

REPUBLIC OF SLOVENIA COURT OF AUDIT

Annual Report 2014



MISSION

The Court of Audit informs the public about important audit findings concerning the operations of state bodies and other users of public funds in a timely and objective manner. It provides recommendations to state bodies and other users of public funds for the improvement of their operations.



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CONTENTS

KEY RESULTS	6
Foreword	7
POWERS	9
OBJECTIVES	10
ATTAINMENT OF OBJECTIVES	11
STRATEGIC OBJECTIVE 1	
TO CONTRIBUTE TO THE IMPROVEMENT OF OPERATIONS OF THE USERS	6 OF PUBLIC FUNDS AND
IMPROVE THE QUALITY OF WORK OF THE COURT OF AUDIT	
Audits	
Types of audits	
Timeliness and quality of audit reports	
Effects	
Savings	
Corrective measures	
More important requests for corrective measures and their implementation	
Recommendations issued	
Other measures	
Proposals to amend regulations	
Criminal offences and misdemeanours	
STRATEGIC OBJECTIVE 2	
TO DETECT CHANGES IN A TIMELY MANNER, IDENTIFY THE EMERGIN	
THERETO IN GOOD TIME	
Timely and relevant reporting	38
Pre-audit enquiry	
Received initiatives for auditing	
STRATEGIC OBJECTIVE 3	
TO PROVIDE ADVICE TO THE USERS OF PUBLIC FUNDS	
To further increase the advisory role of the Court of Audit	
Responding to questions	
Education of budget users and other public	
Trainings for the budget users	
STRATEGIC OBJECTIVE 4	
TO IMPROVE OUTCOMES BY STRENGTHENING COMMUNICATION AND COO	

Cooperation with the National Assembly of the Republic of Slovenia and the National Cou Republic of Slovenia	
INTERNATIONAL COOPERATION	
Cooperation within the Contact Committee	48
Bilateral cooperation	
Cooperation within the V4+2 Group	
Cooperation within EUROSAI	
Cooperation within the INTOSAI and other multilateral organisations and consultations	
COOPERATION WITH THE MEDIA AND PUBLIC	50
Questions posed by journalists and requests for additional explanations	
Press conferences	
Statistical review of published articles in the media	
Publications on the website of the Court of Audit	
STRATEGIC OBJECTIVE 5	52
TO PROVIDE A STIMULATING WORKING ENVIRONMENT	52
Internal communication	53
Education and expert training of employees	53
AUDIT FINDINGS	54
OPINIONS EXPRESSED IN AUDIT REPORTS	54
MOST COMMON ERRORS AND IRREGULARITIES	56
PRESENTATION OF WORK BY AUDIT DEPARTMENTS AND IMPLEMENTED AUDITS	60
THE FIELD OF THE STATE BUDGET AND DIRECT STATE BUDGET USERS	60
AUDITS FROM THE FIELD OF LOCAL COMMUNITIES	67
AUDITS OF NON-COMMERCIAL PUBLIC SERVICES AND ASSOCIATIONS	72
AUDITS OF PUBLIC UTILITIES, PRIVATISATION AND ENVIRONMENTAL PROTECTION	81
PERFORMANCE AUDITS	
SOURCES USED FOR ACHIEVING THE OBJECTIVES	90
FINANCIAL RESOURCES	90
BALANCE SHEET	95
Employment	97
ATTACHMENT 1: AUDIT AND POST-AUDIT REPORTS ISSUED IN 2014	101
ATTACHMENT 2: FINANCIAL STATEMENTS FOR THE YEAR 2014	111

