



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

Audit of the Proposal of the annual financial statement of the budget of the Republic of Slovenia for the year 2018

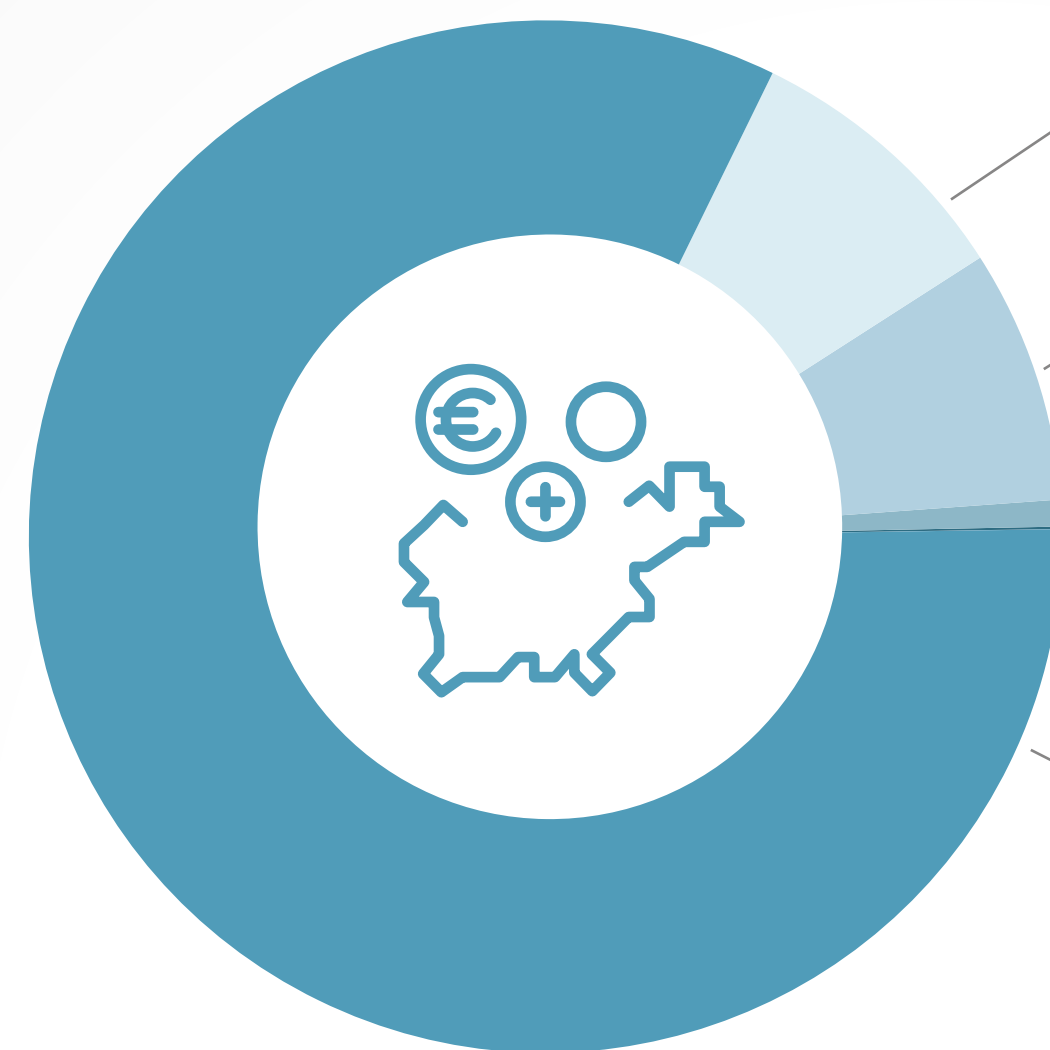
Implementation of the budget of the Republic of Slovenia 2018

