

4th SMC IPARD III 2021-2027 Monitoring Committee Meeting – 03.12.2024 Skopje

Status from last third SMC held on 16 May 2024:

The activities carried out by the Audit Authority (AA) are in accordance with the three-year audit strategy (AS) 2024-2026, submitted last year (on 29.11.2023).

The AA is in the process of updating the AS which should be submitted by the end of this month (no later than 30/11/2024). In this audit strategy which is for the period 2025-2027, AA will describe the audit activities related to FY 2025.

Bearing in mind that in May 2024, we informed you about the activities carried out by AA, what I would like to share until today, these activities are in the process of performing:

- For the IPARD 2 Programme 2014-2020 – audit of operations for the first and second quarter for FY 2024 has been completed with the issuance of a Draft audit report to the entities subject to audit. In a course of December 2024, AA will issue a Final audit report;

- The ex-post audit for the IPARD 2 Programme has started, and it refers to the declared payments for FY 2019;

- For the IPARD 3 Programme 2021-2027 - the three system audits for the management and control system are planned to begin in December 2024 and follow up on the audit recommendations from the system audits for the IPARD 2 Programme.

With AS for period 2025-2027, AA will have to perform the following audit activities, with the aim of issuing the annual audit activity report and opinions for IPARD 2 and IPARD 3:

- For the IPARD 2 Programme 2014-2020 – audit of operations for the third and fourth quarter for FY 2024 financial audit and audit of the annual management declaration issued by the NAO for FY 2024;

- For the IPARD 3 Program 2021-2027 – audit of operations for declared costs in FY 2024 (there are already declared payments from the third quarter (for one project) and also, other payments are expected for the fourth quarter, as well) to be declared. Also, financial audit and audit of the annual management declaration issued by the NAO for FY 2024 will be performed.

According to the Law of the AA and the IPA regulation, AA must, no later than 15/03/2025, to prepare an Annual Audit Activity Report (AAAR) for the IPARD 3 Programme, as well as an Annual Audit Opinion (AAO) for IPARD 2 and IPARD 3.

During FY 2024, there was intensive communication between the involved parties subject to the audit, whereby with a written letter from DG Agri on 30/10/2024, R.N. Macedonia has been notified that the errors that were determined by AA, as of 15.03.2024, are below the materiality threshold. DG AGRI considers proposing dropping the financial correction, as the risk to the Fund is below the de minimis threshold, AA is expected official letter to be submitted in forthcoming days. Hence the scheduled bilateral meeting on 28/11/2024, which is normally held every year to clear the accounts, has been cancelled.

I would like to thank the employees in the IPARD Agency, NAO/MS in the MF, Managing Authority for their dedication and engagement, which in the past period was of exceptional importance for the success of the IPARD Programme.

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Skopje, 14 November 2024