KEY RESULTS

- ➢ 60 AUDIT REPORTS ISSUED (including one summary report)
- > 24 POST-AUDIT REPORTS ISSUED
- 590 MEASURES IMPLEMENTED DURING AUDIT AND POST-AUDIT PROCEDURES
- ▶ **190** CORRECTIVE MEASURES ASSESSED
- 142 CORRECTIVE MEASURES ADEQUATELY IMPLEMENTED
- 180 RECOMMENDATIONS ADVANCED PROVIDED TO USERS OF PUBLIC FUNDS
- ▶ **22** REPORTS DISCUSSED BY THE NATIONAL ASSEMBLY
- ➢ 516 INITIATIVES RECEIVED
- 175 WRITTEN RESPONSES TO THE QUESTIONS OF USERS OF PUBLIC FUNDS
- 5,857 MEDIA PUBLICATIONS RELATED TO THE COURT OF AUDIT

FOREWORD

In 2014, the Court of Audit celebrated its 20th anniversary. To commemorate this occasion, a special event was organised at the Ljubljana Castle which was attended by President of the Republic of Slovenia, Mr Borut Pahor, who was also a honourable speaker, President of the National Assembly of the Republic of Slovenia, President of the National Council of the Republic of Slovenia and many other high representatives of governmental bodies and institutions. Welcome addresses were held also by the Heads of Supreme Audit Institutions (SAI) from three neighbouring countries, i.e. Austria, Croatia and Hungary. The common thread of all speeches was independence and objectivity of operations of the Supreme Audit Institutions. On this special occasion, a comprehensive publication was issued, illustrating development and history of auditing as well as defining some key public finance issues in the Republic of Slovenia.

For the Court of Audit, the year 2014 represents the first year of the implementation of the Strategy of the Court of Audit of the Republic of Slovenia 2014-2020. The Strategy 2014-2020 covers all the key factors relevant to the work of the Court of Audit in the period defined by the strategic documents of the Republic of Slovenia and the Multiannual Financial Framework of the European Union 2014-2020. In this new strategy indicators (criteria and indexes) for monitoring the achievement of the set objectives were introduced. As the Republic of Slovenia is facing financial and economic crisis, the operations of the Court of Audit are focused on the responsiveness of the public sector to the effects of the crisis. In our annual report we focus on the attaintmet of our strategic objectives.

In 2014, the Court of Audit issued 60 audit reports (including one summary report) in which 103 auditees were audited. The number of audit reports issued in 2014 is in fact slightly lower compared to the previous year, when the Court of Audit issued a significant number of regularity audit reports on the financing of presidential elections and referendum campaigns. Nevertheless, the number of auditees in 2014 is comparable to that in the year 2013 and there were more post-audit reports issued than in 2013. On the basis of the audits, there were 590 measures implemented in 2014, 388 of them already before the audit has been concluded. The Court of Audit received 58 response reports related to 202 corrective measures required in 2014. It issued 24 post-audit reports, where it assessed 190 corrective measures, 142 corrective measures were assessed as adequate, 26 as partially adequate and 22 as inadequate.

National Assembly of the Republic of Slovenia (hereinafter referred to as: the National Assembly) discussed at its committees, commissions and plenary sessions 22 audit reports issued by the Court of Audit.

In 2014, the Court of Audit received 516 audit initiatives, of which 19 from the National Assembly. We can conclude from the content of the initiatives that different audiences are aware of the role of the Court of Audit plays and they are providing us with important information on business operations of various public funds users through their submissions. It should also be emphasised that the number of initiatives by the National Assembly, especially by the Commission for Public Finance Control, has increased compared to previous years which has made the process of designing our annual plann much easier.

The Court of Audit also continued to exercise its advisory role. It prepared 175 responses to the questions received, which is 55 more than in 2013. The advisory role of the Court of Audit is often given less attention than it deserves, mostly due to those audit reports which received greater response from our different audiences. The increased number of written inquiries indicates the need on the side of the public sector to receive guidelines for its work, and opens an avenue for the Court of Audit to affect the management of public funds. The representatives of the Court of Audit participated with their expert inputs in 13 different trainings, seminars and meetings. Additionally, the Court of Audit issued several position papers and submitted comments to several proposed acts and implementing regulations.

