

**NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA  
AUDIT COMMITTEE**



**Report on the Audit Committee Operations  
for 2024 (summary)**

March 2025

## **Introduction**

The Audit Committee (the Committee) continued performing its regular activities on the basis of the adopted acts and practices that regulate its operations.

The Committee performed its supervisory activities by holding meetings, at which it monitored the operating of the Internal Audit Department, the Financial, Accounting and Control Department, Strategy and Prevention Office, as well as of the process of external auditing of the accounting operations and financial reporting of the National Bank.

At these meetings, the Committee was regularly informed about the areas it supervises, in the domain of accounting policies and financial reporting, internal and external audit, internal controls system and risk management framework, as well as harmonization of the operations with laws and bylaws. In order to be better informed on certain issues, the Committee members requested additional information and meetings.

For the Committee, 2024 as a year is of particular importance because for the first time in the Law on the National Bank of the Republic of North Macedonia (Law Amending the Law on the National Bank of the Republic of North Macedonia "Official Gazette of the Republic of North Macedonia" No. 74/24 of 2 April 2024) the Committee is regulated as a permanent working body of the National Bank Council.

Until now, the Committee has operated in conformity with the Decision on establishing the Audit Committee and determining its scope of work of 3 December 2021, which regulates the composition of the Committee and the authorizations and tasks of the Committee, which have been incorporated in the Law.

## **Members of the Audit Committee**

In conformity with the Decision on appointing members of the Audit Committee No. 02-23460/2021, of 26 June 2024, the Audit Committee consisted of three non-executive members of the National Bank Council:

- Sinisa Naumoski, PhD President of the Committee;
- Gadaf Rexhepi, PhD, member of the Committee;
- Nikola Popovski, PhD, member of the Committee.

## **Meetings of the Audit Committee**

The Audit Committee has held eleven meetings in 2024, during which it discussed issues within its area, in conformity with the National Bank acts, the Rules of Procedure of the Audit Committee and the Decision on establishing an Audit Committee, determining the activities within both its scope and manner of work.

## **Oversight of the operations of the Finance, Accounting and Control Department**

The Audit Committee of the National Bank, within the area of accounting policies and financial reporting oversight, reviewed the following:

- Decision on approving the Annual Account and the Financial Statements of the National Bank of the Republic of North Macedonia for 2023, and
- Decision on determining the financial result for allocation of the National Bank of the Republic of North Macedonia for 2023.

The members of the Audit Committee gave an opinion to the National Bank Council that they are confident in the adequacy and effectiveness of the process of preparation of the Financial Statements of the National Bank for 2023, whereby all levels of controls have been observed, the accounting estimates and related disclosures are appropriate, thus suggesting to the National Bank Council to adopt the proposed decisions.

The Basic Accounting Policies for Accounting and Financial Reporting of the National Bank of the Republic of North Macedonia were also reviewed and approved, with amendments made to align the policies with the provisions of the Law Amending the Law on the National Bank, adopted on 28 March 2024.

### **Oversight of the operations of the external audit**

A special activity in the work of the Committee was the monitoring of the external audit performed by the Audit Company Grant Thornton Skopje, which was selected in 2022 on the basis of a public procurement procedure, in accordance with the Policy for the selection of a company for performing external audit of the Financial Statements of the National Bank of the Republic of North Macedonia, to audit the Financial Statements of the National Bank for a period of five consecutive years (2022 – 2026).

The Committee held meetings with the auditors from the Auditing Company Grant Thornton Skopje and had good communication with the external auditors. Moreover, the external auditor informed the Committee on the conducted audit of the Financial Statements for 2023 and their compliance with the International Financial Reporting Standards.

The independent auditor's Report on the conducted audit of the Financial Statements of the National Bank for 2023 gave an opinion without qualifications, i.e. an opinion that the enclosed financial statements impartially present, in all material aspects, the financial status of the National Bank as of 31 December 2023, as well as the operating results and the cash flows for the year in accordance with the International Financial Reporting Standards. The members of the Committee accepted the Report of the independent auditor on the performed audit of the Financial Statements of the National Bank of the Republic of North Macedonia for 2023.

At the end of 2024, the Audit Committee monitored the process of commencement of the external audit for 2024, verifying that the principles of independence in conducting audit for 2024 have been complied. In addition, it approved the Activity Plan for auditing the Financial Statements of the National Bank for 2024 and reviewed the Draft Letter to the Management for the previous audit of the financial information of the National Bank as of and for the nine-month period ending on 30 September 2024.

### **Oversight of the operations of the Internal Audit Department**

The Audit Committee of the National Bank monitored the operating of the Internal Audit Department, discussed the internal audit reports, the findings and the status of implementation of the recommendations given in the audit reports.

The reports and the Plan of Activities of the Internal Audit Department are reviewed on a regular basis, namely:

- Report on the operations of the internal audit in 2023;
- Report on the operations of the internal audit in the first half of 2024;
- Plan of Activities of the Internal Audit Department for 2025; and
- Medium-term Plan of Activities of the Internal Audit Department for the period 2025 - 2027.

In 2024, internal audit's internal acts were reviewed, as well, such as the Internal Audit Policy of the National Bank of the Republic of North Macedonia and the Rulebook for the operations of the Internal Audit Department.

### **Oversight of the operations of the Strategy and Prevention Office**

The Committee performed oversight activities regarding the functioning of the internal control system, the risk management framework, the security of the information system and the personal data protection, as well as the framework for compliance with regulations, as a result of which, in 2024, the following has been reviewed and approved:

- Annual Compliance Report of the National Bank;
- Annual Compliance Report of the National Bank with the regulations for personal data protection;
- Operational Risk Management Report of the National Bank of the Republic of North Macedonia in 2024.