



REPUBLIC OF SLOVENIA  
COURT OF AUDIT

# POST-AUDIT REPORT

## Corrective measures concerning the audit of financing of municipalities (appropriate expenditure)

Presentation of corrective measures of  
**the Government of the Republic of Slovenia,**  
**Ministry of Finance, Ministry of Public Administration**

## DEMANDS

### Ministry of Public Administration



to **clearly identify tasks** whose costs are considered when defining lump sum

### Government, Ministry of Finance, Ministry of Public Administration



to **clearly specify the method** for defining lump sum

### Ministry of Finance, Ministry of Public Administration



to **include the macroeconomic position** when defining lump sum



to **define and separate tasks of monitoring** the system of appropriate expenditure



to **monitor the effects of the correction factors** intended for covering objective differences between municipalities



## RECOMMENDATIONS

### Government

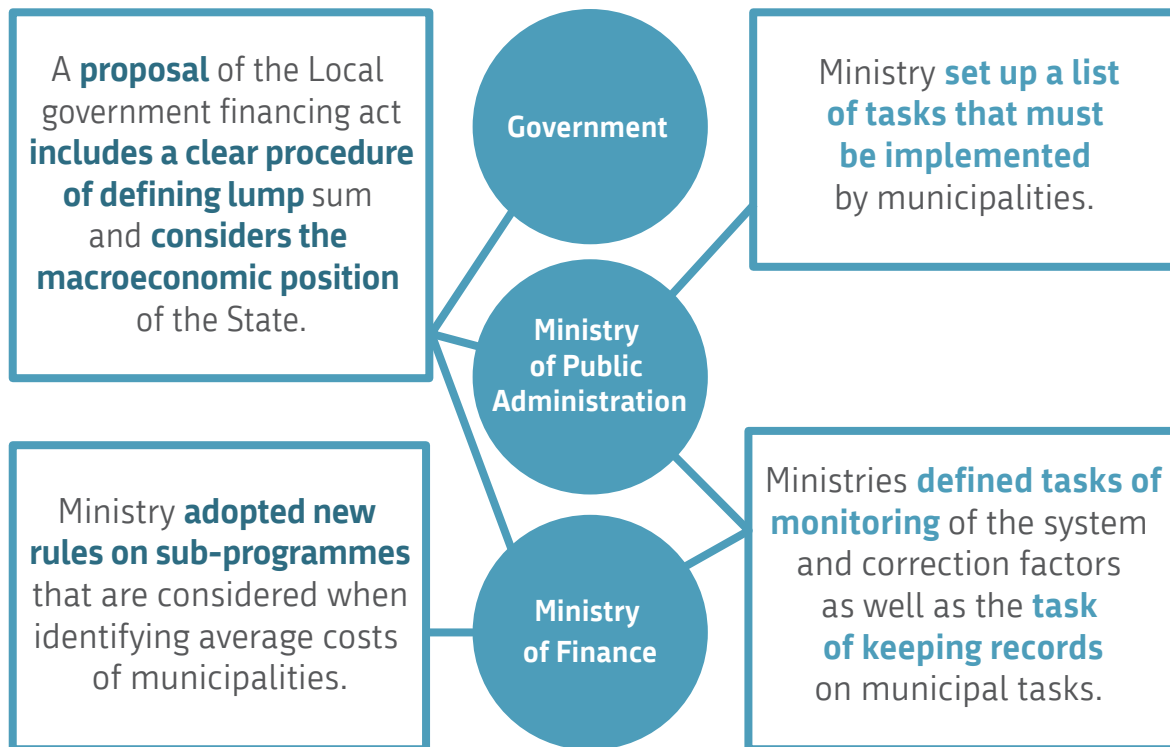
to **be more active when monitoring system operation** of the appropriate expenditure and to cooperate when making decisions and harmonising systemic tasks

### Ministry of Public Administration

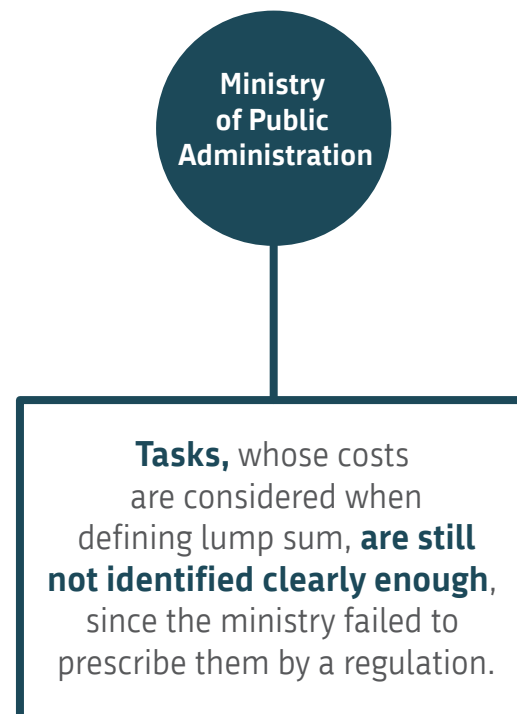
to **incorporate quality and efficiency of implementing municipal tasks** in the method of defining lump sum