In addition to audit and advisory activities, the Court of Audit put in 2014 considerable efforts into updating the audit guidelines. By updating the guidelines, quality provisions, methods of reporting, gathering evidence, planning, managing audit papers and many other procedures were brought in line with recognized best practices, and contributed to better efficiency of our work following the provisions of the Court of Audit Act and the relevant International Auditing Standards. Furthermore, new Integrity Plan was also adopted and Code of Ethics amended.

The Court of Audit received media coverage through as many as 5,857 publications on its work by various media.

Moreover, the experts of the Court of Audit actively participated with their inputs also in international working groups. The Court of Audit strengthened its international cooperation through the implementation of joint audits carried out in participation with other SAIs. An example of such cooperation is the audit report on the economic cooperation between the Republic of Slovenia and Russian Federation published in 2014.

At the end of 2014, the Court of Audit had 123 employees, which is 2 employees more that at the end of 2013. Adopted budget (the latest revised budget) of the Court of Audit for 2014 amounted to EUR 5,185,264, applicable budget (the latest revised budget with subsequent reallocations) amounted to EUR 5,034,264 and actual operating costs of the Court of Audit in 2014 amounted to EUR 4,930,370, which is EUR 271,669 less than in 2013 when they amounted to EUR 5,202,039. This decrease is partially due to the changes in the organisational structure of the Court of Audit.

One of he Court of Audit's main responsibilities lies in the selection of auditees, the number of which has due to the amendments to the legislation siginificanly risen recently and now includes many new entities from political parties, companies in indirect majority ownership by the Republic of Slovenia, to Bank Assets Management Company. Unfortunately, the same does not apply to our funding. Following the requirements of the Court of Audit Act and numerous initiatives of the public and the National Assembly it can be said that an intrinsic gap in expectations of the different segments of the public appears. Namely the public would like to receive prompt and reliable answers on the operations of the several thousand public bodies. Under such circumstances it is of even greater importance that we continue in our endeavours for independence.

Tomaž Vesel, President of the Court of Audit

9

POWERS

Article 150 of the Constitution of the Republic of Slovenia provides that the Court of Audit is the highest body for supervising state accounts, the State budget and all public spending. Under the Constitution, the Court of Audit is ensured the highest level of formal independence, in accordance with the provisions of the Lima and Mexico declarations of the International Organisation of Supreme Audit Institutions (INTOSAI) and in line with the Resolution A/66/209 of the General Assembly of the United Nations. In compliance with its mission as defined in the Constitution, the Court of Audit provides the Slovenian society with relevant, expert, timely and complete information on the operations of the users of public funds and endeavours to improve the use of public funds by providing recommendations and imposing measures. The Court of Audit is independent, objective and efficient in the exercise of its powers.

The exercise of the powers and duties of the Court of Audit by conducting audits of operations of users of public funds and providing advice to them is regulated in the Court of Audit Act. The Court of Audit with its independence and expertise complies with its statutory obligations in a timely and quality manner and, by focusing on material fields in the public sector and those where more risks are detected, it tries to promote regularity, efficiency, effectiveness and economy among users of public funds.

OBJECTIVES

The mission of the Court of Audit is to inform the public and the National Assembly about important findings from the audits of operations of the users of public funds in a timely and objective manner and, based on its experience and knowledge of good practices, to provide advice to the users of public funds on how to improve their operations. By disclosing irregularities and inefficiencies, it points to the responsibility of state bodies and holders of public office and thus operates for the benefit of all the citizens of the Republic of Slovenia and the European Union.

Within the scope of its audit powers, the Court of Audit helps the users of public funds by identifying and disclosing errors, irregularities and inefficiencies in their operations as well as by issuing requests and providing recommendations for the elimination thereof.

Within the scope of its advisory powers, the Court of Audit helps the users of public funds by expressing opinions and providing answers to the questions on public finance, and the legislative and executive branches of government by proposing amendments to the relevant regulations.

