inflows from ownership (interest, dividend, lease, and alike), charges for provided goods or services, gifts, donations, subsidies and transfers;
2. **Public revenues and other inflows** are funds which, based on different grounds, are collected and charged for financing public expenditures;
3. **Public expenditures and other outflows** are all payments, outflows and liabilities made for carrying out the function or activity of the entity subject to audit;
4. **Core budget** is an annual plan of revenues and other inflows and approved funds by the budget for financing of the basic activities of the direct budget users;
5. **Direct budget users** are the first line users in the field of the legislative, executive and judicial power, the funds, the users of the municipal budgets and the users established by a law that are entrusted with the exercise of public powers;
6. **Indirect budget users** are second line users financed through the corresponding direct budget user;
7. **Economy** is carrying out of a function or activity at the least possible costs;
8. **Efficiency** is the lowest possible level of costs in respect to the achieved effects;
9. **Effectiveness** is the highest possible level of achievement of program effects;
10. **Lawful use of funds** is the use of the funds being at disposal of the entity subject to audit in accordance with the laws, bylaws and internal acts;
11. **Purposeful use of funds** is the use of funds in accordance with the purpose determined in the budget, that is, the financial plan of the entity subject to audit;
12. **Regularity audit** is a procedure for determination and assessment of the compliance of the operation of the entity with the laws, bylaws and internal acts;
13. **Performance audit** is assessment of the economy, efficiency and effectiveness of the operation and use of funds in a defined area of activities or programs;
14. **Financial audit** is verification of the accuracy and completeness of the accounting records and financial reports;

15. **Risk** is the possibility or probability that a certain event that might have a negative impact on the achievement of the goals might occur;

16. **Materiality** is the assessment of the knowledge about the existence of a certain occurrence/information and the probability that its omission or incorrect presentation may have an impact on the user of the financial reports or on the report of the performance audit, and

17. **Recommendations** are proposals for taking measures and activities for the purpose of improving the management and operation of the entity subject to audit.

II. STATE AUDIT OFFICE

Article 3

- (1) The State Audit Office shall conduct the activities related to state audit.
- (2) The State Audit Office shall be a state body of the Republic of North Macedonia.
- (3) The State Audit Office shall have the capacity of a legal entity.
- (4) The State Audit Office shall be independent in its operation.
- (5) The head office of the State Audit Office shall be in Skopje.

Article 4

- (1) The State Audit Office shall be headed by a General State Auditor.
- (2) The General State Auditor shall have a deputy.
- (3) The General State Auditor and the deputy shall be appointed and dismissed by the Assembly of the Republic of North Macedonia.
- (4) The term of office of the General State Auditor and the deputy shall be nine years without the right of re-election.
- (5) The General State Auditor and the deputy shall take an oath in front of the Assembly of the Republic of North Macedonia.

Article 5

The General State Auditor, that is, the deputy shall be selected at a public announcement which is published in at least three daily newspapers that are printed on the whole territory of the Republic of North Macedonia one of which is a newspaper printed in a language spoken by at least 20% of the citizens who speak an official language other than the Macedonian.

The General State Auditor, that is, the deputy shall have to meet the following requirements:

- 1) to be a citizen of the Republic of North Macedonia;
- 2) to hold a university degree in economics or law;
- 3) to have at least seven years of experience in the field of economy or law;
- 4) to hold one of the following internationally recognized certificates for active knowledge of English Language which is not older than five years:
 - TOEFL IBT - at least 74 points,
 - IELTS - at least 6 points,
 - ILEC (Cambridge English: Legal) - at least B2 level,
 - FCE (Cambridge English: First) - passed,
 - BULATS - at least 60 points, or

- APTIS - at least B2 level.
- 5) not to hold another public office or to practice a profession, not to be a member of a political party bodies, a member of a governing board, supervisory board or any other body at another legal entity; and
 - 6) not to be imposed a misdemeanor sanction, that is, a punishment prohibiting practicing a profession, or carrying out an activity or duty.

Article 6

- The term of office of the General State Auditor and the deputy shall terminate:
- 1) upon the expiry of the term of office;
 - 2) upon his/her personal request;
 - 3) by meeting the conditions for an age pension;
 - 4) in case of death; and
 - 5) in case of dismissal.

Article 7

- The General State Auditor and the deputy shall be dismissed if:
- 1) they no longer meet the requirements referred to in Article 5 of this Law, and
 - 2) they are not able to carry out the activities for more than six months because of illness or other justified reasons.

Article 8

(1) The General State Auditor shall represent the State Audit Office, shall ensure the legal and efficient carrying out of the tasks and activities, shall manage and organize the operation of the State Audit Office.

(2) The General State Auditor shall represent the State Audit Office before the international organizations of the supreme audit institutions.

Article 9

- The General State Auditor shall have the following responsibilities:
- 1) to propose the budget of the State Audit Office;
 - 2) to adopt the annual work program of the State Audit Office;
 - 3) to determine the criteria regarding the scope, the entities, and the subject of the state audit;
 - 4) to prescribe the manner of conducting the state audit;
 - 5) to prescribe the form and the content of the identification card, as well as the manner of its issuance and revocation;
 - 6) to adopt the program for taking the examination for acquiring the position of authorized state auditor;
 - 7) to determine the amount of the costs for taking the examination for acquiring the title of an authorized state auditor in accordance with the actual costs for conducting an examination for acquiring the title of an authorized state auditor and for issuing a certificate for an authorized state auditor;
 - 8) to prescribe the manner of taking the examination for acquiring the title of an authorized state auditor;
 - 9) to prescribe the form and the content of the certificate for authorized state auditor;
 - 10) to adopt bylaws for implementation of this Law and to publish them in the "Official Gazette of the Republic of North Macedonia";
 - 11) to adopt an act on organization and operation of the State Audit Office and an act on systematization of the jobs in the State Audit Office;
 - 12) to decide about the rights and obligations of the employees in the State Audit Office in accordance with a law;
 - 13) to adopt an act regarding the manner of conducting a disciplinary procedure against the employees in the State Audit Office that do not have the status of administrative servants;
 - 14) to establish commissions and other working bodies in the State Audit Office;
 - 15) to communicate with the media for the purpose of informing the public about the work of the

State Audit Office and the results of the conducted audits; and 16) to carry out other activities determined by this Law.