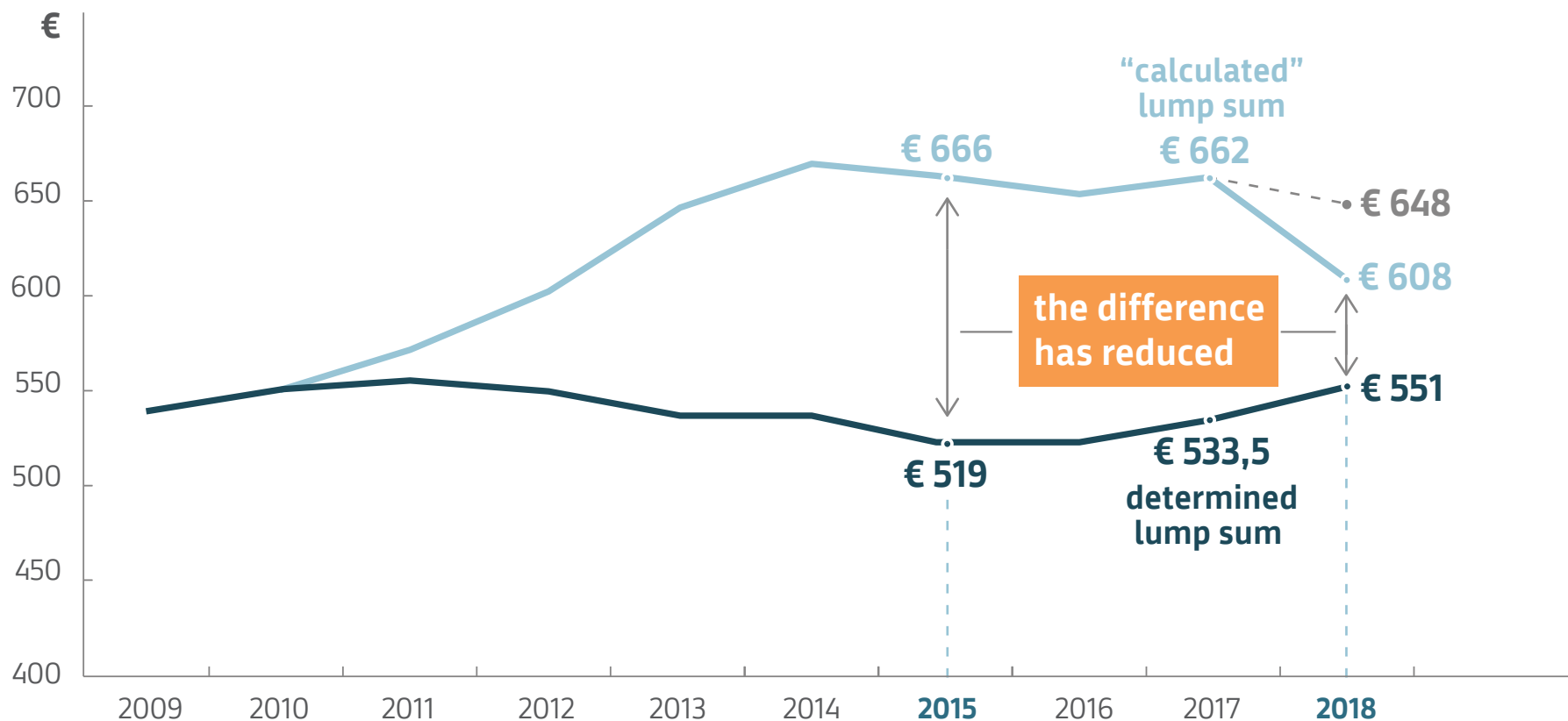
## Corrective measures implemented by auditees



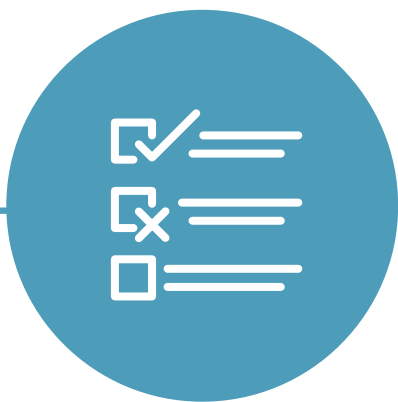
## Remaining issues



Prescribed procedure of defining lump sum foresees calculation and other factors, **thus the defined lump sum is not identical to the calculated one.**



When defining lump sum, **the opinion of the Association of Municipalities should be obtained** after considering the the macroeconomic position of the State.



The Court of Audit **recommended to analyse those most important obligatory tasks where the scope and quality of their implementation could be specified** and if necessary define that by law.

## The Court of Audit

in October 2017 **informed the Government about the needs to amend Local government financing act**

issued **post-audit report** where it assessed **one corrective measure** of the Ministry of Public Administration as **partially adequate**

thus **issued a call for remedial action** concerning the **activities of the Ministry of Public Administration** in order to better define tasks considered when defining lump sum

## The Court of Audit shall monitor

(due to materiality of the field and still present risks)

**actions of the Government** concerning the call for remedial action

**operations of the system** (managing records of tasks, monitoring the effects of the correction factors, assessing quality and efficiency of obligatory tasks)

**operations of the municipalities** and their obligatory tasks.