At the end of 2013, the Court of Audit adopted the Strategy 2014-2020, in which it set the following strategic objectives:

- **Objective 1:** to contribute to the improvement of operations of the users of public funds and improve the quality of work of the Court of Audit;
- **Objective 2:** to detect changes in a timely manner, identify the emerging risks and respond thereto in good time;
- **Objective 3:** to provide advice to the users of public funds;
- **Objective 4:** to improve outcomes by strengthening communication and cooperation with others;
- **Objective 5:** to provide a stimulating working environment.

The anual audit plan for 2014 was designed with the intent to bring to effect these strategic objectives.

ATTAINMENT OF OBJECTIVES

Strategic objective 1

To contribute to the improvement of operations of the users of public funds and improve the quality of work of the Court of Audit

- The approach used by the Court of Audit in its selection of audits is based on the assessment of risk. In the current strategic period, the approach will be upgraded with a detailed procedure specifying the application of the presented criteria for the selection of audits. Our audit work is namely focused primarily on covering the fields with the highest risks and respectively the fields with the greatest consequences in the event of the materialisation of the risks. Aiming to improve the operations of the users of public funds, we will endeavour to achieve the best outcomes possible. We will strictly enforce the accountability of the users of public funds and seek to identify the cases of suspicion of criminal offences and misdemeanours and initiate procedures accordingly.
- The Court of Audit will continue to learn from the audit methodologies and practices developed by other Supreme Audit Institutions and transfer the knowledge to the employees of the Court of Audit. Free flow of knowledge, information, experience and best practices namely represents an essential element of internal communication. Also the priority fields set in our Strategy reflect the views based on our internal communication intensified with the organisation of regular board meetings and updating of our intranet website. As we have done in the past, we will continue to strive for excellence. Further development of quality assurance techniques will be the core of our efforts in the coming years. This will include self-assessment after the completion of each project as well as evaluation at international level (peer review) every five years. We will thus be able to contribute to the identification and implementation of best practices.

In accordance with the Court of Audit Act, the Court of Audit is bound to carry out a number of statutory audits annually. Statutory audits include an audit of the regularity of the implementation of the State budget, audit of the regularity of operations of the Pension and Disability Insurance Institute of Slovenia as well as audit of the regularity of operations of the Health Insurance Institute of Slovenia. It should additionally perform audits of the regularity of operations of an adequate number of urban and other municipalities as well as audits of the regularity of operations of an adequate number of commercial and non-commercial public service providers. The municipalities and the commercial and non-commercial public services to be audited are determined in the Programme of Work for the Exercise of Auditing Powers of the Court of Audit.

In accordance with the provisions of the First Pension Fund of the Republic of Slovenia and Transformation of Authorised Investment Corporations Act, an audit of the regularity of operations of the First Pension Fund is carried out by the Court of Audit annually. The Court of Audit also carries out statutory audits of operations of political parties in compliance with the regulations governing the operations of political parties, as well as mandatory audits of political campaigns at state level in line with the regulations governing the implementation of election and referendum campaigns.

Based on the Act Defining the Measures of the Republic of Slovenia to Strengthen Bank Stability, the Court of Audit should annually perform also an audit of operations of the Bank Assets Management Company.

Apart from the above listed mandatory audits, the Court of Audit endeavours to annually implement as many other audits as possible in order to provide the National Assembly and the interested public with timely, reliable and quality information on financial operations, task implementation, achievement of objectives and results, management and internal controls.

Audits

In 2014, the Court of Audit was carrying out 1491 audits (only 7 less than in the previous year) and issued:

- 60 audit reports (of those one summary report),
- 24 post-audit reports,
- 62 draft audit reports,
- 71 proposed audit reports,
- 9 reports on the pre-audit enquiry carried out.

Total expenditure of all auditees that were under comprehensive or partial audits of financial statements, regularity or performance in 2013 (audit reports were published in 2014) exceeded EUR 18.2 billion.

Total expenditure of all audited bodies that were under comprehensive or partial non-statutory² audits of financial statements, regularity or performance in 2013 (audit reports were published in 2014) exceeded EUR 1.6 billion.