Article 10

(1) In case of absence, the General State Auditor shall be replaced by the deputy.

(2) The deputy referred to in paragraph (1) of this Article shall replace the General State Auditor in case of his/her absence due to a business trip, holiday or sick leave with regard to the activities and tasks entrusted to him/her by the General State Auditor, except for the activities and tasks that are within the exclusive competence of the General State Auditor in accordance with the law.

Article 11

The General State Auditor and the deputy cannot be held criminally liable or be taken into custody for points of view, opinions and recommendations expressed in relation to the audits.

Article 12

(1) The funds for operation of the State Audit Office shall be provided from the Budget of the Republic of North Macedonia.

(2) The funds for operation of the State Audit Office shall be determined by the Assembly of the Republic of North Macedonia on a proposal of the State Audit Office.

(3) The budget of the State Audit Office shall be prepared within the framework of the determined annual limits in accordance with the determined fiscal strategy and shall constitute an integral part of the Budget of the Republic of North Macedonia.

(4) The Assembly of the Republic of North Macedonia shall vote separately for the part of the Budget of the Republic of North Macedonia allocated to the State Audit Office.

Article 13

(1) The salary of the General State Auditor and the deputy shall be determined in accordance with the regulations on salaries of appointed and elected officials.

II-a. EMPLOYEES IN THE STATE AUDIT OFFICE

Article 13-a

(1) The employees in the State Audit Office shall have the status of administrative servants or auxiliary-technical persons.

(2) The administrative servants referred to in paragraph (1) of this Article may be:
- authorized state auditors, that is, state auditors who conduct state audit or
- civil servants who carry out administrative activities aimed at fulfillment of the competences of the State Audit Office determined by this Law.

(3) The provisions of the Law on Administrative Servants and the general regulations on labor relations shall apply to the issues that refer to the labor relation of the employees referred to in paragraph (2) line 1 of this Article and that are not regulated by this Law and by the collective agreement.

(4) The provisions of the Law on Administrative Servants shall apply to the issues that refer to the labor relation of the employees referred to in paragraph (2) line 2 of this Article.

(5) Auxiliary-technical persons shall be the employees in the State Audit Office who carry out activities related to maintenance, transport, as well as other auxiliary and technical activities, and the general regulations on labor relation shall apply to them.

Article 13-b

(1) The following levels shall be determined and shall be described by the following positions regarding the authorized state auditors, that is, state auditor:

1) category B authorized state auditor:

- level B1 advisor to the General State Auditor,
- level B2 assistant to the General State Auditor,
- level B3 head of audit,
- level B4 assistant to the head of audit, and

2) category B state auditors:

- level B1 independent auditor,
- level B2 senior auditor,
- level B3 auditor, and
- level B4 junior auditor.

(2) The examination for acquiring the position of an authorized state auditor shall be the only professional examination which shall represent a special requirement for filling the job of category B.

Article 13-c

(1) The salaries of the authorized state auditors, that is, state auditors shall be determined based on coefficients, that is:

- level B1 coefficient of 3.40,
- level B2 coefficient of 3.30,
- level B3 coefficient of 3.10,
- level B4 coefficient of 3.00,
- level B1 coefficient of 2.90,
- level B2 coefficient of 2.70,
- level B3 coefficient of 2.50, and
- level B4 coefficient of 2.00.

(2) The value of the salary basis shall be determined by the General State Auditor within the framework of the determined budget of the State Audit Office.

(3) The administrative servants that do not conduct state audit shall receive a salary in accordance with the Law on Administrative Servants.

III. PROCEDURE FOR ACQUIRING THE POSITION OF AUTHORIZED STATE AUDITOR

Article 14

In order to acquire the position of an authorized state auditor, the person should fulfill the following requirements:

- 1) to be a citizen of the Republic of North Macedonia;
- 2) to hold a four year university degree VII/1 or to have studied according to the Bologna Declaration and to have 240 credits according to the European Credit Transfer System (ECTS) in the field of economic, legal sciences, information technology or other appropriate education for conducting an audit;
- 3) to have passed an examination for acquiring the position of an authorized state auditor or to have a certificate for an authorized state auditor, and
- 4) to give a statement that, while performing the work, he/she shall apply the rules determined in the INTOSAI Code of Ethics.

Article 15

(1) A person having at least five years of work experience in accounting or finance, that is, three years of work experience in audit or control activities may take the examination for acquiring the position of an authorized state auditor.

(2) The time spent in practice for the purpose of professional training in the State Audit Office and in audit companies, with regard to the requirements for taking the examination, shall be considered as time spent at work in these institutions.

Article 16

(1) A professional examination for acquiring the title of an authorized state auditor (hereinafter: professional examination) may be taken by persons who meet the requirements referred to in Article 14 of this Law.

(2) The professional examination shall consist of two parts, that is:
1) first part (theoretical part), based on which the theoretical knowledge of the candidates is checked, and
2) second part (case study), based on which the abilities for application of the laws in practice is checked.

(3) The first part of the professional examination shall be taken in writing via electronic means, by answering a particular number of questions in a form of doing an electronic test on a computer.

(4) The first part of the professional examination shall be taken in the following subjects:
1) audit methodology;
2) application of international accounting standards;
3) introduction to information systems and technology;
4) state auditors code of ethics; and
5) constitutional system of the Republic of North Macedonia and legislation (state audit, organization of the state administration, administrative servants, payment of salaries, labor relations, public procurement, obligations, tax system, accounting of budgets and budget users and of public enterprises).

