



"SAI North Macedonia – main audit  
in financial statements of  
with focus on election campaign"

November 2024

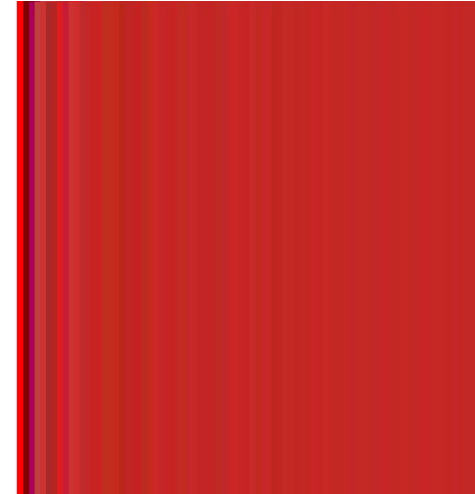


# OUR TEAM/ PRESENTERS

**Mirjana Boskoska**  
Tasevska M.Sc.,SCA,  
Principal Auditor



**Gorast Nikoloski**, Assistant  
Head of Audit, CSA



# Legal Framework and Methodology Acts



State Audit Law



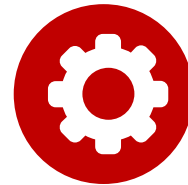
Law on financing of  
political parties



Electoral Code

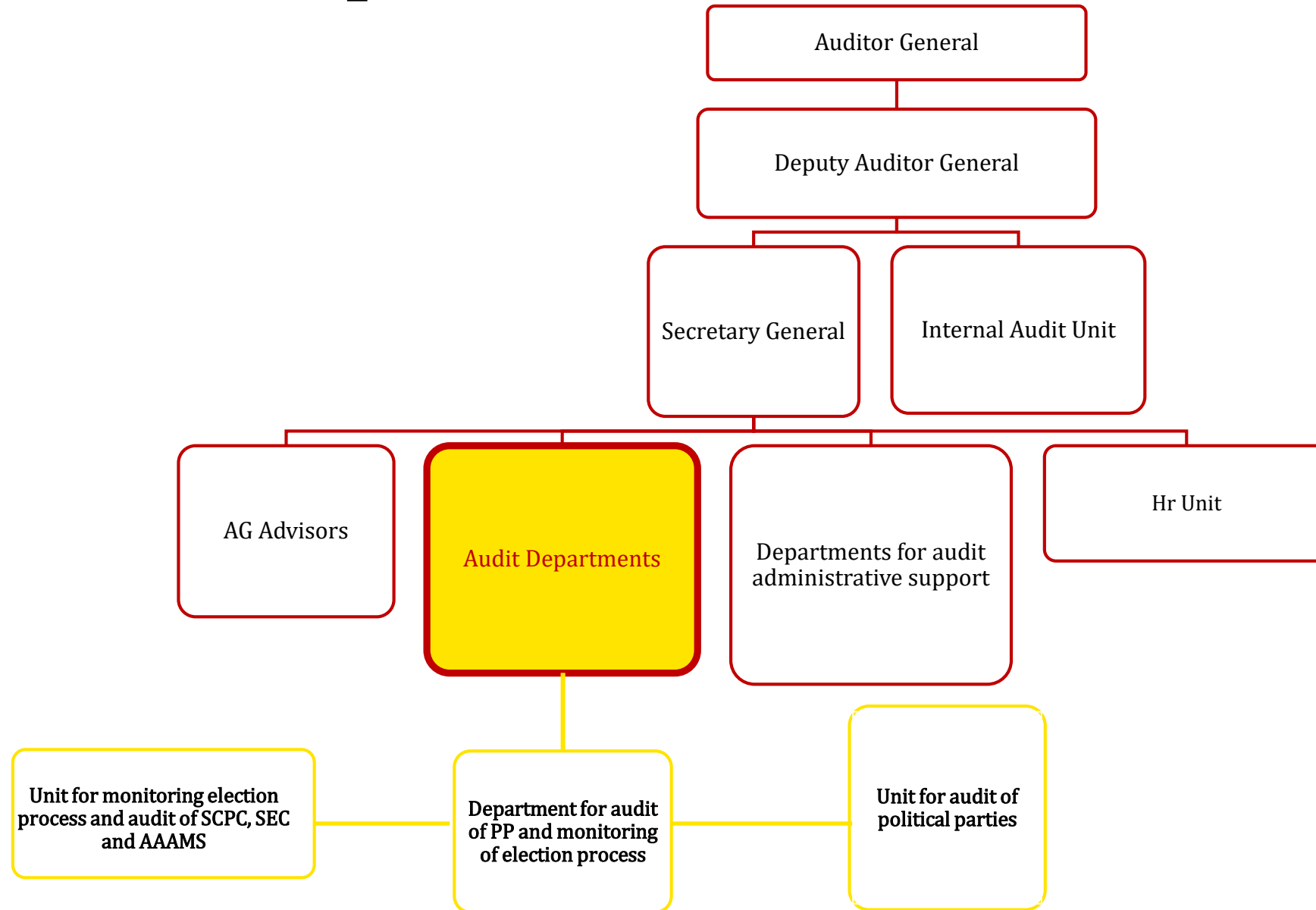


Manual for  
regularity audit of  
political parties



Manual for regularity audit  
of the financial report for  
election campaign

# Institutional Capacities



# Audit of annual financial statements of political parties (1)



**Political parties are financed from:**

- ✓ public sources
- ✓ private sources



The total public funds for annual financing of political parties amount to 0.15% of the total source revenues of the Budget of the Republic of North Macedonia.



Six largest political parties, which will cover 65% of the total public sources of funding for the Political parties in

# Audit of annual financial statements of political parties (2)



Political parties prepare annual financial statement till 31th of March and submit it to the State Audit Office and to the other institutions provided by law.



**State Audit Office is performing authorized state auditor reports on:**

- Regularity audit (financial audit together with compliance audit)
- Follow up audit of implementation of recommendations



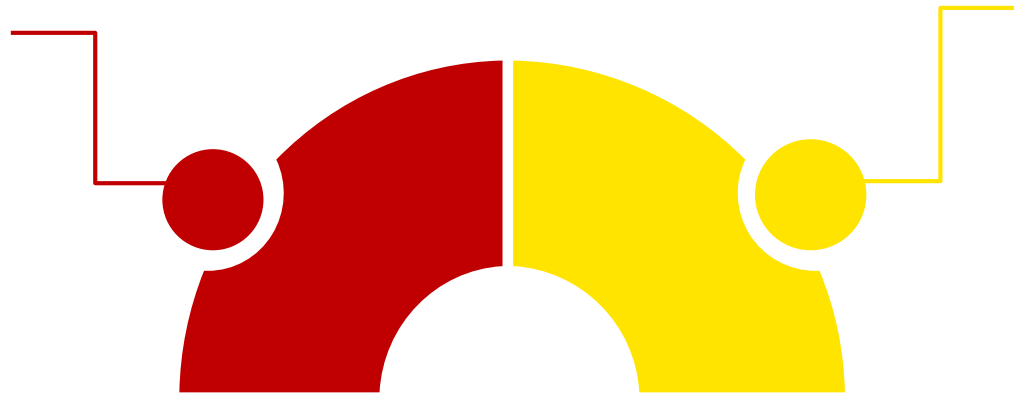
**in the Final Audit Report, the**

- inconsistencies and illegalities in the functioning, financing and realization of expenditure
- shortcomings that have impact on the operations in the following period
- systemic weaknesses in legislation

# Key findings in the final Audit Reports

## Key findings in the final Audit Reports

- conducting full and complete inventory of assets and liabilities
- enabling a confirmation to the method of collection, payment and recording of revenue based on membership fee
- structure of funding sources in terms of participation of private and public funding sources in concerning to the structure of funding

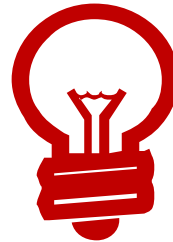