Types of audits

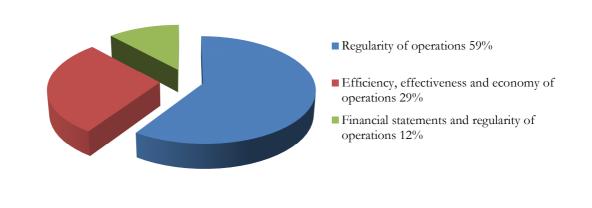
Audits are classified according to the objectives set by the Court of Audit. In 2014, the following audit objectives were defined:

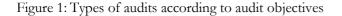
- to express an opinion on financial statements (financial audit);
- to express an opinion on the compliance with the regulations (regularity audit); and
- to express an opinion on the efficiency, effectiveness or economy of operations of users of public funds (performance audit).

¹ All published audits: 59 + all audits, started and concluded before 31 December 2014: 89 (6 post-audits) + published post-audits: 24 (audits, linked to the reports published in 2014: 17); 59 + 89 - 6 + 24 - 17 = 149.

² Non-stautory audits are audits that the Court is not obliged to perform but chooses to as part of the exercise of its powers.

Figure 1 illustrates types of audits for which audit reports were issued in 2014.





The Court of Audit also implements audits where it simultaneously expresses an opinion on two of the above mentioned objectives. Out of 59 audits completed in 2014, 28.8 percent of them (17 audits) had the objective to express an opinion on the efficiency, effectiveness or economy of operations (performance audits). In 2014, again the largest share of audits was represented by regularity audits, i.e. 59 percent (35 audits) of all audits. Audits combining the objective to express an opinion on financial statements and on the regularity of operations represented 12 percent (7 audits).

Timeliness and quality of audit reports

Timeliness of an audit report is the most important and easy measurable element in a mandatory regularity audit of the implementation of the State budget, since the time limit for its completion is defined by the Public Finance Act. It is also the most extensive audit of the Court of Audit. Its implementation and timeliness were therefore given a lot of attention and audit work. Audit report on the proposed annual financial statement of the State budget for 2013 was issued within the time limit defined by the Public Finance Act.

Time limits on issuing other mandatory audit reports are not defined, nevertheless the Court of Audit endeavours to issue audit reports of interest for the public.

Quality of audit reports is provided by the internal quality assurance process and statutory procedures. Therefore each detailed audit plan, draft audit report and proposed audit report is reviewed by the advisers to the Deputy Presidents and, where necessary, by the legal department. They mainly examine compliance with auditing standards and regulations. Before a final audit report is signed by the President, it is also reviewed by the editorial board for linguistic, legal and audit appropriateness. The quality assurance is promoted also by a clearance meeting as defined by the Court of Audit Act. At the clearance meeting, an auditee may file an objection against any audit finding in a draft audit report or give additional

explanations. No clearance meeting is necessary if the auditee notifies the Court of Audit in writing that no finding in the draft audit report is challenged. If not successful at the clearance meeting, the auditee can file an objection to the proposed audit report. The Senate of the Court of Audit, composed of the President and both Deputy Presidents, decides on any disputed finding in the proposed audit report and its decision is final.

Effects

The Court of Audit contributes to the reduction of irregularities as well as inefficiency, ineffectiveness and uneconomy of operations of users of public funds in several ways. As defined by the Constitution of the Republic of Slovenia, the Court of Audit is the highest body for supervising state accounts, State budget and all public spending. In implementing audits, the Court of Audit actively promotes improvements of operations of users of public funds by disclosing irregularities as well as inefficiency, ineffectiveness and uneconomy in audit reports and demanding corrective measures and/or the establishment of such supervision system that shall prevent any similar occurrences in the future. The aforementioned is achieved through the required measures and recommendations given. Benefits for the public sector are measurable and not measurable. The measurable benefits are savings of public funds, which are based on audit findings and other measures of the Court of Audit. Not measurable benefits are improving knowledge and awareness of the authorised persons. In this way the Court of Audit influences users of public funds to bring more regularity as well as efficiency, effectiveness and economy into their operations.

