

STOCKTAKING OF PUBLIC SECTOR ACCOUNTING
AND REPORTING ENVIRONMENT
IN PULSAR BENEFICIARY COUNTRIES

COUNTRY FACT SHEET:
NORTH MACEDONIA





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Reporting Reform**



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BUDGET



Budget available to public

Yes



Recognition Basis

Cash



Method of Publication

Within the Financial Statements as a comparison of budget and actual amounts



Regular in-year budget reporting

Yes



Comparability of budget execution reports and financial reports

Yes



Envisaged budget reforms

No answer



ACCOUNTING



Recognition Basis

Cash



Current accounting basis and reporting standard

Federal/central governmental institutions follow the Law of accounting (cash basis), while state owned entities follow National standards based on IFRSs



Financial reporting standard setter

Ministry of Finance



Coverage of Consolidation

Ministries and other federal/central government departments, agencies, independent boards and commissions, social security fund(s), regional and/or local government, SoEs

Envisaged Accounting reforms



Accounting basis

Cash transitioning to accrual



Reporting standard

No change

AUDIT

<input type="checkbox"/> Risk-based methodology and professional standards exist	Yes
<input type="checkbox"/> SAI opinion is provided	Yes, according to international standards
<input type="checkbox"/> Professional license or education required for audit personnel	Yes
<input type="checkbox"/> SAI conducts compliance audits	Yes
<input type="checkbox"/> SAI conducts performance audits	Yes
<input type="checkbox"/> External auditors have specific expertise in national public sector accounting standards	No

CAPACITY DEVELOPMENT & PROFESSIONAL EDUCATION

<input type="checkbox"/> The PAO contains a unit, membership tier, or committee focused on the Government Sector	No
<input type="checkbox"/> Government sector accountants subject to minimum CPD requirements	No
<input type="checkbox"/> Standards and/or frameworks that are followed in the delivery of PSA education	Bologna Process, ACCA, CIPFA

GOVERNMENT FINANCIAL STATISTICS

<input type="checkbox"/> International GFS Guideline	No answer
<input type="checkbox"/> Reconciliation between GFS & financial statement	No
<input type="checkbox"/> Frequency of GFS reporting	No answer

FINANCIAL MANAGEMENT INFORMATION SYSTEMS

<input type="checkbox"/> Elements of IFMIS	Budget Preparation and Execution, Treasury Single Account, Debt Management, Accounting and Reporting, Procurement
<input type="checkbox"/> Entities' degree of autonomy	Entities maintain their own ledgers and systems
<input type="checkbox"/> IT governance standards	There are no restrictions with regard to software
<input type="checkbox"/> IT system used for consolidation	Consolidation under a dedicated IT system such as an IFMIS

INSTITUTIONS & REGULATIONS

Mechanisms for implementation of standards & guidelines related to Public Financial Management

Financial reporting requirements	Law, Rulebooks
SoEs	No answer
CFS	Law, Regulation
External audit requirements	Law, Regulation

Required to follow a code of conduct

Internal auditors	Yes
Public sector accountants	No

PFM REFORM PLAN OR STRATEGY

Implementing of a modern integrated information system for public finance management, with an aim of improving the efficiency of working processes. The goal is to transform existing systems for Public Finance Management Systems (PIF), which are currently quite independent of each other and are systemically unrelated, into an integrated modern information system for public finance management, which can meet demands of the modern world. In this regard, the following activities are envisaged: Implementation of IBAN accounts; electronic recording of commitments, invoices and financial plans. The new module should allow recording of accounting transactions in the financial management system (liabilities, receivables, expenditures, revenues, capital and cash flows, financial inflows and outflows and assets) and preparation of the balance sheet, Statement of financial performance, trial balance and reports on the execution of the Budget on a cash basis and on accrual basis. Establishment of system for recording of current and non-current assets.

ACRONYMS

ACCA	Association of Chartered Certified Accountants
CIPFA	Chartered Institute of Public Finance and Accountancy
IFMIS	Integrated Financial Management Information System
SAI	Supreme Audit Institution
CFS	Consolidated Financial Statement
CPD	Continuing professional development
GFS	Government Financial Statistics
IFRS	International Financial Reporting Standards
IPSASs	International Public Sector Accounting Standards
PAO	Professional accountancy organization
PSA	Public Sector Accounting
SoEs	State-owned Enterprises



THE PULSAR PROGRAM IS

MANAGED BY:




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**Centre for Financial
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