



Republika e Kosovës  
Republika Kosova  
Republic of Kosovo



Zyra Kombëtare e Auditimit  
Nacionalna Kancelarija Revizije  
National Audit Office

---

Pursuant to Article 10 paragraph 2 and Article 19 paragraph 1 sub-paragraph 1.3 of the Law No. 05/L-055 on the Auditor General and the National Audit Office of the Republic of Kosovo (Official Gazette of the Republic of Kosovo no. 17/10 June 2016);

On implementing the International Standards of Supreme Audit Institutions (ISSAI) issued by International Organization of Supreme Audit Institutions (INTOSAI);

The Auditor General, hereby adopts:

**RULES OF PROCEDURE**  
**ON**  
**IMPLEMENTATION OF AUDIT AND ACTION PLANS**

Prishtina, 21.06.2019

## **CHAPTER I GENERAL PROVISIONS**

### **Article 1 Purpose**

The provisions of the present Rules of Procedure supplement the Law No. 05/L-055 on the Auditor General and the National Audit Office of the Republic of Kosovo and shall serve as complementary rules in exercising the audit mandate of the National Audit Office.

### **Article 2 Scope**

1. The provisions of the present Rules shall be applicable to the National Audit Office of the Republic of Kosovo and all public sector entities subject to audit by Auditor General as stipulated by the Constitution of the Republic of Kosovo.
2. The supporting administrative activities of the National Audit Office shall be exercised in compliance with the applicable legislation.

### **Article 3 Definitions**

1. For the purpose of the present Rules, the following definitions shall mean:
  - 1.1. **Law** - means the Law No. 05/L-055 on the Auditor General and the National Audit Office of the Republic of Kosovo.
  - 1.2. **Legislation** - means the Law No. 05/L-055 on the Auditor General and the National Audit Office of the Republic of Kosovo and the primary and secondary legislations applicable in the Republic of Kosovo.
  - 1.3. **INTOSAI** - means International Organisation of Supreme Audit Institutions.
  - 1.4. **ISSAIs** - means INTOSAI's International Standards of Supreme Audit Institutions.
  - 1.5. **Audited entity** or **public sector entity** - is a general term that implies and includes all budget organisations, independent public agencies and other public authorities subject to external audit by Auditor General as stipulated by the Constitution of the Republic of Kosovo.
2. The term "**Audit**" includes the regularity audit (of finances and compliance), performance audit, information technology audit and other audits. It has the same meaning as expressed in the Law No. 05/L-055 on the Auditor General and the National Audit Office of the Republic of Kosovo and in ISSAI.

**Article 4**  
**Auditor General**

1. The Auditor General, as the Head of the National Audit Office, shall be responsible in exercising functions as stipulated by the Constitution, the law in force, ISSAI, and bylaws of the National Audit Office.
2. The Auditor General may delegate certain competences to other staff of the National Audit Office.
3. In absence of the Auditor General, the Deputy General Auditor shall perform the duties of the General Auditor; the incumbent shall have the same powers and responsibilities as the Auditor General.

**CHAPTER II**  
**RULES ON THE AUDIT FUNCTIONS OF THE NATIONAL AUDIT OFFICE**

**Article 5**  
**Document and Stamp Administration**

1. The National Audit Office shall administer the created, preserved and received documents in accordance with the applicable legislation and ISSAI.
2. From the moment it is produced or received, the audit documentation shall be considered confidential and shall be stored for the period set forth in Article 29 paragraphs 1 and 2 of the Law.
3. Rules on methods of classification, preservation and archiving of documentation shall be defined by a separate secondary legislation.
4. The National Audit Office shall use the circular and square shaped stamp for incoming and outgoing documentation in compliance with the relevant law on stamps.

**Article 6**  
**Audit Planning**

1. The Auditor General shall adopt a three (3) year Strategic Audit Plan updated on annual basis.
2. The Auditor General shall adopt an annual Audit Plan and submit it to the Committee for Oversight of Public Finances (COPF), until the 31st October, pursuant to Article 20 paragraph 2 of the Law.
3. The annual Audit Plan shall at least contain the data of the audited entities, type of audit and timing for its implementation.

4. The Auditor General may at any time amend the Annual Audit Plan and consult any public institution or entity for the purpose of coordinating audit responsibilities.