Savings

One of the Court of Audit's annual objectives is to assess savings or other measurable outcomes in two selected audits. In the continuation of the report the assessed outcomes are presented for two audits.

Under the audit of economy of operations of the company Slovenske železnice, d. o. o., Ljubljana (hereinafter referred to as: Slovenian Railways) relating to the field of payroll and other incomes of the management, the Court of Audit established that the management of the company had potential savings in the gross value of EUR 126,596.00 (savings on basic salaries, bonuses, gratuities and severance pay) and potential savings in the net value of EUR 1,471.00 (other potential income savings relating to meal, travel and insurance).

In the performance audit of providing and performing mandatory national public utility service of waste incineration the potential savings were assessed to EUR 19,206,651.00. The amount represents all investments in the incineration plant in the value of EUR 19,849,702.00, increased for the amount of already paid rents into the budget of the Municipality of Celje (instead into the State budget), i.e. EUR 1,880,818.00. The specified amount shall be reduced by the invested funds of the Municipality of Celje for the preparation of investment documentation and purchase of lands for the incineration plant in the amount of EUR 1,842,617.00, as well as for covering deficit of the concerned investment in the amount of EUR 681,252.00. The calculation refers to the requirement of drawing up a plan of activities for the arrangement of relations between the Republic of Slovenia and the Municipality of Celje regarding

the infrastructure ownership, namely the infrastructure of national importance and fully owned by the Municipality of Celje.

In addition to the examples illustrated, it should be noted that the annual report also shows other achieved and expected savings in other audits which are represented in the chapter Presentation of work by audit departments and implemented audits.

Corrective measures

The user of public funds whose operations have disclosed irregularities, inefficiency, ineffectiveness or uneconomy, must submit to the Court of Audit, unless it eliminates them during the audit procedure, its response report with corrective measures disclosed. The purpose of corrective measures is to eliminate irregularities respectively inefficiency, ineffectiveness or uneconomy and improve operations of users of public funds in the future. Time limits for the submission of a response report are in the range between 30 and 90 days, depending on the complexity of corrective measures. For some audits issued at the end of 2014 the deadline falls into 2015. Auditors of the Court of Audit assess disclosed corrective measures in the post-audit reports. Most of the audited users of public funds present evidence in their response reports that appropriate corrective measures for the elimination of disclosed irregularities respectively inefficiency, ineffectiveness or uneconomy have been taken.

The Court of Audit may review the corrective measures by undertaking a new audit to verify the credibility of a response report. The objective of such audit is to express an opinion on the credibility of a response report.

Some corrective measures are such that demand from the audited user of public funds to disclose at least the initiation of activities that shall, when properly implemented, give adequate results after a longer period of time. Whether the audited user of public funds has followed the recommendations of the Court of Audit can be assessed in detail only after certain period of time by introducing a new audit.

The Court of Audit assesses the adequacy of corrective measures in a post-audit report. If the Court of Audit estimates that there is no adequate elimination of disclosed irregularities respectively inefficiency, ineffectiveness or uneconomy, it may issue a call for remedial action, addressed to a relevant authority which the Court of Audit considers to be able, within the scope of its powers, to take action against the user of public funds. The authority to which the call for remedial action was delivered shall submit to the Court of Audit a report on the actions taken or an explanation of the omission of action within 30 days after receipt of the call. In case of inadequate elimination of material irregularities respectively inefficiency, ineffectiveness or uneconomy, the Court of Audit shall notify the National Assembly and issue a call for the dismissal of the officer responsible and a press release.

In the year 2014, the Court of Audit issued 59 audit reports, out of which 23 reports included a request for the submission of a response report, which means more than a third (39 percent) of audited users of public funds. Compared to the year 2013, the share remained unchanged (39 percent), while in comparison to the years 2012 (44.7 percent) and 2011 (48.6 percent), the share decreased.

