



REPUBLIC OF SLOVENIA
COURT OF AUDIT

*Watching over
public money*

Revizijsko poročilo
Uspešnost izvajanja projekta eZdravje

Revizijsko poročilo
Računovodski izkazi in pravilnost poslovanja
Univerze v Ljubljani, Fakultete za strojništvo

Revizijsko poročilo
Predlog zaključnega računa proračuna Republike
Slovenije za leto 2013

Revizijsko poročilo
Računovodski izkazi in pravilnosti poslovanja
Zavoda za pokojninsko in invalidsko zavarovanje
Slovenije v letu 2012

Revizijsko poročilo
Čakalne dobe v Univerzitetnem kliničnem centru
Ljubljana



What is the Court of Audit?

The Slovenian Constitution provides that the Court of Audit of the Republic of Slovenia is *the highest body for supervising state accounts, the state budget and all public spending in Slovenia*. The Constitution further stipulates that the Court of Audit is independent in the performance of its duties and bound by the Constitution and the law; the organisation and powers of the Court of Audit are thus provided by law. The Court of Audit¹ provides that the acts with which it exercises its powers of audit cannot be challenged before the courts or other state bodies.

The mission of the Court of Audit is to inform the public about important audit findings from the audits of state bodies and other public funds users in a timely and objective manner. Additionally, due to its experience and expertise in best practices, the Court of Audit gives advice to state bodies and other public funds users on how to improve their financial operations. By disclosing irregularities and inefficiencies, the Court of Audit points to the responsibility of state bodies and holders of public functions, and therefore contributes to the welfare of the citizens of the Republic of Slovenia and the European Union.

What does the Court of Audit do?

The auditors of the Court of Audit collect evidence to address the following issues: whether the income of the state budget was received, whether the expenditures of the state budget were used in line with regulations and whether the financial operations of public funds users were appropriate, i.e. in accordance with the principles of economy, efficiency and effectiveness. The auditors also review whether the public funds were used in line with the purposes defined. During the audit implementation, the auditors provide advice to public funds users on avoiding and eliminating errors, irregularities and inefficiencies in their financial operations. The Court of Audit also publishes binding opinions on public finance issues.

¹ Court of Audit Act (ZRacS-1, Official Gazette RS, no. 11/01, 109/12), Rules of Procedure of the Court of Audit (Official Gazette RS, no. 91/01).

Revizijsko poročilo
Izvedba popravilnih ukrepov za ureditev
izvajanja gospodarske javne službe sistemskega
operaterja distribucijskega omrežja

Revizijsko poročilo
Uspešnost izvajanja ukrepa pomoči omejene
vrednosti

Revizijsko poročilo
Pravilnost poslovanja Zdravstvenega doma Ptuj

Revizijsko poročilo
Učinkovitost ureditve področja zagotavljanja
strokovne pomoči posilancem

Revizijsko poročilo
Informacijski sistem za podporo zbiranja
računovodskih podatkov o dohodkih in
poslovanju kmetijskih gospodarstev



Who can the Court of Audit control?

The Court of Audit may audit operations of any public funds users. A user of public funds is a public law entity, or its unit, a private law entity and a natural person that has received aid from the budget of the European Union, the state budget or the budget of a local authority, or that is carrying out a public service or securing public goods on the basis of a concession. A private law entity can be audited by the Court of Audit if it is a company, bank or insurance company in which the state or a local authority holds a majority stake. Powers and responsibilities of the Court of Audit are defined also by other laws, which grant the Court of Audit the authority to control the regularity of operations of political parties, the First Pension Fund, the Slovenian Sovereign Holding, the Bank Assets Management Company and funding of the election and referendum campaigns.

An opinion on operations given by the Court of Audit is binding and must be taken into consideration by every state body, local authority body and user of public funds to whose operations the opinion refers.