REVENUE

€ 10,000,553,444

+ 13.3%

higher in 2018
compared to 2017



non-tax revenue
€ 866,726,707 €

capital revenue
€ 83,620,664 €

transfer revenue
€ 821,511 €

tax revenue
€ 8,247,820,926

funds received
from the EU and
other state funds

€ 794,158,309 €

received donations
€ 7,405,327 €

BUDGET SURPLUS

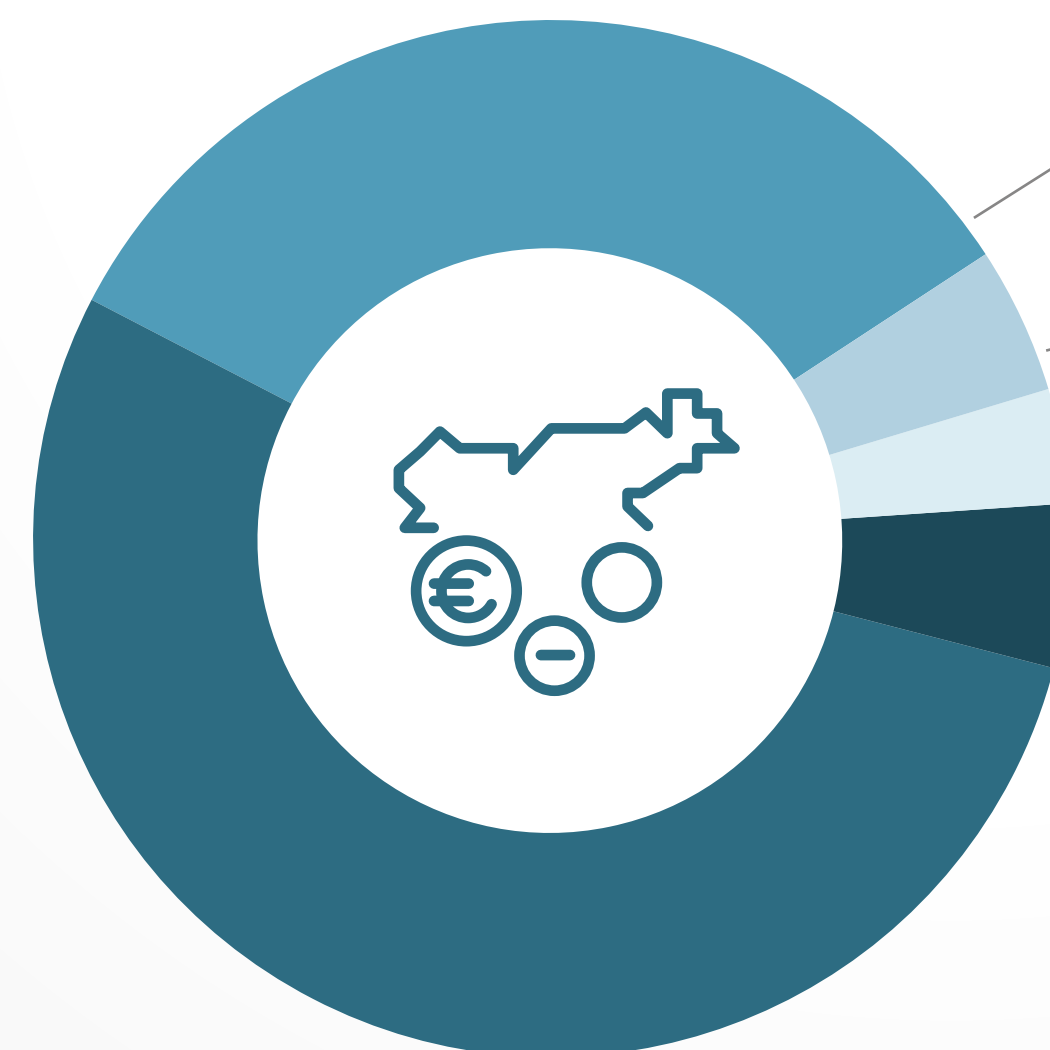
€ 537,186,169

EXPENDITURE

€ 9,463,367,275

+ 3.4%

higher in 2018
compared to 2017



current expenditure
€ 3,136,837,030