Audited users of public funds disclosed 202 corrective measures in the response reports received in 2014. In 2014, the Court of Audit issued 24 post-audit reports, in which it assessed 190 corrective measures, 8 more than in the previous year. 142 measures were assessed as adequate (75 percent), 26 as partially

adequate (14 percent) while 22 corrective measures were assessed as inadequate (11 percent). Due to inadequately implemented corrective measures, the Court of Audit issued a decision on violation of the requirement for operational efficiency in 15 post-audits reports.

Table 1: List of issued decisions on violation of the requirement for operational efficiency

Seq.	Post-audit report		
No.			

1. Corrective measures concerning transboundary movement of waste

• The Ministry of Agriculture and the Environment demonstrated in its response report that it commenced activities for setting the size and determining the manner of pronouncing fines for offences in transboundary movement of waste but it failed to prepare a plan of activities determining activities, their providers and deadlines for their implementation, a proposal for setting criteria for pronouncing fines for offences pertaining to infringements of the Environmental Protection Act (ZVO-1) and regulations adopted on the basis thereof in case several ranges of fines exist, as well as failed to lay down the proposal for the supplementation of the Environmental Protection Act (ZVO-1) by concrete criteria to provide for an efficient system of pronouncing fines relating to the infringement of regulations in the field of environmental protection.

2. Corrective measures concerning the efficiency of implementation of measures for the efficient energy use

- The Ministry of Infrastructure and Spatial Planning failed to submit the Regulation on Energy Accounting as prescribed by the applicable Energy Act (EZ). It only explained that the amended Energy Act (EZ-1) foresees the arrangement of energy accounting in compliance with the Decree on System of Energy Management in Public Sector instead with the Regulation on Energy Accounting. Since the Ministry failed to submit the Regulation on Energy Accounting that would lay down the mandatory content, type of data and the manner of energy accounting, and that would at the same time, in accordance with the foreseen content of the Decree on System of Energy Management in Public Sector, represent the integral part of the concerned Decree, the Court of Audit assessed the implemented measure inadequate as the field of energy accounting by the time of potential adoption of the amended Energy Act (EZ-1) will not be properly regulated although the statutory time limit expired already in 2010 and despite the fact that the adoption of the Regulation on Energy Accounting will in practice disclose possible deficiencies of the introduced regulation which could have been taken into consideration upon the preparation of the Decree on System of Energy Management in Public Sector on the basis of the amended Energy Act (EZ-1).
- The Ministry of Infrastructure and Spatial Planning prepared a proposal for an amended Energy Act (EZ-1) that foresaw the financing of support scheme for the promotion of electricity generation from renewable energy resources (RES) through budget funds, yet it failed to submit a plan of activities to ensure the eligible use of funds in the amount of EUR 7.5 million raised from mandatory purchase of electricity bonuses. Since the Ministry failed to submit the plan of activities, the Court of Audit is of the opinion that the corrective measure relating to the concerned matter is inadequate.

- The amended Energy Act (EZ-1) proposal does not specify the entity obliged to record the funds raised from the contributions for efficient energy use and for generation of heat from renewable energy resources among its revenue when they are incurred. It specifies that the amount of raised funds, which represent the Eco Fund revenue, shall be set only upon the very approval of the programme which is an integral part of the Eco Fund business plan. At the same time, the amended Energy Act (EZ-1) proposal regulates recording of revenues from raised funds which are intended to cover the cost of programme implementation exclusively, but not until the Government approves the efficient energy use programme. It does, however, not specify the sources of the remaining raised funds. According to the proposed regulation, the raised funds do not represent neither revenue of the integral part of the State budget nor the Eco Fund revenue. That is why the Court of Audit assesses the corrective measure pertaining to the concerned matter as inadequate as it is not compliant with the principle of completeness and unity of the budget.
- Since the Ministry of Infrastructure and Spatial Planning failed to submit the plan of activities determining activities, deadlines and persons responsible for establishing the scheme of qualified energy service providers, the Court of Audit is of the opinion that the corrective measure pertaining to the concerned matter is inadequate.
- As the Rules on Methods for Determining Energy Savings at End-Users include methods
 where the same measure might have different results and the method for the calculation of
 energy savings with the implemented energy review, which does not take into account the
 possibility of double counting of final energy savings due to financial stimulus for the
 implementation of investment measures for the efficient energy use carried out on the basis
 of the recommendations arising from the energy review, the Court of Audit is of the
 opinion that the measure pertaining to the concerned matter is inadequate.