## Systemic weaknesses to the Law on Financing of Political Parties

- regulating the manner of payment and recording of membership fee for the purpose of uniformity in the accounting records and for confirmation of the legal limit for each member separately,
- defining preconditions and limitations when the political party receives donations in real estate as a type of tangible asset.

# AUDIT OF ELECTION CAMPAIGN

The funds for conducting the elections are provided by the Budget of the Republic of North Macedonia and are available to the State Electoral Commission.



The election campaign can be financed by funds from the regular account of the political party, membership fee, credits and donations from natural subjects and legal entities in limits provided by the Electoral Code.

The election campaign may not be financed by funds from the municipal budgets funds from foreign governments, international institutions, authorities and organizations of foreign states and other foreign persons public enterprises and public institutions from unidentified sources.



# Recommendations for overcoming systemic weaknesses (1)

## Electoral Code



To review and make more precise provisions on the financing of the election campaign with funds from the regular account of the political party



Prescribing measurable criteria for obtaining and allocating funds from central Budget intended for paid political advertising to ensure equal access to paid political advertising for all participants in the election process



To regulate organization, payment, monitoring and reporting to the competent authorities on the internet representation carried out by the participants in the election campaign through social media



To arrange conditions and criteria for the electronic media opportunity to apply for political advertising in the State Election Commission

# Recommendations for overcoming systemic weaknesses (2)



To reconsider the deadline for payment of donations, i.e. it is necessary to establish that donations should be paid no later than the day of the end of the election campaign



To determine competent authority for monitoring and reporting on the election campaign through internet portals



To regulate how donors will prove/confirm that they are not “related persons” with broadcasters, printed media and electronic media (internet portals) for financing or giving donations to political parties