### **Article 7** **Discharging| Audit Mandate**

1. The National Audit Office shall, by means of a letter of information, notify the audited institution on the commencement date of audit, type of audit and data regarding officials authorized to conduct the audits.

2. The letter of information set forth in paragraph 1 of this Article shall be signed by the Auditor General and submitted to the head of the audited entity by no later than three (3) days prior to the commencement date of audit activities.

3. Upon receipt of the letter of information, the head of the audited entity shall inform its competent officials who shall respond to all the requests of the officials authorized by the Auditor General.

4. The audited entity must provide with adequate working space and conditions during all the periods of conducting audit. The working space shall be supplied with all technical equipment including but not limited to: internet access, printer, photocopy machines, land line connection, etc.

5. The head of the audited entity shall inform the National Audit Office on the compliance with the requirements of paragraph 4 of this Article and shall appoint a contact person to communicate with officials authorized by the Auditor General to conduct the audit.

6. The audited entity must provide safety in regard to the working space and documentation administered by officials authorized by the Auditor General.

7. The audit shall be conducted as per the stages and methodology of audit stipulated by ISSAI.

### **Article 8** **Communication with management**

1. The communication with the management of the audited entity shall take place during all the stages of audit: before commencement of audit, during initial planning, during conducting of audit and at the reporting stage.

2. The exit meeting on the audit execution stage is held for the purpose of discussing all the issues resulting from audit which may be part of audit draft report.

**Article 9**  
**Obligation of Audited Entity towards the Auditor General Requirements**

1. The right to collect data for the purpose of exercising the constitutional and legal mandate of the Auditor General is guaranteed by Article 25 of the Law. No internal act of the audited entity can in any circumstance restrict such right of the Auditor General and his/her authorized officials.
2. The audited entity's officials in charge shall be obliged to respond to the legal requirements set forth in paragraph 1 of this Article and officially collect evidence for the needs of audit, provide documentation, ensure accuracy and authenticity of provided documentation, and request for examination of assets under the management of the audited entity.
3. The audited entity's officials in charge shall not provide any information which they have previous knowledge of being inaccurate and misleading to the matters subject to audit. Should it be found that the officials in charge have manipulated the evidence by changing, removing, concealing, destroying, damaging or making otherwise partly or fully unusable any record, asset, item or document for the purpose of preventing it from being officially used for audit needs, he/she shall be penalised by the applicable legislation.
4. The audited entity's officials in charge shall not be exempt from the responsibility of providing any document, information or responding to specific issues, even if they reason that such provisions of document, information or response may implicate or make them liable in front of the applicable legislation.
5. The documents that are classified by the audited entity in accordance with the applicable law on classification of information and those relevant to the law implementing authorities shall be handled as per the applicable acts.
6. The head of the audited entity shall inform the Auditor General if the former reasonably considers that the officials authorized by the Auditor General are in potential conflict of interest or if their behaviour and conduct in auditing do not correspond with the legal, ethical and professional requirements. Based upon such reasoned notice the case shall be immediately taken into consideration by the Auditor General.

**Article 10**  
**Management Letter**

1. In accordance with ISSAIs, the Auditor General may submit a letter to the management of the audited entity, if he/she considers that there are issues with no relevance for presentation in the audit report.
2. This letter must specify the rectification measures to be immediately taken in regard to avoiding deficiencies on the raised issues.

**Article 11**  
**Draft Audit Report**

1. Following the conclusion of audit work, namely the audit execution stage, the National Audit Office shall prepare a draft Audit Report and submit it to the head of the audited entity for written comments.
2. The draft audit report shall be considered an audit documentation as specified in these Rules. Under no circumstance should the distribution, publication, reproduction or disclosure of the information therein be allowed without a written approval of the National Audit Office. Unauthorized use of the draft report shall carry legal consequences.

**Article 12**  
**Comments on Draft Audit Report**

1. The head of the audited entity may provide written comments as explanations, objections or remarks related to the findings of the draft audit report. These comments shall be provided in both official languages and submitted within fifteen (15) calendar days from the receipt of the draft report or at a longer period time as decided by the Auditor General.
2. The Auditor General shall consider those comments prior to preparing the final report. In case of disagreement, such comments shall be attached to the Final Audit Report as stipulated by Article 22 paragraph 2 of the Law.
3. If the audited entity shall agree with the report, it shall fill in the letter of confirmation on compliance. The letter of confirmation is part of the audit report and its standard form shall be determined by the Auditor General.