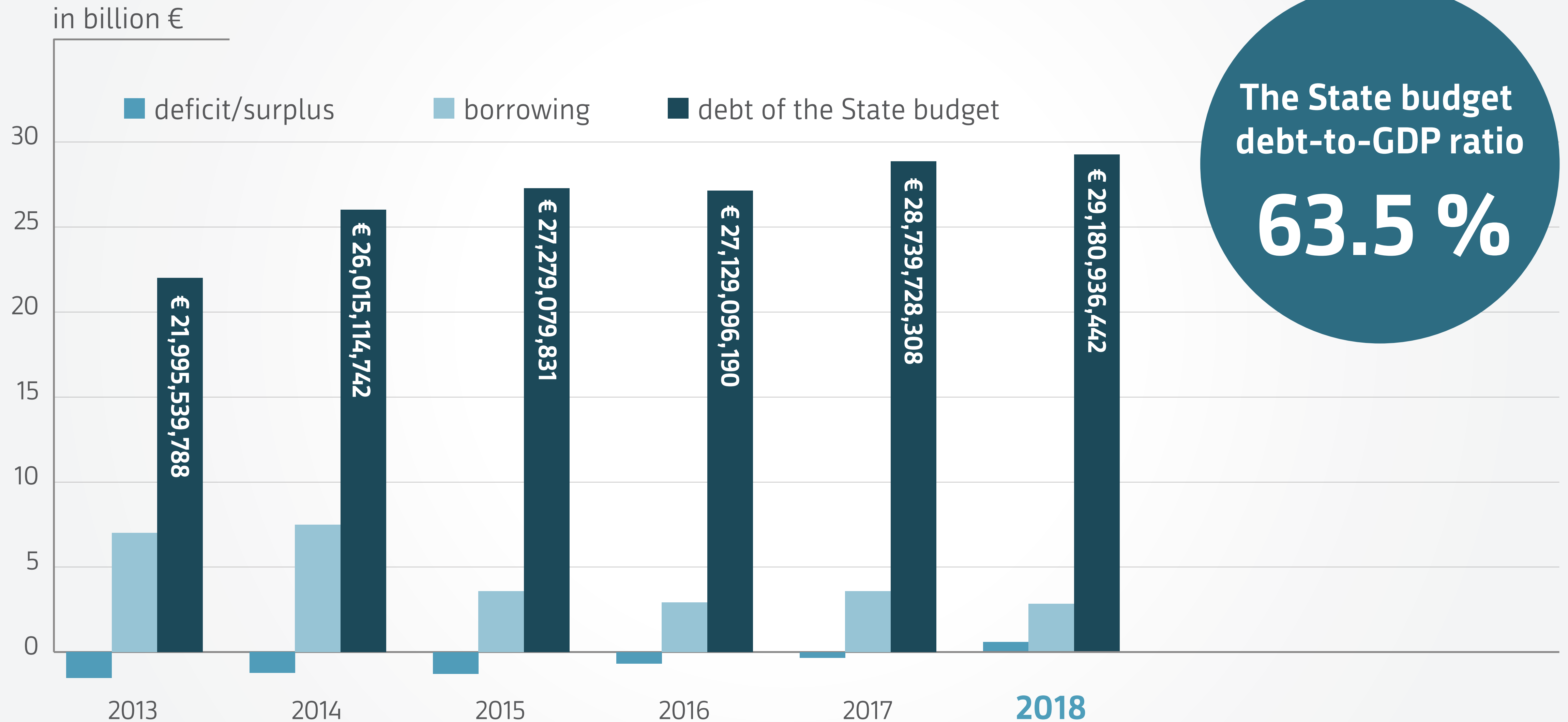
investment transfers
€ 338,446,080

current transfers
€ 5,071,558,586

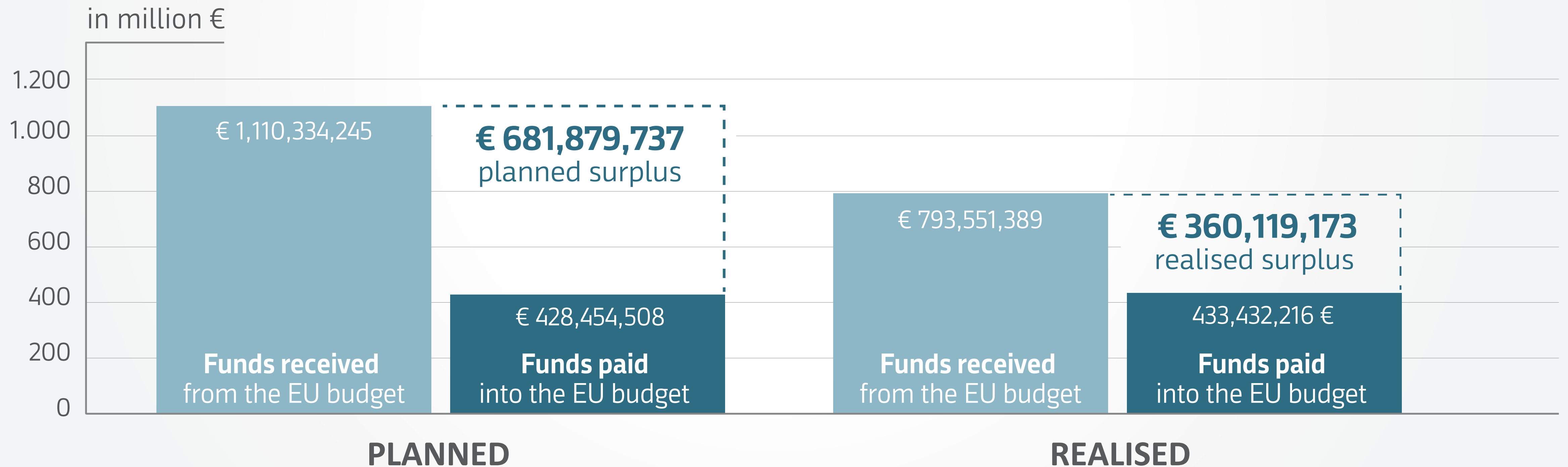
payments to
the EU budget
€ 433,432,216

investment expenditure
€ 483,093,363

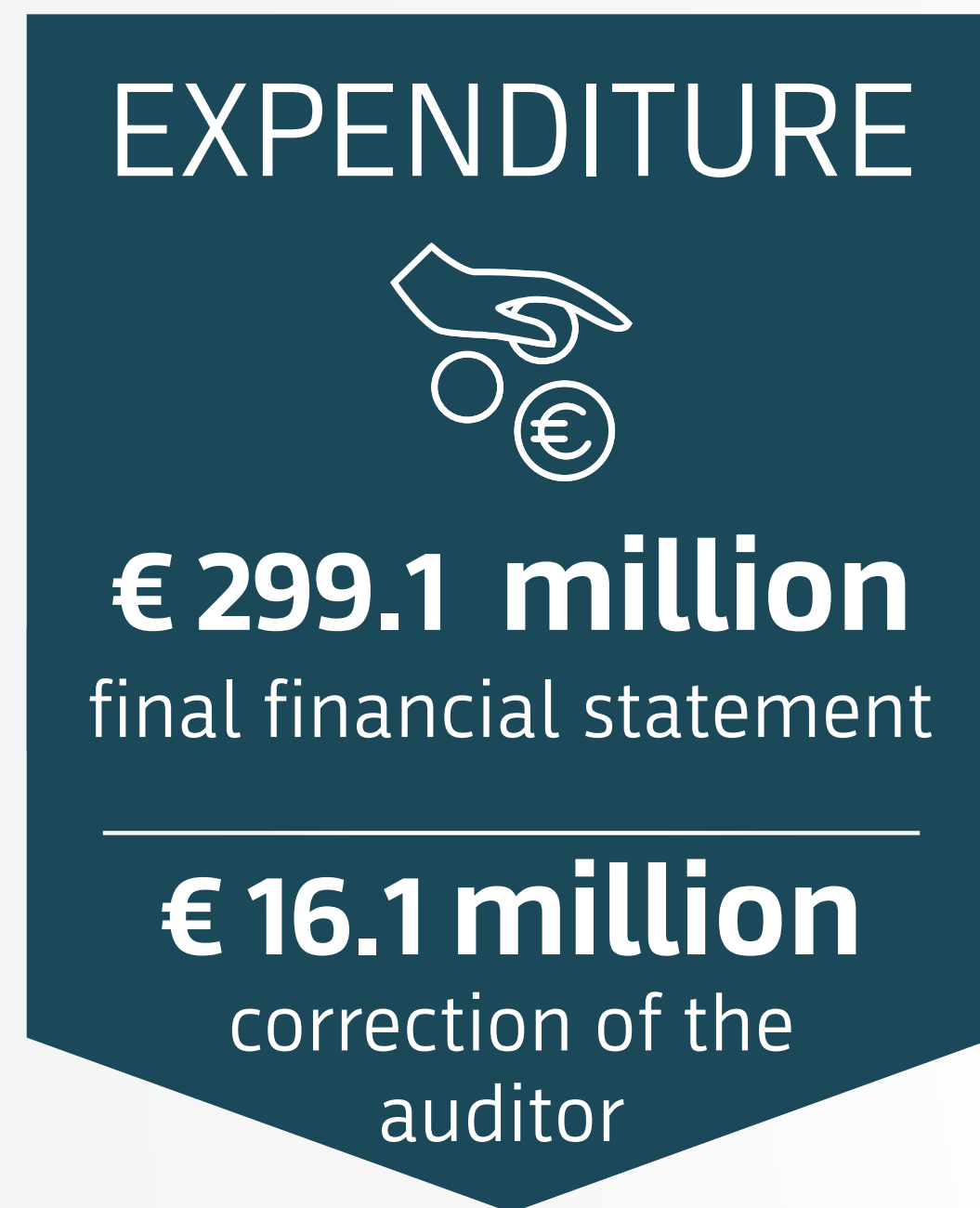
Deficit/surplus, borrowing and the debt of the State budget



Funds received from the EU – the difference between the planned and received funds



Errors and irregularities occurring in the accounts payable and accounts receivable