To determine authority for conducting trainings related to financial reporting



# Cooperation with the Assembly of the Republic of North Macedonia

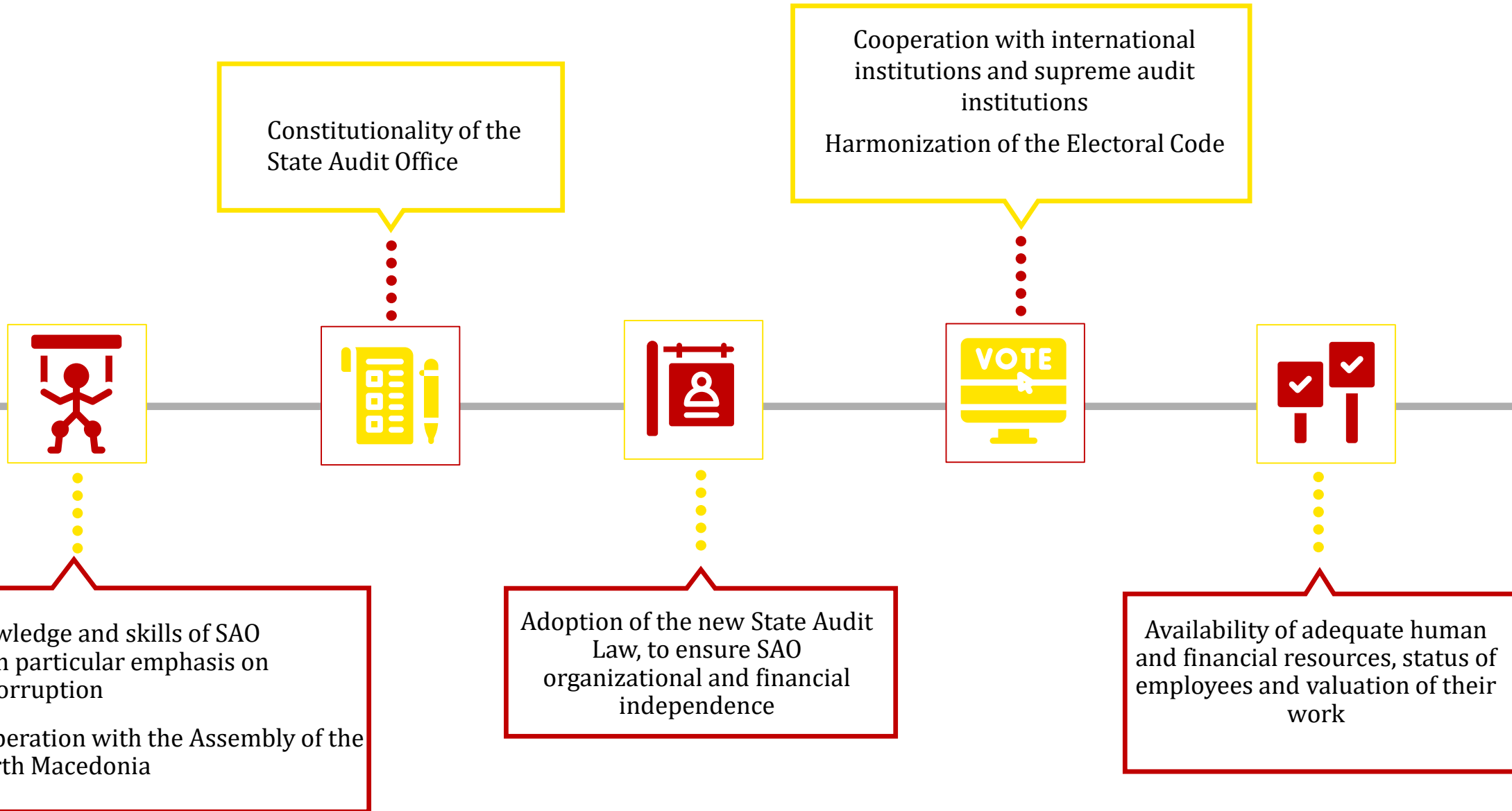
## For review by the Assembly

- SAO Annual Report on conducted audits and operation
- Final audit report on the Budget of the Republic of North Macedonia
- Final audit reports on conducted audits in line with SAO Annual Work Program
- Summary reports on a group of similar entities subject to audit

## For informing the assembly

- SAO Annual Work Program
- Joint activities for promotion of cooperation by organizing study visits, trainings, round tables, meetings, data exchange, etc.
- Joint participation in project activities.

# FUTURE PLANS





ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА

# THANK YOU FOR YOUR ATTENTION!



<https://www.dzr.mk>



[mirjana.boskoska@dzr.gov.mk](mailto:mirjana.boskoska@dzr.gov.mk)

[gorast.nikoloski@dzr.gov.mk](mailto:gorast.nikoloski@dzr.gov.mk)