(5) The second part of the professional examination shall consist of:
1) a case study;
2) questions that the candidate should answer based on the case study analysis and/or
3) problems that the candidate should solve based on the case study analysis.

(6) The State Audit Office shall determine and publish on the website the detailed contents of each of the subjects for the first part of the professional examination in accordance with paragraph (4) of this Article.

(6) The General State Auditor shall prescribe which subjects shall consist of both the first part of the professional examination and the second part in accordance with paragraph (5) of this Article.

Article 17

(1) The professional examination shall be taken according to a program which includes the material, the regulations, and the literature.

(2) The program for taking the professional examination for the subjects referred to in Article 16 of this Law shall be adopted by the General State Auditor.

Article 17-a

(1) Educators engaged by the State Audit Office shall deliver training in the subjects from the syllabus. An educator may be a person with a university education and a work experience of ten years in the corresponding field in which he/she is to give a lecture. Recognized experts in the practice from the country and abroad may participate in the training delivery.

(2) The question and/or problem databases for the professional examination shall be prepared by the educators referred to in paragraph (1) of this Article.

(3) The questions for the professional examination shall be verified by a Commission for Conducting a Professional Examination (hereinafter: the Commission) composed of:
1) two persons authorized by the Minister of Finance and
2) three persons authorized by the General State Auditor.

(4) The manner of establishment and operation of the Commission referred to in paragraph (3) of this Article shall be in details prescribed by the General State Auditor.

(5) The Commission referred to in paragraph (3) of this Article shall also, at least two times a year, review and update the question databases referred to in Article 17-o paragraph (6) of this Law.

(6) In the course of reviewing, the Commission shall particularly take into consideration the amendments of the regulations on which the question is based, the number of candidates that delivered their answers, the success in answering them, as well as other criteria that may influence the improvement of the quality of the question database.

(7) Based on the completed review of the question database, the Commission shall decide to amend or completely remove and replace with new ones at least 30% of the questions from the databases.

(8) The educators and the members of the Commission referred to in paragraphs (1) and (3) of this Article shall be entitled to remuneration determined by the General State Auditor.

(9) The amount of the remuneration referred to in paragraph (8) of this Article shall be determined based on the number of questions prepared, as well as on the complexity of the subject.

(10) The annual amount of the remuneration referred to in paragraph (8) of this Article shall not exceed the amount of two average salaries paid in the Republic of North Macedonia in the previous year, published by the State Statistical Office.

Article 17-b

(1) The professional and administrative activities necessary for conducting the professional examination shall be carried out by the State Audit Office, for the purpose of which the General State Auditor shall designate a responsible person who is to establish whether the candidate meets the requirements for taking the examination, and the examination shall be technically implemented by a legal entity registered in the Central Register of the Republic of North Macedonia selected by the Commission.

(2) The responsible person referred to in paragraph (1) of this Article shall be entitled to remuneration for every examination session held in the amount of one third of the average net salary in the Republic of North Macedonia and the State Audit Office shall adopt a decision thereof.

Article 17-c

(1) The training and the professional examination shall be conducted based on a need established by the State Audit Office, but once a year at least.

(2) The State Audit Office shall inform the interested candidates, by publishing an announcement in the daily newspapers and on its website, about the time and place of the training delivery, that is, of the holding of the professional examination.

(3) If there are not at least five candidates, the State Audit Office may not deliver the training, that is, hold the examination.

Article 17-d

The procedure for conducting the examinations in the subjects referred to in Article 16 paragraph (4) of this Law shall be prescribed in detail by the General State Auditor.

Article 17-e

The professional examination shall be taken upon completion of the training in each subject separately.

Article 17-f

(1) The candidate shall file the request for taking the professional examination to the State Audit Office.

(2) In addition to the request for taking the professional examination, the candidate shall also be obliged to present proofs of meeting the requirements for taking the professional examination, prescribed by this Law.

Article 17-g

(1) The State Audit Office shall determine, by a decision, whether the candidate meets the requirements for taking the professional examination.

(2) An administrative dispute before a competent court may be initiated against the decision rejecting the request for taking the professional examination, within a period of 30 days as of the day of receipt of the decision.

Article 17-h

(1) The candidate must be allowed to take the professional examination in the first following session as of the day the request for taking the professional examination is adopted.

(2) The candidate shall be obliged, within a period of five days as of the receipt of the information referred to in paragraph (1) of this Article, to inform about his/her participation in the professional examination by an e-mail.

Article 17-i

(1) The professional examination shall be taken in premises for taking the examination, equipped especially for holding the professional examination with material, technical, and IT equipment, internet connection, and equipment for recording the course of the examination.

(2) The candidates who have been approved the request for taking the examination and the public shall be informed about the date and time of holding the professional examination through the website of the State Audit Office and the Public Radio Broadcasting Service at least eight days prior to the holding of the examination.

(3) The taking of the professional examination shall be recorded and live streamed on the website of the State Audit Office, and if the recording is interrupted due to technical reasons, the recording of the entire examination shall be posted on the website of the State Audit Office.

(4) The legal entity that carries out the professional examination should fulfill the requirements regarding the space, and regarding the material, technical and IT equipment in the premises for taking the professional examination which shall be prescribed by the General State Auditor.

(5) Two authorized representatives from the State Audit Office, the members of the Commission referred to in Article 17-a paragraph (3) of this Law, one representative from the Ministry of Finance, one representative from the Government of the Republic of North Macedonia on a proposal of the Office of the President of the Government of the Republic of North Macedonia, and one computer engineer proposed by the Ministry of Information Society and Administration shall be present in the premises for taking the professional examination.

(6) The representatives referred to in paragraph (5) of this Article shall be entitled to remuneration for every examination session held in the amount of one third of the average net salary in the Republic of North Macedonia and the State Audit Office shall adopt a decision thereof.

