



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

Regularity of operations of the Public institute Sports Ljubljana


Regularity audit


Audit period: 1 January 2017 to 31 December 2017




Public institute Sports Ljubljana

is the **largest** public **institute in Slovenia** for managing, regulating and maintaining sports facilities.

 **126**
public employees

 **€ 128 million**
book value of managed immovable assets

 **€ 9,8 million**
institute's income

 **ANNUAL SPORTS PROGRAMME** was implemented by **121** societies or clubs

 **108 thousand hours**

 **€ 5 million**

Sports infrastructure in the ownership of Municipality of Ljubljana (MOL) includes

79 sports parks/facilities



For the purpose of **carrying out Annual sports programme** in MOL and for **recreation of citizens of Ljubljana**.

Maximum hours allocated:


23,426 hours
Olimpija Swimming Club


2,490 hours
National Hall Ljubljana Sports Society


2,430 hours
Ilirija Ski Jumping Club

Findings of the Court of Audit

Salaries and other labour costs



Sports Ljubljana assigned increased workload to the employees without clearly specifying the tasks.

Paid was:

€ 119,736

performance bonus for the increased workload

€ 46,502 more than permitted

(received by 94% of employees)

€ 98,045

overtime bonuses (received by 97% of employees)



Overtime work contrary to the law covered reports preparation, answering phone calls, attendance at the meetings, attending concerts and sports events.



€ 4,635 for overtime hours

the highest amount received by the head, i.e. director of the area I



at least 11 employees

with more than 230 overtime hours recorded



There exists a risk that all the recorded and paid overtime hours were not actually implemented.

Cost of purchasing material, ordering services and fixed assets



€ 1,237,210 excluding VAT
goods, material and services purchased
contrary to the **Public Procurement Act**



€ 9,688
business travels



€ 1,623
travels abroad of the director and the head, i.e. director of the area I which were **not linked to work** – attending matches of Slovenian teams

Dividing income/expenditure between public services and commercial activities



€ 2,664,836 of income
recorded among commercial activities income
instead among public service income

Presented at the end of the year

€ 325,648

surplus of income over expenditure

Additionally required
and provided by MOL

€ 600,000

€ 1,867,690 of surplus from the past years
recorded in the balance sheet

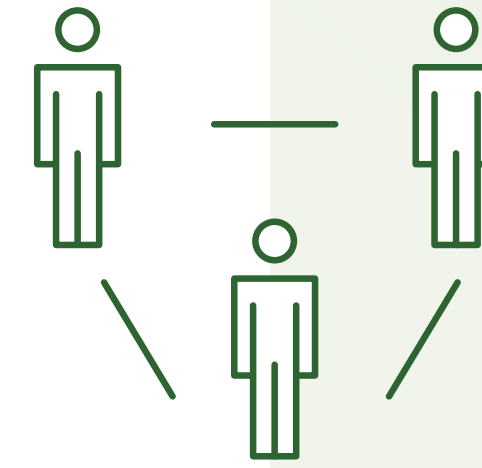
? Managing immovable assets



It was **not possible to verify** which immovable assets Sports Ljubljana **actually disposed of and managed in 2017.**

- the record of the public institute **not consistent with the MOL record**
- the public institute **not entered** in real estate record at the Surveying and Mapping Authority **as immovable assets temporary operator**
- **not all land** managed by the public institute **in the register of fixed assets**

? Leasing immovable assets



Relations with the users of sports facilities and premises **not regulated**

- **in at least 34 cases** the premises were not rented in line with the law
- **undercharged** rents and operating costs **in the amount of at least € 10,806**

Annual sports programme implementation

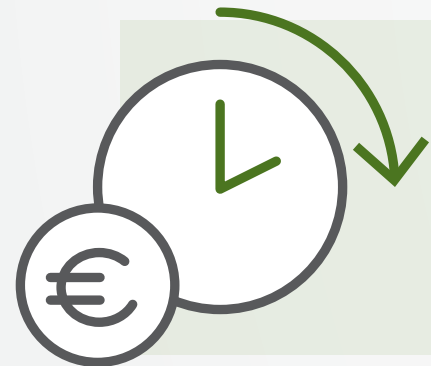


Sports Ljubljana

- ➔ failed to supervise the use of sports facilities and areas
- ➔ failed to record all hours the sports facilities/areas were **actually used**



36 clubs and societies on 21 locations implemented annual sports programme **without written agreement** on conditions and manner of using sports facilities/areas



not charged at least 3,810 surplus hours of free-of-charge use of sports facilities/areas



clubs and societies were approved at least 333 extra hours of free-of-charge use of sports facilities/areas

OPINION OF THE COURT OF AUDIT



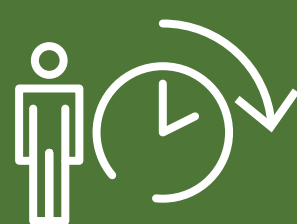
The Court of Audit expressed to the Public institute Sports Ljubljana an **adverse opinion** on the regularity of its operations in 2017.



The Court of Audit proposed **several recommendations** and **demanding the implementation of corrective measures.**

CORRECTIVE MEASURES

Public institute Sports Ljubljana must:



undertake activities to **organise work process** in a way public sector employees will **work overtime only in the event of exceptional, urgent or unforeseen circumstances**, but not more than 230 overtime hours per year



undertake activities for the selection of service providers/contractors **in line with public procurement regulations**



divide income and expenditure between public services and commercial activities in line with the **decision on establishment**



initiate **proper procedures for renting business premises in line with the legislation**



conclude relevant contracts/agreements with the users of sports facilities/premises **regarding the use and payment of costs**



set up a control system for recording usage hours and for charging the use of sports facilities/areas