



Audit Authority for audit of IPA

Information on controls – annual audit report

Status from last forth SMC held on 3 December 2024:

The activities carried out by the Audit Authority are in accordance with the three-year audit strategy (AS) for period 2024-2026 and the last AS for 2025-2027 which was submitted on 29.11.2024, where AA describe the audit activities related to FY 2024 and 2025. Bearing in mind that in December 2024, we informed you about the activities carried out by Audit Authority, what I would like to share until today, all audit activities were performed in order to issue annual audit report and opinions for FY 2024.

Audit Authority on 17/03/2025 Audit Authority issue an Annual Audit Activity Report (AAAR), as well as an Annual Audit Opinion (AAO) for IPARD II and IPARD III Programme:

- a) AAO for IPARD II Programme 2014-2020 for FY 2024, was issued without limitation on the audit scope, with Unqualified opinion for: reliability of the annual financial reports or statements/annual accounts and Qualified opinion for: legality and regularity of expenditure (the impact was above 2% of the total expenditure declared) and functioning of management and control systems in regard to weaknesses in supervision in the process of authorization of commitments and payments, payments made for investments which are not fully put in operation and which goals were not fulfilled, and for absence of a long-term retention and motivation policy.
- b) AAO for IPARD III Programme 2021-2027 for FY 2024 was issued with scope limitation in regard to the fact that Annual financial reports or statements were issued without electronical SAP (integrated accounting and finance software) and supporting accounting information. Based on this, we issued Qualified opinion that the annual financial reports or statements/annual accounts give a true and fair view, the expenditure declared to the Commission are legal and regular and the management and control systems put in place function properly, in regard to weaknesses in not having fully functional system for finance and accounting in NAO/MS and Agency, lack of supporting accounting evidence (SAP system is not functional for IPARD III Programme), absence of a long-term retention and motivation policy, insufficient number of employees in NAO/MS and Agency, vacant key positions in IPARD Agency.
- c) AAAR for FY 2024 was prepared for IPARD Programme II and III Programme, and this was specific for FY 2024, bearing in mind that eligibility period for IPARD II Programme was until 31/12/2024. Clearance of accounts for FY 2024 with DG AGRI is in process and for the next SMC we will inform about the progress done regarding findings which were established by audits.

I would like to thank the employees in the IPARD Agency and in NAO/MS for smooth and fast communication during first quarter of FY 2025 when Audit Authority daily requested documentation through electronic way in order to performed exhausting audit work in regard to finalizing needed audit activities.

Planned audit activities during FY 2025:

According to Audit Strategy 2025-2027 we will perform system audits (October-December 2025) and audits of operations only for IPARD III Programme and ex-post and debts for IPARD II Programme. According legal framework, at the latest in the





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months April/July 2025, NAO/MS will send the first and second declaration of expenditures (D1) to the DG Agri, and audits of operations will be carried out in period April – October 2025.

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Skopje, 25 April 2025



Co-funded by
the European Union

IPARD
ИПАРД Програма 2021-2027
IPARD Programme 2021-2027

Ко-финансирано од
Северна Македонија