(7) The authorized legal entity which conducts the examination technically shall be obliged to block the radio frequency range in the premises for holding the examination during the examination sessions.

(8) The Agency for Electronic Communications (hereinafter: AEC) shall continuously monitor the blocking of the radio frequency range in the premises for holding the examination in order to prevent any kind of electronic communication with the surrounding outside the premises for holding the examination.

(9) AEC shall install measurement equipment in the premises for holding the examination which shall provide electronic record of the measurements made in duration of 30 days and they shall be stored in the central control system of AEC.

(10) AEC shall form a three-member commission which shall prepare a report based on the electronic records stored in the central control system of AEC and it shall deliver it to the State Audit Office within a period of 15 days as of the completion of the examination session at the latest.

Article 17-j

(1) Prior to the beginning of the professional examination, an authorized representative from the State Audit Office shall establish the identity of the candidate by checking his/her personal identity card or travel document.

(2) During the first part of the professional examination, the candidate shall not be allowed to use laws, laws with commentary and explanation, mobile phone, portable computer devices, and other technical and IT devices, previously prepared objects, and alike.

(3) During the second part of the professional examination, the candidate shall only be allowed to use laws (without commentaries and explanations) which are available in an electronic version on the computer on which the candidate is taking the examination, a calculator and a pen.

(4) During the first and the second part of the professional examination, the candidate shall not be allowed to contact other candidates or persons, except the computer engineer referred to in Article 17-i paragraph (5) of this Law in the event of experiencing a technical problem with the computer.

(5) If the technical problems with the computer are eliminated within a period of five minutes, the examination shall continue, but if they are not eliminated within this period, the examination shall be discontinued only for that candidate, and it shall be hold within a period of three days at the most as of the day of discontinuation of the examination.

(6) In case of problems with more than five computers and the problems are not eliminated within a period of five minutes, the examination shall be discontinued for all of the candidates that are taking the examination, and it shall be hold within a period of three days at the most as of the day of discontinuation of the examination.

(7) If the candidate acts contrary to paragraphs (2), (3), and (4) of this Article in the course of taking the first and the second part of the examination, he/she shall not be allowed to continue the examination in that examination session and he/she shall be imposed a prohibition on taking the professional examination in duration of three years, and the State Audit Office shall adopt a decision thereof against which an administrative dispute may be initiated before a competent court within a period of 30 days as of the day of receipt of the decision.

(8) In the cases referred to in paragraph (7) of this Article, it shall be regarded that the candidate has not passed the professional examination which shall be stated in the minutes of the course of the examination.

(9) In the course of the professional examination, the persons referred to in Article 17-i paragraph (5) of this Law must not be in the immediate surroundings of the candidate who is taking the professional examination for more than five seconds, except for elimination of a technical problem when they cannot stay longer than five minutes.

Article 17-k

(1) If justified reasons arise in the course of training delivery and taking the professional examination due to which the candidate cannot attend, that is, take the examination (illness, maternity leave, study abroad, and alike), the training and the professional examination shall be postponed for a particular period of time, which cannot be longer than six months.

(2) The decision to continue the professional examination shall be adopted by the General State Auditor upon a request of the candidate. The request shall be filed no later than a period of eight days as of the termination of the reasons for postponing the professional examination, but within a period of six months at the most.

(3) If the candidate does not file a request for continuation of the professional examination for an authorized state auditor within the deadline set out in paragraph (2) of this Article, it shall be considered that the professional examination is not passed.

(4) The candidate may initiate an administrative dispute before the competent court against the decision of this General State Auditor referred to in paragraph (2) of this Article within a period of 30 days as of the receipt of the decision.

(5) In the case referred to in paragraph (2) of this Article, the candidate shall not take that part of the examination that he/she has already passed.

Article 17-l

(1) The professional examination shall commence by taking the first part of the examination.

(2) The second part of the examination shall be taken within a period of at least 15 days following the successful passing of the first part.

(3) The General State Auditor shall prescribe in detail the manner of scoring the first and the second part of the examination.

Article 17-m

(1) The first part of the examination shall be taken for every subject listed in Article 16 paragraph (4) of this Law having five multiple-choice answers out of which one shall be correct, two shall be similar, and two shall be false.

(2) The candidate must pass all the examinations from the first part in three consecutive sessions at the most.

(3) If the candidate does not pass the first part of the examination in accordance with paragraph (2) of this Article, it shall be considered that he/she has not passed the examination.

Article 17-n

(1) The number of questions and/or problems and the manner of taking the second part of the professional examination shall be prescribed in detail by the General State Auditor.

(2) The candidate must pass the second part in two consecutive sessions upon completion of the theoretical part.

(3) If the candidate does not pass the second part of the professional examination in accordance with paragraph (2) of this Article, it shall be considered that he/she has not passed the professional examination.

Article 17-o

(1) The taking of the first part of the professional examination shall be done by answering a number of questions in a form of doing an electronic test on a computer.

(2) The questions in the test, depending on the complexity, shall be scored by points determined in the test.

(3) The taking of the second part of the professional examination shall be done by analyzing the case study in the field of the subject and by answering a number of questions and/or solving problems that the candidate should answer, that is, solve based on the case study in a form of an electronic software solution. The problems that are an integral part of the second part of the professional examination shall be solved in writing on a paper.

(4) The manner of scoring the questions from the second part of the professional examination shall be prescribed in detail by the General State Auditor.

(5) The questions contained in the tests of the first part of the professional examination and their answers, the case study and the questions deriving from the case study and their answers, as well as the problems and their solutions, provided that they are in electronic form, shall be stored in a single electronic system for taking the professional examination.

(6) The electronic system referred to in paragraph (5) of this Article shall also contain a publicly accessible database of at least 500 questions in the subjects referred to in Article 16 paragraph (4) of this Law for the needs of the first part of the examination out of which 50% derive from the professional literature, as well as a publicly accessible database of at least 50 case studies, questions and problems for the needs of the second part of the professional examination.

