

**REGULATION NO. 2007/19**

**ON THE PROMULGATION  
OF THE LAW ON INTERNAL AUDIT  
ADOPTED BY THE ASSEMBLY OF KOSOVO**

The Special Representative of the Secretary-General,

Pursuant to the authority given to him under United Nations Security Council resolution (UNSCR) 1244 (1999) of 10 June 1999,

In conformity with Chapter 8 and sections 9.1.44 and 9.1.45 of the Constitutional Framework for Provisional Self-Government in Kosovo (UNMIK Regulation No. 2001/9 of 15 May 2001),

Taking into account a communication from the President of the Assembly of Kosovo, dated 20 November 2006, concerning the Law on Internal Audit adopted by the Assembly of Kosovo on 16 November 2006,

Noting that the provisions of the Law shall be without prejudice to the authority of the Special Representative of the Secretary-General under UNSCR 1244 (1999) or his reserved powers and responsibilities under the Constitutional Framework for Provisional Self-Government in Kosovo,

A. Hereby promulgates, effective as of the date of signature, subject to Part B below, the Law No.02/L-74 on Internal Audit adopted by the Assembly of Kosovo, and

B. Determines that

(a) In Article 2, the following definitions shall be added:

“Auditor-General” is a reference to Auditor-General as established under UNMIK Regulation No. 2002/18 on the Establishment of the Office of the Auditor-General of Kosovo and the Audit Office of Kosovo. Throughout this Law, any reference to “Auditor General” [sic] shall be a reference to “Auditor-General”

“Institute of Internal Auditors” is a reference to the international professional association of internal auditors;

”Internal audit” is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

(b) In Article 2, the definition “Internal Audit Advisor” shall be deleted.

(c) Article 3(f) is amended by adding the following sentence to the end of the paragraph headed “Independence”: “Internal auditors should report to a level within the organization that allows the internal audit activity to fulfill its responsibilities.”.

(d) In Article 4.4, there shall be included a requirement to develop a Code of Ethics, by inserting, after the word “guidelines” and before the words “and professional standards, the words “ Code of Ethics”. Accordingly, there should also be a reference to “Code of Ethics” in each of the following Articles: Article 6.4 after the word “guidelines”, wherever appearing; Article 9.8 (ii) between “guidelines” and “and professional standards”; and, Article 11 (a) between “guidelines” and “and professional standards”.

(e) In Article 4.5, paragraph (d), “and/or” shall be replaced by “and”.

(f) Article 5.1 is amended, in compliance with best practice, by replacing “the CAO” with the phrase “a representative of the office to whom the CAO is directly accountable”. Further, an additional clause is added at the end of the first sentence, as follows: “The chair of the Audit Committee shall be a member who does not have administrative responsibilities in that budget organization or autonomous public undertaking.”.

(g) In Article 6.3, the first sentence is deleted. In the second sentence, the words “All such staff” are deleted and replaced by the words “The staff of the CHU”.

(h) In Article 6.7, “2007” is replaced by “2008”, and the phrase “who have been licensed or certified by an internationally recognized internal audit organization” is deleted and replaced by the phrase “who hold an internationally recognized professional audit or accountancy qualification”.

(i) In Article 6.9, the following sentence is deleted: “The Ministry and the CHU shall be required to ensure that such education is provided by highly qualified professional internal audit experts who have been licensed or certified by an internationally recognized internal audit organization”.

(j) In Article 7.3, the words “either” and “or the Internal Audit Advisor” shall be deleted.

(k) In Article 8.1, the word “annual” in the phrase “annual internal audit” shall be deleted.

(l) In Article 11, paragraphs (d) and (g), “and/or” wherever appearing, shall be replaced by “and”.

(m) In Article 11, paragraphs (g), “the BPK” shall be replaced by the Central Banking Authority of Kosovo (CBAK).

(n) In Article 11, paragraph (h) “Auditing Committee” shall be “Audit Committee”.

(o) Article 12.4 shall be deleted.

(p) In Article 13.3, the word “competency” should be deleted and replaced by “competence”.

(q) In Article 14, paragraph (b) “and/or” should be deleted and replaced by “and”.

(r) In Article 15, paragraph (a), “economics,” shall be inserted after the words “degree in”.

(s) In Article 15, paragraph (d) the word “be” should be inserted between the words “Not” and “eligible”.

(t) Article 18 shall be deleted in its entirety and replaced by the following:

“Article 18  
Transitional Matters

The requirement of Article 12.1 shall apply two years after the law enters into force. Any Director or Internal Auditor on that date who has not earlier complied with requirements of Article 6.7 and the licensing requirements of Article 6.8 shall, as a matter of law, no longer be eligible to serve as the Director or as an Internal Auditor, and any such person shall be immediately removed from the IAU by the appropriate body having authority to remove or dismiss the concerned person.”

(u) Article 19 shall be deleted.

(v) Article 20 shall be renumbered as Article 19.

(w) Article 21 shall be renumbered as Article 20.

These changes as set out in (a) to (w) above shall be reflected in the final official text of the Law.

Signed on this 6<sup>th</sup> day of June 2007.

Joachim Rücker  
Special Representative of the Secretary-General