In addition to powers, the Court of Audit also has obligations that outline the annual scope of its work. In accordance with the Court of Audit Act, the Court of Audit must annually audit the regularity of the implementation of the state budget (the regularity of the operations of the state), the regularity of the operations of the public health insurance institute and the regularity of the operations of the public pension insurance institute. Every year, the Court of Audit must review the regularity of the operations of a suitable number of city and other municipalities, a suitable number of commercial public service providers and a suitable number of non-commercial public service providers – the number is defined by the annual work programme of the Court of Audit.



How does the Court of Audit implement its tasks?

The basic task of the Court of Audit is to review and control the operations of public funds users. By auditing these operations it obtains appropriate and sufficient data in order to express an opinion on the operations of the audited users of public funds:

- In auditing financial statements, it assesses the completeness and accuracy of the statements;
- In auditing regularity of operations, it expresses an opinion on the conformity of operations with the regulations and guidelines that the user of public funds must follow in its operations;
- In auditing the performance of the operations, it expresses an opinion on economy, efficiency or effectiveness of the operations of the budget user.

All reports issued by the Court of Audit are submitted to the National Assembly and the audited public funds user. The Court of Audit must submit an annual report on its work and the most important findings to the National Assembly every year².

How does the Court of Audit decide which audits to undertake?

The Court of Audit exercises its powers entirely independently. It is responsible for adopting its own programme of work. In designing its annual work programme, the Court of Audit considers legal responsibilities as well as direct and indirect proposals from the deputies and working bodies of the National Assembly, the Government, ministries and local authority bodies, civil society, media and citizens, as well as anonymous proposals and its own priorities or strategy. In selecting audits for its annual work programme, the Court of Audit tries to respond to public expectations as efficiently as possible; nevertheless, it must remain independent in deciding and identifying its work in order to carry out its activities and tasks objectively and to inform the public thereof.

² All audit reports are available at www.rs-rs.si under the section Documents.

Revizijsko poročilo
Pravilnost poslovanja nevladnih in pravosodnih
proračunskih uporabnikov

Revizijsko poročilo
Pravilnost dela poslovanja Občine Sveta Trojica
v Slovenskih goricah

Revizijsko poročilo
Pravilnost poslovanja Inštituta za varovanje
zdravja Republike Slovenije v letih 2011 in 2012

Revizijsko poročilo
Smotnost poslovanja GEN energije, d. o. o.,
Krško pri prodaji električne energije

Revizijsko poročilo
Prenos upravljanja finančnega premoženja
zunanjim upravljavcem



What is the audit procedure?

The *audit procedure* begins with the formulation of a detailed plan of the audit, which is included in the annual work programme of the Court of Audit. After it is approved, a resolution is issued for carrying out the audit. This is followed by the performance of the audit at the auditee: a *draft audit report* is issued, disputed audit findings are cleared up with the auditee in a *clearance meeting*, a proposed audit report is compiled, the auditee has the opportunity to object to the findings of the audit (in case the objection exists) and *the senate* reviews and rules on the disputed findings. The audit procedure is concluded with the issuing of *an audit report*. In financial and regularity audits the Court of Audit expresses an opinion on the operation of budget users in a standard form: *unqualified opinion, adverse opinion and qualified opinion*. The type of audit opinion depends on the calculated likely error, the upper error limit and the materiality threshold. If the auditors cannot obtain sufficient and appropriate audit evidence at the auditee or if the public funds user does not submit the documentation, the auditors can *reject to express an opinion*, but the circumstances must be clearly expressed. For performance audits the opinion is *descriptive*.

The *post-audit procedure* is introduced if any important irregularities or inefficiencies by the user of public funds are found and if it is not stated in the audit report that

appropriate measures were taken during the audit procedure to eliminate the irregularities or inefficiencies discovered. In that case the auditee must submit to the Court of Audit *a response report*. The response report must present the actions undertaken to remedy the irregularities and inefficiencies. The Court of Audit tests the credibility of the response report. If the Court assesses that remedial actions were not satisfactory and that the public funds user violated the obligation of operational efficiency, a request for action to be taken is issued and delivered to the authorised body, which can take measures against the auditee. The body must decide on the measures necessary and report its decision to the Court of Audit within 30 days. If the user of public funds commits a severe violation of the obligation of operational efficiency, the Court notifies the National Assembly. The relevant committee of the National Assembly reviews any severe violations in the presence of the auditee and adopts a decree due to a severe violation of the obligation of operational efficiency.