(7) The electronic system shall also contain reference to the regulations and the literature in which the answers to the questions from the first part of the professional examination and the regulations for the second part of the professional examination are found.

(8) The results from the first part of the professional examination for an authorized state auditor shall be available to the candidate on the computer on which he/she is taking the examination, immediately upon its completion.

(9) The results from the second part of the professional examination shall be available to the candidate within a period of five days as of the day of taking the examination at the latest.

(10) The candidate who has not passed the second part of the professional examination, as well as the candidate who considers that his/her answers are not properly scored, within a period of three days, may make an insight in his/her examination and send a written comment to the State Audit Office.

(11) The Commission referred to in Article 17-a paragraph (3) of this Law shall review the submitted written comments within a period of seven days as of the day of receipt of the comments at the latest and may make a correction of the number of scores, provided that it establishes that a mistake is made in the scoring.

(12) Upon expiry of the deadline for review of the comments, the State Audit Office shall publish an official list of candidates who have passed the examination on its website.

(12) The State Audit Office shall implement the single electronic system for taking the professional examination for an authorized state auditor.

Article 17-p

(1) On the day of taking the professional examination, the representative from the State Audit Office shall provide the candidate with an access code, that is, a password by which his/her access to the electronic system referred to in Article 17-o of this Law is approved.

(2) After being granted the access, the candidate shall be given an electronic test for the professional examination, computer-generated, the contents of which, by means of random sampling, is determined by the software of the electronic system referred to in Article 17-o paragraph (5) of this Law, from the databases referred to in Article 17-o paragraph (6) of this Law.

(3) The first and the second part of the professional examination shall contain an instruction for the manner of solving the examination, which shall be explained by the representative of the State Audit Office prior to the beginning of the examination.

(4) The electronic system for taking the professional examination cannot allow the existence of an identical content of an electronic test for the first part of the examination, that is, a case study and questions and/or problems for the second part of the examination in one session for more than one candidate.

Article 17-q

(1) In the event of prevention for holding the first or the second part of the professional examination, due to reasons that lead to a technical problem for functioning of the electronic system referred to in Article 17-o of this Law, the examination shall be terminated.

(2) If the reasons referred to in paragraph (1) of this Article are eliminated within a period of 60 minutes as of the termination of the examination, the examination shall continue immediately after their elimination.

(3) If the reasons referred to in paragraph (1) of this Article are not eliminated within the time period referred to in paragraph (2) of this Article, the examination shall be rescheduled for another date.

Article 17-r

(1) The total duration of the time determined for answering the questions from the first part of the test of the examination shall be 120 minutes for each of the subjects listed in Article 16 paragraph (4) of this Law.

(2) The candidate who earns at least 70% of the total envisaged positive points by giving correct answers to the questions from the test shall be considered to have passed the examination.

Article 17-s

(1) The total duration of the time determined for answering the questions and/or solving the problems from the case study shall be 120 minutes for each of the subjects listed in Article 16 paragraph (4) of this Law.

(2) The candidate who earns at least 70% of the total envisaged positive points shall be considered to have passed the examination.

Article 17-t

(1) The candidates who have passed the professional examination shall be issued a certificate within a period of 15 days as of the day of completion of the professional examination.

(2) The form and the contents of the certificate referred to in paragraph (1) of this Article shall be prescribed by the General State Auditor.

Article 17-u

On request of the candidate, the State Audit Office shall provide him/her with direct insight in the test.

Article 17-v

(1) The tests, the questions and the problems shall be used and shall be given to the candidates solely during the professional examination.

(2) The materials of the professional examinations held, particularly the paper versions of the tests and the problems for the professional examination and the specimens for checking the accuracy of the answers of the test and the problems, as well as the recordings of the professional examinations held, shall be kept in the State Audit Office.

(3) The General State Auditor shall establish a commission for review of the professional examinations held, which shall use the materials referred to in paragraph (2) of this Article in the course of its work. In addition to the other members, two persons from the Ministry of Finance shall mandatorily be members of the review commission.

(4) The commission referred to in paragraph (3) of this Article shall meet after every examination session held and shall review the manner of conducting the examination, including whether the examination has been taken by candidates who meet the requirements for taking the examination in accordance with Article 14 and Article 15 of this Law, and shall submit a report to the State Audit Office thereof.

(5) The members of the commission referred to in paragraph (3) of this Article shall be entitled to remuneration which, at annual level, amounts one average net salary in the Republic of North Macedonia, and the State Audit Office shall adopt a decision thereof.

(6) If the review commission establishes irregularities in the conducting of the professional examination for an authorized state auditor by individuals in terms of Article 17-j paragraph (5) of this Law, it shall propose revocation of the certificate referred to in Article 17-t of this Law.

(7) The General State Auditor shall adopt a decision on revocation of the certificate on the basis of the proposal of the review commission within a period of three days as of the receipt of the proposal.

(8) An administrative dispute before a competent court may be initiated against the decision referred to in paragraph (7) of this Article within a period of 30 days as of the receipt of the decision.

Article 17-w

(1) The candidate shall pay a charge for the training and the taking the professional examination.

(2) The amount of the charge referred to in paragraph (1) of this Article shall be set out by the General State Auditor based on the actual costs incurred for the training and the taking of the professional examination, required for conducting the first and the second part of the professional

examination, the preparation of the question databases, the conducting of the electronic test, the preparation of the materials and invitations, and the preparation of the certificates.

(3) The charge referred to in paragraph (1) of this Article shall be paid at the account of the State Audit Office.

(4) If the charge is not paid at the corresponding account of the State Audit Office within a period of 15 days prior to the day set out as beginning of the examination at the latest, the candidate shall not be allowed to take the professional examination.

