

Memorandum of Understanding between

Agency for Public Oversight of Auditing of the Republic of Slovenia

and

The Council for Advancement and Oversight of the Audit of the Republic of Macedonia

Agency for Public Oversight of Auditing (APOA) of Republic of Slovenia, in accordance with provisions of the Audit Act (National Gazette of Republic of Slovenia 65/08 and 63/13-ZS-K)

and

The Council for Advancement and Oversight of the Audit of the Republic of Macedonia (CAOARM), in accordance with provisions of the Audit Law (Official Gazette of the Republic of Macedonia No. 158/10, 135/11, 150/12, 188/13, 43/14 and 138/14)

have agreed as follows:

PURPOSE

1. Both Parties seek to improve the quality, accuracy and reliability of the audit profession through audit regulation and audit oversight in order to protect investors, help strengthening the public confidence in auditing and to increase the confidence of investors in their respective capital markets.
2. Both Parties recognise that it is in their common interest to cooperate in the exchange of their experiences regarding the public oversight of auditors that fall within the regulatory jurisdiction of both Parties, to the extent such cooperation is compatible with the Parties' respective laws or regulations, their important interests and their available resources.
3. The purpose of this MoU is to accelerate the compliance with International Standards of Auditing and other international standards, framework provisions, practice statements and the Code of Ethics issued by the IFAC and to facilitate mutual cooperation between the Parties, to the extent permitted by their respective national laws, in the area of public oversight of auditing.
4. This MoU does not create any legal obligations or supersede any Laws or Regulations, and does not give rise to a right on the part of any of the Parties or any other governmental or non-governmental entity or any Person to legally challenge, directly or indirectly, the degree or manner of mutual co-operation by any of the Parties. It cannot override any jurisdiction's laws or regulations and does not create any rights or obligations with respect to any of the Parties or other persons or entities.
5. Both Parties agree that the European Commission has not yet issued an appropriate clearance with regards to the equivalence referred to in Article 46, paragraph 1 and adequacy referred to in Article 47, paragraph 1(c) of the Directive 2006/43/EC to Republic of Macedonia. Therefore the cooperation between both Parties, agreed in this

MoU, excludes any cooperation based on the articles of Directive 2006/43/EC mentioned above.

OBJECTIVE

6. This MoU has the objective of establishing a cooperation between APOA and CAOARM in order to coordinate their efforts:
 - For working in collaboration in order for the two organisations to develop a roadmap for achieving a long-term mutually beneficial partnership with regards to public oversight, training, advisory, and related services in Republic of Macedonia.
 - For each party to consider how to best organise the exchange of personnel between the two bodies, to facilitate the sharing of technical, public oversight and related information for discussion and application.
 - For each party to share with the other the appropriate technical, public oversight, educational, training and other information as the basis for exchanging views and for harnessing the respective expertise of the two institutions for their mutual benefit.
 - For improving the expertise of both APOA and CAOARM staff, improving the skills for practical application of the ISA in audit engagements by exchanging experiences, transferring knowledge from APOA to CAOARM through conducting audit engagements and harmonisation of the audit profession,
 - For exchanging information aiming at improving capacities of the staff employed by CAOARM for performing quality control inspections of audits and ensuring appropriate application of the International Standards of Auditing and other international standards, framework provisions, practice statements and the Code of Ethics issued by the IFAC by audit firms and auditors.
 - For developing a process for learning the transparency reports through data analysis and bringing EU experiences and expertizes in the Republic of Macedonia.

RESULTS

7. The parties of this MoU shall make their best efforts to achieve the following results:
 - a) Joint projects concerning the development of public oversight systems;
 - b) Joint projects regarding new regional education programs of the profession and continuous professional development programs in the field of audit, based on international auditing standards;
 - c) Promotion of their cooperation model and its results to regional and global institutions such as FCM, IFAC, etc;
 - d) Contributions of both parties to improve the quality, accuracy and reliability of the audit profession through audit regulation and auditor oversight.

DURATION

8. The duration of the Agreement is not limited and is effective from the date of signing. The agreement may be revised once CAOARM had been issued an appropriate clearance by the EU Commission with regards to the adequacy referred to in Article 47 and equivalence referred to in Article 46 of the 2006/43/EC, or sooner, should the need arise and if both Parties agree upon that.

TERMINATION


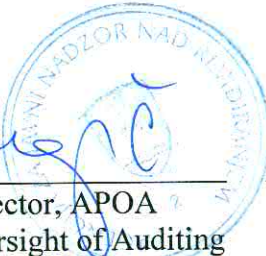
9. Any Party of this MoU may terminate its participation in this MoU at any time upon written notice to the other Party.

OTHER

10. The Parties may consult and revise the terms of this MoU in the event of a substantial change in laws or regulations and/or practices affecting the operation of this MoU, or if they wish to modify the terms of their cooperation.

FINAL PROVISION

11. This MoU comes into force from the date of signature by both Parties.



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Signed 15/7 2015



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Signed 15/7 2015