



## **ANNEX 2. Existing legal framework for Financial Control<sup>1</sup>**

### **Legal Framework for Internal Audit (IA):**

- *Law 114/2015, dated 22.10.2015 "On internal audit in the public sector"*
- *DCM no. 83, dated 03.02.2016, "On the approval of criteria for the establishment of internal audit units in the public sector" amended by DCM no. 353, dated 05.11.2016;*
- *DCM no. 116, dated 2.7.2016, "On the functioning and composition of the qualification commission of internal auditors in the public sector and the determination of training fees".*
- *DCM no. 160, dated 02.03.2016 "On the manner of functioning, competencies and composition of the Internal Audit Committee in public entities"*
- *MFE Order no. 86, dated 10.12.2015, "On the approval of the Code of Ethics for Internal Auditors in the public sector";*
- *DCM Nr. 353, dated 05.11.2016 "On amending the Decision of the Council of Ministers no. 83, border dated 02.03.2016," On the approval of criteria for the establishment of internal audit units in the public sector ";*
- *Order of the Minister of Finance no.3, dated 08.01.2016, "On the approval of the rules for the professional development of internal auditors in the public sector"*
- *Minister of Finance, no. 37, dated 16.03.2016 "On the certification procedures of internal auditors in the public sector".*
- *Order of the Minister of Finance no. 100, dated 25.10.2016 "On the approval of the Internal Audit Manual in the public sector"*
- *Order of the Minister of Finance no. 22, dated 06.03.2017 "On the Approval Methodology for External Quality Assessment for Internal Audit in the public sector";*
- *Publication of International Standards for best practices of internal audit in the public sector, approved for implementation in the Republic of Albania, approved by order of the Minister of Finance no. 40, dated 08.05.2017.*

### **Legal Framework for Financial Management and Control (FMC);**

- *Law no. 10296, dated 08.07.2010 "On financial management and control", amended by law no. 110/2015, dated 15.10.2015;*
- *Decision of the Council of Ministers no.908, dated 17.12.2014 "On the Public Financial Management Strategy in Albania 2014-2020";*
- *Manual for FMC, approved by order of the Minister of Finance no. 108, dated 17.11.2016;*
- *MFE Instruction no. 16, dated 20.07.2016 "On the responsibility and duties of risk and FMC coordinators in public units";*

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<sup>1</sup> NATIONAL PLAN FOR EUROPEAN INTEGRATION 2019 - 2021, Chapter 32, <http://integrimi-ne-be.punetjashtme.gov.al/wp-content/uploads/2020/04/PKIE-2019-2021.pdf>



- *Instruction of the Minister of Finance No. 21, dated 25.10.2016 "On the executive officer for all levels";*
- *Instruction of the Minister of Finance no. 28, dated 15.12.2011 "On the submission of the statement and the annual report on the quality of the internal control system of public entities";*
- *Instruction of the Minister of Finance no. 30, dated 27.12.2011 "On asset management in public units" together with the audit paths, which is reviewed by Instruction no. 20, dated 17.11.2014 and Instruction no. 11, dated 06.05.2016;*
- *Instruction of the Minister of Finance no. 2, dated 06.02.2012 "On standard budget implementation procedures" together with audit trails which are reviewed by Instruction no. 3, dated 16.01.2015 "On an annex and amendments to the law no. Instruction No. 2, dated 06.02.2012" On standard budget implementation procedures ";*
- *Instruction of the Minister of Finance no. 8, dated 29.03.2012 "On standard procedures and preparation of the medium-term budget program" together with the audit trail;*
- *Order of the Minister of Finance no.68, dated 08.06.2016 "On the organization and functioning of the Internal Control Board of Public Finance";*
- *Order of the Minister of Finance no. 89, dated 28.12.2015 "On the approval of the methodology for monitoring the performance of public entities";*
- *Order of the Minister of Finance no. 57, dated 12.06.2014 "On standard traces of procurement audit with a small value of 400,000 ALL without VAT and with a high value of 400,000 ALL without VAT".*
- *Law no. 25/2018 "On accounting and financial statements".*
- *Instruction no. 9, dated 20.03.2018, "On standard budget implementation procedures";*
- *Instruction no. 9/1, dated 20.03.2018 "On budget implementation procedures for general government units that use the Government Financial Information System".*
- *Instruction no. 8, dated 09.03.2018 "On the procedures of preparation, presentation and reporting of annual financial statements of general government units".*

