

IX. Other Activities of NBRM

9.1. Issuing Money and Coin Minting

Banknotes in denominations of Denar 10, 50, 100, 500, 1000 and 5000 are currently in circulation in the Republic of Macedonia. In 2000, 16 million banknotes in denominations of Denar 100 were printed.

The banknotes currently in circulation are made out of high quality paper and are protected with many security features like intaglio print, optically variable ink, window-thread, watermark, etc.

In 2000, a serial of 1000 sets in gold and silver "2000 years from the beginning of Christianity" was minted. Additionally, 3 million coins with the same design and in denomination of 1 Denar were minted and issued. The composition of the alloy is the same as of the regular coins.

9.2. Human Resources Policy

In 2000, the NBRM systematically and intensively continued to pay attention to the further professional upgrading of its own human resources potential. Namely, the necessary precondition for successful realization of the legislative obligations and tasks is to have skilled personnel.

During 2000, the NBRM personnel participated in numerous seminars and courses organized by the following Institutes and Central Banks: seminars in the IMF Institute held in Washington, USA; seminars in the Joint Vienna Institute organized by IMF, World Bank, EBRD, IBRD, OECD and WTO in Vienna, Austria; seminars in the Swiss Central Bank organized by the Study Center in Gerzensee, Switzerland; seminars in the Dutch Central Bank held in Amsterdam; seminars in the Central Bank of Germany held in Frankfurt; seminars in the Central Bank of France organized by the International Institute for Banking and Finance held in Paris; seminars in the Central Bank of England organized by the Central Banking Studies held in London, etc.

Besides the professional upgrading of the personnel, the NBRM recruited new employees. Thus, in 2000, the NBRM employed 32 persons. Out of them, 26 are with the university degree (19 economists, 3 electrical engineers, 2 lawyers, 1 philologist and 1 philosopher) and 6 with the high school degree.

9.3. Internal Audit

In terms of dynamic changes and globalization of the economic activities, the function of the internal audit becomes more important. Namely, development and liberalization of the financial markets creates new opportunities, but, at the same time, new risks in the every-day operations. Hence, on international level, the role and importance of the audit control is more intensively emphasized, as an important part of the corporate management.

At the current stage of development, the internal audit is going through a transformation from a function that has primary goal to investigate the coordination between the operating and the legislative and other regulations, into an independent, objective and

consultative function that estimates and investigates the systems of internal control in the organizational complexes, to enable more efficient management as an ultimate target.

The activities of Internal Audit of the National Bank of the Republic of Macedonia in 2000 were directed towards determination of the contemporary requests that are arising in front of this function, as well as towards formulation of the operating goals and approaches. In addition, the start of the project for technical support with the Dutch Central Bank was of particular importance.

Within the framework of the anticipated program of this project, in 2000 the internal audit of the NBRM gained the most up-to-date knowledge regarding the principles and techniques of audit control, as well as about the functioning and necessity of implementing world standards of internal control systems (primarily, about the COSO system as the most accepted and comprehensive world model). Therefore, a one-week seminar for the management of all Departments within the NBRM was held. In cooperation with the qualified teams from all Departments, the Internal audit settled the basic techniques and made an analysis of the processes (textual and graphical), identified the risks that characterize Central Banks' operation, and estimated the degree of their influence on the specified environments. At the end, based on defined conditions, an audit program was prepared.

Within these activities, seven processes in the NBRM were selected, as processes with the highest and the greatest number of potential risks. They were analyzed and control procedures regarding those risks were determined. This refers to the processes in Department for Foreign Reserves and Foreign Exchange Market Operations and Department for Central Banking Operations, as well as to the processes in Accounting Department, Treasury Department, Data Processing Center and Department for Administrative and Technical Services.

In 2000, according to the work plan, two regular audit controls in the Department for Foreign Reserves and Accounting Department were carried out. These audit controls had general nature, aimed at identifying the basic internal audit procedures from the aspect of written working procedures and organizational settings of the departments (segregation of functions), on one side, as well as from the aspect of segregation of duties, on the other side. The conclusions and recommendations for improving the audit measures were reconciled and approved by the management of these departments and a plan for their implementation was agreed.