(5) If the candidate fails to take the professional examination within a period of one year as of the day of payment of the funds, the paid funds shall be returned pursuant to law.

IV. CONDUCTING STATE AUDIT

Article 18

(1) The state audit shall be conducted in accordance with the audit standards of the International Organization of Supreme Audit Institutions (INTOSAI) and the rules determined in the INTOSAI Code of Ethics, published by the Minister of Finance in the "Official Gazette of the Republic of North Macedonia".

(2) The State Audit Office shall conduct regularity audit and performance audit.

Article 19

In terms of this Law, the state audit shall cover:

- 1) examination of documents and reports, accounting and financial procedures, electronic data and information systems and other records for the purpose of determining whether the financial reports present the financial position and the result of the financial activities truthfully and objectively in accordance with the accepted accounting principles and accounting standards;
- 2) examination and assessment of the reports of the conducted internal control and public internal financial control, examination and assessment of the financial management and control system;
- 3) examination of the financial transactions defined as public revenues and public expenditures in terms of legal and proper use of the funds;
- 4) assessment regarding the use of funds in terms of the achieved economy, efficiency and effectiveness,
- 5) assessment regarding the measures taken by the entities subject to audit, in relation to the established conditions and given recommendations contained in the final audit report.

Article 20

(1) The authorized state auditor and the state auditor shall be obliged to conduct the state audit in accordance with Article 18 paragraph (1) of this Law.

(2) The authorized state auditor shall be an expert who holds a certificate for authorized state auditor and who meets the other requirements prescribed by this Law.

(3) The authorized state auditor shall conduct the audit in teams composed of state auditors. If any of the state auditors is prevented from conducting the audit, his/her replacement in the team shall be mandatorily appointed.

(4) The state auditor shall be an expert employed in the State Audit Office who directly carries out the tasks referred to in Article 19 of this Law, meets the requirements referred to in Article 14 points 1, 2, and 4 of this Law, and carries out audit activities under supervision of an authorized state auditor.

(5) The authorized state auditor and the state auditor shall have an official identification card to prove their official capacity and they shall be obliged to show it when conducting the audit.

(6) The authorized state auditor and the state auditor cannot be members of bodies of a political party, as well as members of a governing board, supervisory board or any other body in another entity.

Article 21

The authorized state auditor and the state auditor cannot conduct an audit if:

- 1) they have been employed or have been legal representatives of the entity subject to audit at least five years prior to conducting the audit;
- 2) they have participated in keeping the business books or have prepared the annual account and the financial reports of the entity subject to audit at least five years prior to conducting the audit;
- 3) they are spouses or unwed partners, blood relatives in vertical line up to third degree with the owner or the legal representative of the subject to audit, and
- 4) they are founders, stockholders or partners of the subject to audit.

Article 22

(1) The state audit shall be conducted of the Assembly of the Republic of North Macedonia, the President of the Republic of North Macedonia, the Budget of the Republic of North Macedonia and the budgets of the municipalities, the direct budget users, the indirect budget users, the public enterprises, the trade companies wherein the state is a dominant stockholder, the agencies and other institutions established by a law, the other institutions financed by public funds, the National Bank of the Republic of North Macedonia, the political parties financed by the Budget funds, the beneficiaries of European Union funds (except the system for implementation, management and control of the instrument for pre-accession assistance to the Republic of North Macedonia), and the beneficiaries of funds of other international institutions (hereinafter: subject to audit).

(2) The state audit, if required, shall be conducted in entities that are not covered by paragraph (1) of this Article, but are related to the entities subject to audit, have economic, financial or other type of interest and use funds that are public expenditures.

Article 23

(1) State audit of the Budget of the Republic of North Macedonia and of the budgets of the funds shall be mandatorily conducted once a year, and state audit of the other entities subject to audit referred to in Article 22 of this Law shall be conducted within the periods determined by the annual work program of the State Audit Office.

(2) For information purposes, the State Audit Office shall deliver the annual work program to the Assembly of the Republic of North Macedonia by December in the current year at the latest for the following year.

Article 24

(1) Prior to conducting the audit, the State Audit Office may request the entity subject to audit to provide all information necessary for conducting the audit, including documents, data or other information necessary for planning and conducting the audit.

(2) The entity subject to audit shall be obliged to provide the requested information referred to in paragraph (1) of this Article within a time period of five working days as of the day of submission of the request.

Article 25

(1) When conducting the state audit, the authorized state auditor and the state auditor shall have free access to the official premises and the property of the entity subject to audit, right to inspect the books, forms and other documents, electronic data and information systems, as well as right to request explanation from the representatives of the entity subject to audit about all issues of importance for the audit.

(2) The legal representative of the entity subject to audit shall be obliged to make available and to provide copies of the necessary documents, reports and the other records and to give other information necessary for conducting the state audit to the authorized state auditor and the state auditor.

(3) The entity subject to audit must not limit the scope of examination or obstruct the application of certain audit procedures. The State Audit Office shall be obliged to state this in the report in an appropriate manner, in accordance with the audit standards and to immediately notify the competent body that supervises the entity.

Article 26

(1) The legal representative of the entity subject to audit shall be obliged to make available the documents marked as classified information to the authorized state auditor, that is, the state auditor in a manner determined by law.

(2) The authorized state auditor and the state auditor shall be obliged to treat the classified information in accordance with the provisions of the Law on Classified Information.

(3) The authorized state auditor and the state auditor must not use the findings they have come across when conducting the state audit for gaining property or other benefit for themselves or other entity.

(4) The provisions referred to in paragraphs (2) and (3) of this Article shall also apply to the engaged experts who are not employed at the State Audit Office.

Article 27

When conducting the audit, the State Audit Office may engage professionals and experts in the field of audit.

Article 28

The authorized state auditor and the state auditor cannot be held liable for the opinion given in relation to the exercise of their official powers.