In cases of severe violations of the obligation of operational efficiency, or if the auditee prevents or hinders the execution of the audit, the Court of Audit can issue a proposal for the dismissal of the responsible person and inform the media thereof. If there is a suspicion of a legal offence or a violation having been committed, the Court of Audit proposes the commencement of proceedings against violations or motions for prosecution.

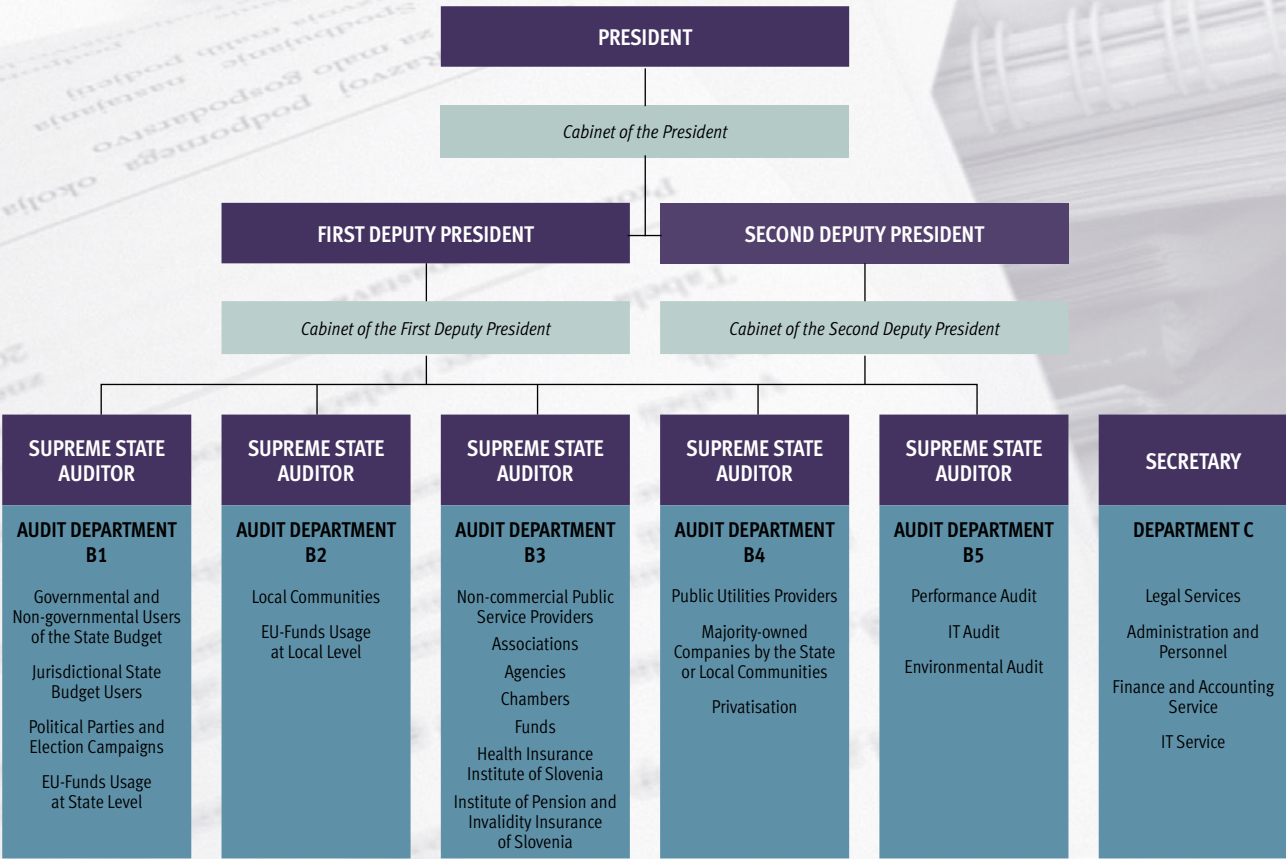
The organisation of the Court of Audit

The Court of Audit of the Republic of Slovenia has three members: a president and two deputy presidents. They are appointed for a term of nine years on a proposal from the President of the Republic of Slovenia by the National Assembly by a majority vote of all the deputies in a secret ballot. The president and the two deputy presidents form the senate of the Court of Audit.

In addition to the members, the Court of Audit may also have a maximum of six supreme state auditors, who head the audit departments and have the status of public officials. They are

appointed by the president of the Court of Audit for a term of nine years.

In addition to its audit services, the Court of Audit also has support services. It can select all its employees independently. The majority of employees of the Court of Audit hold a university degree or diploma, in recent years, however, the number of those with scientific title is increasing. Usually, the auditors' education is in economics and law, although some auditors have a different academic background. Recognised external experts, including foreign citizens or a group of experts, may also be invited to participate in the performance of an audit.



Revizijsko poročilo
Računovodski izkazi in pravilnost poslovanja
Gimnazije Murska Sobota

Zbirno poročilo
Uspešnost ministrstev pri upravljanju z izbranimi
podprogrami



The impact of the work of the Court of Audit

The Court of Audit issues a *report* on the undertaken audit at the public funds user. The report is submitted to the National Assembly and the audited user of public funds and published on the Court of Audit's website (www.rs-rs.si). By doing so, the Court of Audit informs the public about its work. It provides *advice and recommendations* to public funds users during the audit implementation and in its reports. Consulting refers to the improvement of the financial operations of public funds users. The public funds users must – if irregularities and inefficiencies were identified during the audit – present the actions undertaken to improve their operation.