### **Legal Framework for Public Financial Inspection (PIP):**

- *Law no. 112/2015, dated 15.10.2015 "On the Public Financial Inspectorate";*
- *Instruction no. 29, dated 27.11.2015 "On the criteria for initiating public financial inspection";*
- *Instruction no. 30, dated 27.11.2015 "On the rules and procedures for conducting public financial inspection";*
- *Order of the Minister of Finance no. 84, dated 9.12.2015 "On the establishment of the AFCOS reporting service network".*
- *Order no. 32, dated 27.02.2014 "On the criteria for the selection of public financial inspectors";*
- *VKM Nr. 492, dated 06.07.2011 "On the remuneration of public financial inspectors".*
- *Order of the Minister of Finance no. 26, dated 17.02.2016 "On the approval of the manual of public financial inspectors".*

### **Legal Framework for External Audit (EA):**



- *Article 158/5, 162-165 of the Constitution of the Republic of Albania;*
- *Law no.154/2014 "On the organization and functioning of the Supreme State Audit", dated 27.11.2014.*
- *Implement the ISAI legislative framework and auditing standards;*
- *Further implementation of the audit methodology and audit capacities;*
- *Document no.41, dated 30/03/2015 "On Risk Management Strategy";*
- *Decision of the Head of SAI, no. 196, dated 31.12.2015 "On the approval of the Compliance Audit Manual and the Financial Audit Manual", based on INTOSAI Standards: ISAI 100 - Basic Principles of Public Sector Audit; ISAI 200 - Basic Principles of Financial Audit; ISAI 300 - Basic Principles of Performance Auditing; ISAI 400 - Basic Principles of Compliance Auditing;*
- *Decision no. 58, dated 30.06.2015, "On ISAI49 Implementation Strategy 2015 - 2016";*
- *Communication Strategy 2017 -2019, July 2017.*
- *Instruction no. 1, dated 04.11.2016 "On the procedures for following up and documenting the work concerning the verification of the recommendations' implementation audit";*
- *Instruction no.2, dated 30.12.2016 "On increasing the audit quality and capacities"; 49 International Standards on Supreme Audit Institutions;*
- *Instruction no. 4, dated 31.12.2015 "On annual audit planning based on risk assessment methodology", development of active IT audit manual and standard training modules for IT auditing; development of methodologies for quality control and assurance, etc ";*
- *Decision of the President no. 107, dated 08.08.2017 "On the approval of the Regulation for audit procedures";*
- *Decision of the President no. 219, dated 31.12.2017 "On policies regarding whistleblowers and protection of whistleblowers in the SAI, providing the rules of procedure for the administrative investigation of whistleblowers and determining the means of protecting the confidentiality of whistleblowers";*
- *Decision of the President no. 228, dated 31.12.2017 "On the human resources policy document";*
- *Decision of the President no. Prot 1353 dated 31.12.2017 "On the approval of the SAI's Development Strategy, 2018-2022 years".*
- *Decision of the President no. 81 dated 30.06.2018 "On the approval of the Guide for the Institutionalization of SAI's Relations with the Parliament".*
- *Decision of the Chairman No. 79 dated 30.06.2018 "On the approval of the Drafting Methodology of the Strategic and Annual Audit Plan"*
- *Decision of the President no. 80 dated 30.06.2018 "On the approval of the Manual for Detection of Corruption and Financial Fraud in Auditing"*
- *Decision of the President no. 136, dated 26.08.2018 "On the approval of the Regulation" On the functioning of the Management Information System of Audit and Administrative Support in the SAI "*
- *Decision of the President no. 91, dated 25.07.2018, "On the approval of the Document "Information Security Policy in the SAI"".*
- *Decision of the President no. 5 dated 05.02.2018 "On the approval of the User Manual of the Information system for the Management and support of Processes in the SAI"*



- *Decision of the President no. 5 dated 05.02.2018 “On the approval of the Manual of the Information System Administrator.*