Article 29

The authorized state auditor shall prepare a special audit report in accordance with the Law on Classified Information for the data and findings that the authorized state auditor, that is, the state auditor come across when conducting the state audit, which are of special interest for the Republic of North Macedonia and are classified information.

V. PROCEDURE FOR ADOPTION OF A FINAL AUDIT REPORT

Article 30

(1) Upon completion of the audit, the authorized state auditor shall prepare a draft audit report that is submitted to the legal representative of the entity subject to audit and to the person who has been responsible in the entity subject to audit during the period for which the audit is conducted.

(2) The persons referred to in paragraph (1) of this Article may submit comments to the State Audit Office within a period of 30 days as of the day of receipt of the draft report.

(3) The authorized state auditor shall prepare a final audit report upon expiry of the deadline referred to in paragraph (2) of this Article.

(4) The reports referred to in paragraphs (1) and (3) of this Article should mandatorily be signed by at least one authorized state auditor and two state auditors auditors. **2**

Article 31

(1) The General State Auditor shall be obliged to deliver the reports referred to in Article 30 of this Law to the legal representative of the entity subject to audit, to the person who has been responsible in the entity subject to audit during the period for which the audit is conducted, and to the bodies competent for supervision and control of the operation of the entity subject to audit.

(2) The General State Auditor shall publish the final audit reports and the comments submitted by the persons referred to in Article 30 paragraph (1) of this Law on the website of the State Audit Office.

Article 32

The legal representative of the entity subject to audit shall be obliged to notify the State Audit Office and the body competent for supervision and control of the measures taken in relation to the findings and the recommendations contained in the audit reports within a period of 90 days as of the day of receipt of the final report.

VI. REPORTS

Article 33

(1) The State Audit Office shall prepare an annual report about the conducted audits and the operation of the State Audit Office.

(2) The State Audit Office shall submit the report referred to in paragraph (1) of this Article to the Assembly of Republic of North Macedonia for consideration by 30 June in the current year for the previous year at the latest.

(3) The Assembly of the Republic of North Macedonia shall review the report referred to in paragraph (1) of this Article and shall adopt conclusions.

(4) The final audit reports referred to in Article 30 paragraph (3) of this Law shall be submitted to the Assembly of the Republic of North Macedonia.

Article 34

Upon expiry of each fiscal year, and prior to the adoption of the annual account of the Budget of the Republic of North Macedonia, the State Audit Office shall prepare an audit report about the Budget of the Republic of North Macedonia and shall submit it to the Assembly of the Republic of North Macedonia.

VII. COOPERATION

Article 35

If during the audit, the authorized state auditor assesses that the entity subject to audit has perpetrated a misdemeanor or a crime, he/she shall be obliged to immediately notify the competent bodies.

Article 36

The entities keeping administrative records, registers and databases and the entities responsible for payment operations shall be obliged to submit the data on the entities subject to state audit to the authorized state auditor in the manner determined by law.

Article 37

In conducting the audit, the State Audit Office shall cooperate with the international organizations of the supreme audit institutions and the supreme audit institutions of other countries.

VIII. AUDIT OF THE OPERATION OF THE STATE AUDIT OFFICE

Article 38

(1) An audit company licensed to conduct auditing activities in accordance with the Audit Law shall conduct an audit of the operation of the State Audit Office.

(2) The selection of the audit company shall be made by the Assembly of the Republic of North Macedonia on the basis of a previously conducted procedure in accordance with the Law on Public Procurement.

(3) The compensation for the conducted audit shall be borne by the Assembly of the Republic of North Macedonia.

(4) The audit company shall have access to all accounting records of the State Audit Office.

(5) The report of the conducted audit shall be submitted to the Assembly of the Republic of North Macedonia and the State Audit Office by 30 June in the current year at the latest.

(6) The Assembly of the Republic of North Macedonia shall review the report of the conducted audit by the audit company together with the report referred to in Article 33 paragraph (1) of this Law.

IX. MISDEMEANOR PROVISIONS

Article 39

(1) Fine in the amount of Euro 500 to 1.000 in Denar counter-value for an entity subject to audit micro trader, of Euro 1.000 to 1.500 in Denar counter-value for an entity subject to audit small trader, of Euro 1.500 to 2.500 in Denar counter-value for an entity subject to audit middle-sized trader, and of Euro 2.500 to 3.500 in Denar counter-value for an entity subject to audit large trader, shall be imposed for a misdemeanor on the legal entity if:
1) it fails to make available the necessary documents, reports and other information necessary for conducting the state audit to the authorized state auditor, that is, the state auditor (Article 25 paragraph (2)), and
2) the entity subject to audit limits the scope of examinations or obstructs the application of certain audit procedures by the auditor (Article 25 paragraph (3)).

(2) Fine in the amount of Euro 100 to 250 in Denar counter-value shall be imposed on an entity subject to audit - sole proprietor for the misdemeanors referred to in paragraph (1) of this Article.

(3) Fine in the amount of Euro 300 to 500 in Denar counter-value shall be imposed on the responsible person in the legal entity for the misdemeanors referred to in paragraph (1) of this Article.

Article 39-a

3

(1) Fine in the amount of Euro 500 to 1.000 in Denar counter-value for a micro trader, of Euro 1.000 to 1.500 in Denar counter-value for a small trader, of Euro 1.500 to 2.500 in Denar counter-value for a middle-sized trader, and of Euro 2.500 to 3.500 in Denar counter-value for a large trader, shall be imposed on the authorized legal entity that conducts technically the examination referred to in Article 17-b of this Law, provided that:

- it does not record the examination, does not live-stream it on the website of the State Audit Office, and it does not post the recording of the whole examination on the website of the State Audit Office in accordance with Article 17-i paragraph (3) of this Law;
- it does not discontinue the examination in accordance with Article 17-j paragraphs (5) and (6) of this Law;
- it does not block the radio frequency range in the premises for holding the examination in accordance with Article 17-i paragraph (3) of this Law.