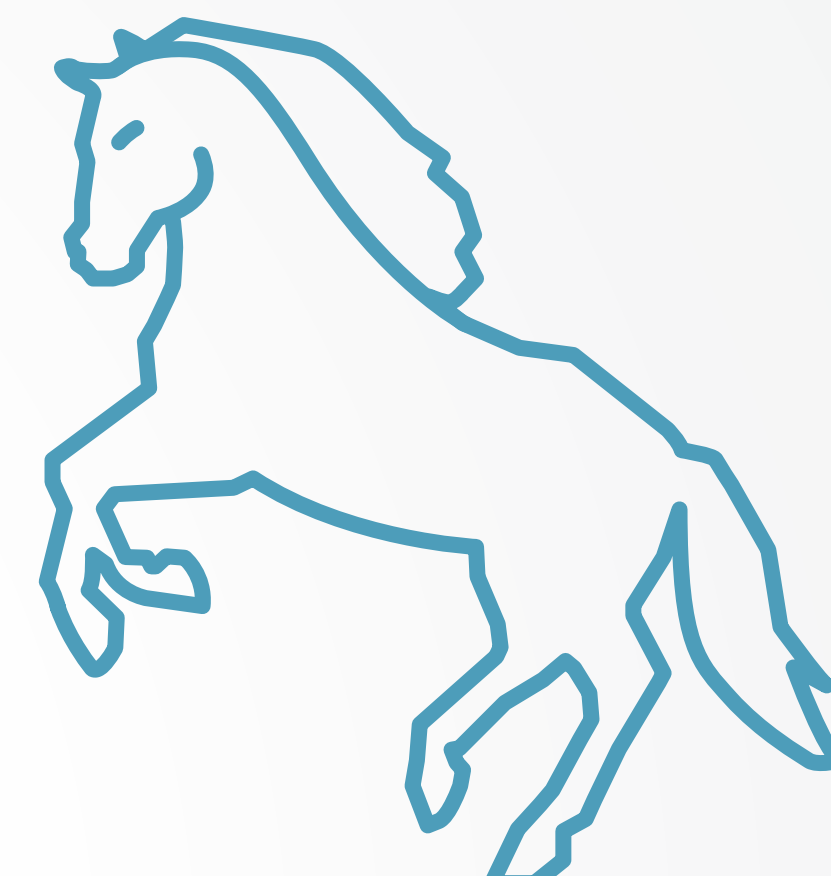


for 5.4%
overstated expenditure

➔ **Over-declared expenditures:**

16,050,000 €

expenditure for loans to the Slovenian Enterprise Fund and to the Slovenian Regional Development Fund



Conversion of the Lipica Stud Farm from public institution to commercial company was not in compliance with the Lipica Stud Farm Act:

- ➔ **not all real estate** of the institution **was transferred** to the ministry
- ➔ **reserve funded out of the** paid-up capital **surplus without legal basis**

Occurrence of irregularities in budget implementation

Irregularities most commonly occurred in the field of

TRANSFERS



EXPENDITURE



SALARIES



General
budget
reservation



Irregularities in budget implementation – expenditure



TRANSFERS

- non-compliance with the provisions of the **Public Finance Act** and other public finance rules and regulations
- irregularities in the implementation of **public calls for tenders and public tenders**
- **insufficient control** of direct budget users over indirect budget users respectively **over the operations of legal entities**
- non-compliance with the provisions of the agreements



SALARIES

- irregularities in **non-competition clauses** included in the employment contracts
- irregularities in the **work performance** for the increased work load



EXPENDITURE

- non-compliance with the provisions of the **Public Finance Act**
- irregularities in the **public contract award procedure**
- non-compliance with the provisions of the agreements



General budget reservation

- funds were provided from the general budgetary commitment **for the purposes that could have been planned in advance**
- funds provided from the general budgetary commitment were allocated **for the natural disaster recovery and restoration** although the funds therefor **were planned already in the budgetary reserve**

OPINION OF THE COURT OF AUDIT

Qualified opinion →

GENERAL PART OF THE FINANCIAL STATEMENT

- **Except for the errors presented**, the Court of Audit expressed an opinion that audited general part of the financial statement of the Republic of Slovenia for 2018 correctly, **in line with the regulations presents receipts and expenditures of the budget for 2018.**

REGULARITY OF BUDGET IMPLEMENTATION

- **Except for the impact of the irregularities presented** on the regularity of operations, the Court of Audit considered that the Government respectively governmental budget users in all material aspects operated **in line with the regulations and guidelines.**

Some auditees already during the audit remedied irregularities.

The Court of Audit **demanded response reports from the auditees who failed** to remedy irregularities:

- the government
- Ministry of the Interior
- Ministry of Infrastructure
- Ministry of Education, Science and Sport

The Court of Audit proposed amendments to the Proposal of the annual financial statement of the budget of the Republic of Slovenia for the year 2018 **and recommendations to improve operations.**