**Article 13**  
**Meeting on Draft Audit Report**

1. Meeting of the officials authorized by the Auditor General with the representatives of the audited entity shall serve for the purpose of audit draft report discussion.
2. The audit draft report discussion shall not be necessary if the audited entity has, within fifteen (15) days from the day it submitted the draft report, filled in and sent the letter of confirmation as set forth by Article 12 paragraph 3 of the present Rules.
3. An official note shall be taken from the meeting where the audit draft report is discussed.

**Article 14**  
**Action Plan and Periodical Information on Implementation Progress**

1. The audited entity shall submit to the Auditor General the Action Plan on implementation of recommendations as per the form determined by the Auditor General, within thirty (30) days from the receipt of audit report.

2. The Action Plan must present the officials in charge, measures and timing for implementation thereto.
3. The Action Plan shall be sent also to the relevant committee of the Parliament of the Republic of Kosovo. Where the entity is a municipally or a publicly-owned enterprise, the Action Plan shall be submitted to the relevant Assembly/Shareholder.
4. When the Action Plan is incomplete, the Auditor General may request additional information.
5. Following the action plan development, the audited entity shall submit reports on the recommendation's implementation progress to the Audited General and the Assembly/Shareholder. Reports shall be submitted twice a year, namely by September 30 and March 15.
6. The National Audit Office shall constantly follow up the implementation of recommendations and analyse whether the measures taken based upon such recommendations have been effective.
7. The head of the audited entity must appoint a contact person to communicate with National Audit Office in regard to implementation of action plan.

### **Article 15**

#### **Reporting by the Auditor General**

1. If the audited entity fails to submit the Action Plan or to undertake further measures on implementation thereto, the Auditor General shall inform the Parliament, namely the relevant Municipal Assembly/Shareholder.
2. The Auditor General shall report to the Parliament of Kosovo as stipulated by the Constitution and the Law.
3. The Auditor General shall on annually basis present the Annual Audit Report on Annual Government Financial Report in the Plenary Session of the Kosovo Parliament.
4. The Auditor General shall assist the relevant parliamentary committee of the Republic of Kosovo in audit report discussions.

### **Article 16**

#### **Data Confidentiality**

1. The Audit Reports are available on the National Audit Office website, with the exception of the information classified as sensitive or not-for-publication or other legal or administrative prohibitions in accordance with applicable legislation.
2. When auditing political parties operating competitively, the National Audit Office shall keep their business confidential, as stipulated by the applicable legislation and ISSAIs.

3. The authorised officials and external auditors hired by the Auditor General shall, during and after their engagement with the National Audit Office, be obliged to keep the information received through their authorizations confidential.

## **KAPITULLI III FINAL PROVISIONS**

### **Article 17 Final Provisions**

1. For each matter being not further detailed by these Rules, the provisions of the applicable legislation on responsibilities of the Auditor General and the ISSAIs shall be directly applied.
2. In order to implement the ISSAIs, the Auditor General shall adopt manuals and guidelines necessary to all types of audit, including the Quality Control Guide and Fight against Fraud Guide.
3. Should the ISSAIs be renamed or otherwise amended, they shall automatically be applied by the National Audit Office. The situation thereof shall not present any need for amendment of the present Rules.
4. The standard report form for implementation of recommendations by audited institutions shall be developed by the National Audit Office.
5. Each public sector entity shall, within fifteen (15) days from entry into force of the present Rules, appoint the official as set forth above in Article 14 paragraph 7 and inform the National Audit Office by providing the contact information.

### **Article 18 Abrogation Provisions**

By entry into force of the present Rules, the Instruction No. 01/2016 on the Implementation of the Rights and Responsibilities of the National Audit Office and Audited Entities shall be repealed.

### **Article 19 Entry into Force**

These Rules shall enter into force seven (7) days after being signed by the Auditor General.

Prishtina, 21.06.2019

**Besnik Osmani**

\_\_\_\_\_  
**Auditor General**