(4) Fine in the amount of Euro 100 to 250 in Denar counter-value shall be imposed on the responsible person in the legal entity for the misdemeanors referred to in paragraph (1) of this Article.

Article 39-b

Fine in the amount of Euro 500 in Denar counter-value shall be imposed on the General State Auditor if he/she does not adopt the decision within the deadline referred to in Article 17-v paragraph (7) of this Law.

Article 39-c

Fine in the amount of Euro 250 in Denar counter value shall be imposed on the responsible person referred to in Article 17-b paragraph (1) of this Law if he/she allows a candidate who does not meet the prescribed requirements under this Law to take the examination.

Article 39-d

Fine in the amount of Euro 100 in Denar counter value shall be imposed on the candidate who acts contrary to Article 17-j paragraphs (2), (3) and (4) of this Law.

Article 39-e

Fine in the amount of Euro 100 in Denar counter value shall be imposed on the members of the Audit Commission referred to in Article 17-v paragraph (3) of this Law, provided that they establish irregularities in the course of the examination, but they do not note that in the report to the State audit Office.

Article 40

Fine in the amount of Euro 500 in Denar counter-value shall be imposed on an authorized state auditor, that is, state auditor if he/she fails to conduct the state audit in accordance with Article 20 paragraph (1) of this Law.

Article 40-a

Fine in the amount of Euro 100 in Denar counter-value shall be imposed on an authorized representative referred to in Article 17-i paragraph (5) of this Law if he/she allows a candidate to act contrary to Article 17-j paragraphs (2), (3), (4) and (9) of this Law during the examination.

Article 41

A misdemeanor procedure shall be conducted and misdemeanor sanctions shall be imposed for the misdemeanors laid down in this Law by a competent court.

Article 41-a

The amount of the fine for the legal entity shall be determined in accordance with the Law on Misdemeanors.

X. TRANSITIONAL AND FINAL PROVISIONS

Article 42

(1) The General State Auditor, within a period of three months as of the day of entry into force of this Law, shall adopt the regulations anticipated by this Law.

(2) Until the adoption of the regulations referred to in paragraph (1) of this Law, the existing regulations shall apply.

Article 43

The General State Auditor elected prior to the entry into force of this Law shall continue to exercise the function until the expiry of the term of office for which he/she has been elected.

Article 44

As of the day this Law enters into force, the Law on State Audit ("Official Gazette of the Republic of Macedonia" nos. 65/97, 70/2001, 31/2003, 19/2004, 73/2004, 70/2006 and 133/2007) shall cease to be valid.

Article 45

This Law shall enter into force on the eight day as of the day of its publication in the "Official Gazette of the Republic of Macedonia".

PROVISIONS	OF	OTHER	LAWS
Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 145/2010): Article			7
The General State Auditor shall harmonize the acts referred to in Article 9 point 11 of this Law with the provisions of this Law within a period of two months as of the day of entry into force of this Law.			
Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 12/2014): Article			7
The bylaws of this Law shall be adopted within a period of six months as of the day of entry into force of this Law at the latest.			
Article			8
The single electronic system for taking the examination for an authorized state auditor shall be implemented within a period of one year as of the day of entry into force of this Law.			
Article			9
The initiated procedures for taking the examination for an authorized state auditor up until the day of application of the provisions on taking the examination in accordance with this Law shall end in accordance with the provisions of the regulations under which it has started.			

Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 12/2014):

Article 10

This Law shall enter into force on the eight day as of the day of publication in the "Official Gazette of the Republic of Macedonia" and Articles 1, 2, 3, 4, 5, 6 and 7 shall start to apply one year after the day of entry into force of this Law.

Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 43/2014):

Article 8

The General State Auditor, that is, the deputy who have been appointed before the beginning of application of Article 1 of this Law, shall continue to exercise the office until the expiry of the term of office for which they have been appointed.

Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 43/2014):

Article 9

The provisions of Article 1 of this Law shall start to apply one year as of the day of entry into force of this Law, except the provisions that refer to the requirement for knowledge of a foreign language which shall start to apply two years as of the day of entry into force of this Law.

Article 10

This Law shall enter into force on the eight day as of the day of its publication in the "Official Gazette of the Republic of Macedonia", except the provisions of Articles 3, 4 and 5 of this Law which shall start to apply as of the beginning of application of the Law on Administrative Servants ("Official Gazette of the Republic of Macedonia" no. 27/2014).

Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 154/2015):

Article 5

This Law shall enter into force on the day of its publication in the "Official Gazette of the Republic of Macedonia".

Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 27/2016):

Article 2

This Law shall enter into force on the day of its publication in the "Official Gazette of the Republic of Macedonia".

Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 83/2018):

Article 2

The provisions of Article 5 paragraph (2) point 4) of the Law on State Audit ("Official Gazette of the Republic of Macedonia" nos. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15 and 27/16) and the provisions of Article 1 of this Law which adds a new line 6 in Article 5 paragraph (2) point 4) shall not apply in the period between the day of entry into force of this Law and 1 September 2018.

Law Amending the Law on State Audit ("Official Gazette of the Republic of Macedonia" no. 83/2018):

Article 3

The General State Auditor, that is, the deputy who is appointed in the period between the day of entry into force of this Law and 1 September 2018 shall be obliged to meet the requirement for knowledge of a foreign language within a period of one year as of the day of his/her appointment at the latest. The term of office of the General State Auditor, that is, the deputy who is not going to meet the requirement for knowledge of a foreign language within the deadline set out in paragraph 1 of this Article shall terminate.

Law Amending the Law on State Audit ("Official Gazette of the Republic of North Macedonia"
no. 122/2021):

Article 10

The misdemeanor procedures initiated by the day of entry into force of this Law shall end in accordance with the provisions of the Law on State Audit ("Official Gazette of the Republic of Macedonia" nos. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16 and 83/18).