



ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА  
ENTI SHTETËROR I REVIZIONIT  
STATE AUDIT OFFICE



NATIONAL  
DEMOCRATIC  
INSTITUTE

Memorandum of Cooperation

between

National Democratic Institute (NDI)

and

State Audit Office of the Republic of North Macedonia (SAO)

05 May 2023



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## Executive summary

This Memorandum of Cooperation (hereinafter referred to as "MoC") is made on 05 May 2023, between

**THE NATIONAL DEMOCRATIC INSTITUTE**, Dimitrija Cupovski St 5, Skopje, Republic of North Macedonia (hereinafter referred to as "NDI")

and

**THE STATE AUDIT OFFICE**, Pavel Shatev St 2, Palata Emanuel Cuckov, 1000 Skopje, Republic of North Macedonia (hereinafter referred to as "SAO")

(hereinafter referred to singularly as "**Party**" and collectively as "**Parties**").

## WHEREAS:

- A. The National Democratic Institute is a non-profit, nonpartisan organization working to support and strengthen democratic institutions worldwide through citizen participation, openness and accountability in government. Since 1993 NDI has worked in North Macedonia with parliament, government, office of the president, political parties and civil society, and developed and implemented innovative, relevant and sustainable programs that thrive on partnership and teamwork.
- B. SAO is an independent supreme audit institution in the Republic of North Macedonia, which transparently, timely and objectively informs the public about the findings from conducted audits, with more than 20 years of experience. The mission of the institution is to communicate audit findings timely and objectively to the Parliament, the Government, other public institutions, and to provide effective recommendations to support the state institutions to improve the management of public funds, and thereby to improve the lives of the citizens of the Republic of North Macedonia.



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## 1. Objectives and areas of cooperation

The Parties have identified the following cooperation objectives:

- (a) strengthening cooperation with the Assembly of the Republic of North Macedonia for reviewing audit reports and
- (b) strengthening parliamentary oversight of the use of public funds, in line with the Memorandum on the Cooperation signed between SAO and the Assembly.
- (c) increased effectiveness of SAO work in performing regular auditing functions /management, protocol, soft skills and experience in executive transitions,
- (d) advancing digitalization through innovative tools and software solutions,
- (e) improved transparency and accountability.

More specifically, key activities foreseen to support the SAO are:

- (a) NDI will support SAO for developing and strengthening cooperation with other Supreme Audit Institutions in particular concerning performance audit, IT audit and IT audit support, the role of SAO in preventing corruption, forensic audit, experiences in strategic planning, monitoring action upon audit recommendations and execution of follow-up audit, risk-based approach and cost-benefit analysis in audit and experience in executive transitions;
- (b) NDI will support SAO for strengthening cooperation with the Assembly of the Republic of North Macedonia for reviewing audit reports and strengthening parliamentary oversight of the use of public funds, in line with the Memorandum on the Cooperation signed between SAO and the Assembly, in particular concerning:
  - strengthening cooperation with the Finances and Budget Committee, the Parliamentary Institute and the Parliamentary Budget Office;
  - defining training plan for MPs of the Finances and Budget Committee and other MPs participating in committees and the Assembly administration to facilitate understanding of audit reports and to prepare for debates on audit reports;
  - organizing trainings in line with the training plan for MPs and the Assembly administration to facilitate understanding of audit reports and to prepare for debates on audit reports (workshops, case studies, debate simulations).
- (c) NDI will support activities for strengthening cooperation between SAO and the Assembly of the Republic of North Macedonia in order to gain experience on good practice and positive effects of their cooperation. NDI will support the activities for



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adopting SAO Procedures for preparing and delivering audit reports and other documents to the Assembly of the Republic of North Macedonia;

- (d) NDI will support SAO activities to ensure full functional and financial independence of SAO in accordance with the international standards of supreme audit institutions. NDI will support activities in digitalization of SAO work processes using modern technology and strengthening SAO capacities aimed at improving data management systems, state audit efficiency, presenting results of performed audits in a clear, interactive and accessible manner for citizens, and improving the communication process with stakeholders, improved auditors' skills in IT, data analysis, data science graphic design, knowledge sharing platform and IT system support;
- (e) Support for increasing expertise and specialization of SAO auditors.

## 2. Project Management

- 2.1 All parties are committed to providing dedicated resources to liaise with each other on a regular basis (frequency of catch-ups to be agreed).
- 2.2 The collaborative working together will aim to ensure the delivery of the joint activities and manage operational issues.
- 2.3 On its end, SAO will:
  - Ensure final audit reports as well as joint reports are regularly submitted to the Assembly and shared with the Parliamentary Institute and the Parliamentary Budget Office;
  - Strive to strengthen cooperation with the Assembly by presenting audit reports to the Assembly in a friendly graphic manner and provide training to the Assembly, including the Parliamentary Budget Office / Parliamentary Institute on the audit methodology;
  - Share regular information with the Parliamentary Budget Office, Parliamentary Institute to improve its reports, products, work or other commitments;
  - Share necessary documentation relevant to the assignments;
  - Support the implementation of the joint activities by providing necessary guidance, information, logistics and similar.

## 3. Review

- 3.1 Representatives of the Parties will meet regularly during the implementation of above-mentioned activities to review and discuss the operation of the MoC and the joint initiatives arising from it.





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#### 4. General Terms

4.1 This MoC becomes effective when signed by both Parties.

4.2 Each Party must do everything necessary, or reasonably required by the other to give effect to this MoC and the activities contemplated by this MoC.

Signed in duplicate in two (2) original texts, each in English and Macedonian language, all texts being equally authentic. In case of any dispute, regarding the provisions of this MoC, the English version shall be binding.

**Signed for and on behalf of the National Democratic Institute (NDI):**



*Robert Scott Heaslet*  
**Robert Scott Heaslet**

Senior Resident Director

Date: 05 May, 2023

**Signed for and on behalf of the State Audit Office of Republic of North Macedonia (SAO):**



*Maksim Acevski*  
**Maksim Acevski Ms.C.**

Auditor General

Date: 05. May, 2023

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