The objective of the Court of Audit is to assist institutions that use public funds in improving their operations by implementing audits and by consulting. In so doing, the operations of public administration are improved and assurances are provided that money for the operation of state bodies, public institutions and local government, which is contributed by the citizens in the form of taxes or other legal duties, is used correctly, efficiently and in line with defined purposes. *The Court of Audit is watching over public money* – it reviews whether the funds are used correctly and efficiently and constantly reports to the public on its findings.

Achievements so far and the Strategy 2014-2020

The Court of Audit was established on 9 December 1994 and started with its operations in January 1995. Since then, we have steadily increased both the number of audits undertaken and the audit reports issued³. The complexity of the work undertaken has also grown with the introduction of the Court of Audit Act 2001 which allows us to inspect the efficiency and performance of the bodies that we audit.

The Court of Audit gives special attention to the advisory role, which significantly supplements our auditing powers and enables us to present the audit findings relating to the regularity, efficiency, effectiveness and economy of operations to as much auditees as possible, including local communities.

In 2013, the Members of the Court of Audit and its Supreme State Auditors, based on the requests by the users of public funds, advised especially to local communities and non-commercial public service providers, followed by the ministries, their subordinate bodies and commercial public service providers. In the period 2010-2013, the Court of Audit answered 588 questions on public finances which are recently becoming increasingly complex and thus require more time to be devoted to them.

At the end of 2013, the Court of Audit adopted the Strategy of the Court of Audit of the Republic of Slovenia 2014-2020⁴, which lays down five key objectives for its future operation:

- Objective 1: To improve the operations of the users of public funds as well as the quality of work of the Court of Audit;
- Objective 2: To detect changes, identify and respond to the risks incurred in time;
- Objective 3: To advise the users of public funds;
- Objective 4: To improve effects by strengthening communication and cooperation with third parties;
- Objective 5: To provide for stimulating working environment.

³ Up to 1 October 2014, the Court of Audit issued 1.764 audit and post-audit reports.

⁴ The complete document is available at www.rs-rs.si under the section Documents.

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