3. Corrective measures concerning the audit of the proposal of the Annual Financial Statement of the Budget of the Republic of Slovenia for the year 2012

- Opening of the second development phase of the central record of state-owned real estate and real estate under the ownership of other bodies governed by public law entities and established by the Republic of Slovenia, excluding the real estate owned by the Republic of Slovenia and managed by the Slovene Intelligence and Security Agency, is not directly linked with timely recording of differences arising from inventory registration at the direct users of the State budget. **The Government of the Republic of Slovenia** failed to prepare the required plan of activities regarding the recording process.
- The Ministry of Finance failed to prepare the plan of activities for the improvement of internal controls concerning the planning of State budget and the provision of completeness in recording of State budget revenues and expenditures, as well as assets and liabilities.
- The Ministry of Finance established in the response report that it is not possible to provide a programme solution which could at the end of the year enable the allocation of funds, upon the transfer from transitional sub-accounts of tax authorities, to their designated recipients, namely by types of income. However, the Tax Administration of the Republic of Slovenia will provide data for all recipients to enable them recording in their books of account correct amounts of revenues received from transitional sub-accounts of

tax authorities. The described solution will enable the recipients to record correct amounts of revenues from transitional sub-accounts of tax authorities, however, it does not meet the requirement under Article 18 of Rules on Keeping of Accounting Records which stipulates that the funds from transitional sub-accounts of tax authorities shall be, in accordance with the Rules on the Tasks of the Public Payments Administration of the Republic of Slovenia, on 31 December transferred to the relevant government revenue sub-accounts, meaning that the funds shall be allocated to all their designated recipients at the end of the year.

- Since the Ministry of Foreign Affairs failed to adopt the instructions for recording exchange rate differences and for the provision of documentary evidence, the Court of Audit assesses the presented corrective measures as inadequate.
- The Ministry of Foreign Affairs failed to fully implement the corrective measure as it did not demonstrate that the condition of completing the higher diplomatic exam had been included into the classification of posts. The Court of Audit thus assesses the presented corrective measures as partially adequate.
- The Ministry of Economic Development and Technology summoned the company Bodočnost Maribor, d. o. o. to recover unduly paid funds, it has, however, not examined legal possibilities for the reimbursement of unduly paid funds as in accordance with the corrective measure.
- The Ministry of Agriculture and the Environment failed to prepare the plan of activities for making inventory and the arrangement of infrastructure constructed for the Republic of Slovenia by the public company Infra, d. o. o., Leskovec pri Krškem on 31 December 2013, for determining the value of the concerned infrastructure and the value of funding liabilities towards the public company Infra, as well as to obtain construction and infrastructure arrangement permits from the public company Infra to be able to overtake the infrastructure owned by the Republic of Slovenia. Upon repayment of all loans taken out for the intended purpose, the Ministry plans to record the concerned infrastructure facilities and its arrangement in its books of account.
- The Ministry of Infrastructure and Spatial Planning only described in the repose report some procedures that could ensure that the value of real estate intended for increasing the special purpose assets of the Housing Fund shall be assessed by a certified auditor. The Ministry, however, failed to submit the plan of activities for the introduction of those procedures, or to prove that they had already been introduced. The concerned procedures only refer to the Housing Fund rather than public funds in general.
- The Ministry of Labour, Family, Social Affairs and Equal Opportunities failed to fully implement the corrective measures, as it failed to examine the regularity of payment amounts within time limits for the submission of a response report.
- The Ministry of Education, Science and Sport implemented all the required corrective measures, except the corrective measure of supplementing the Rules on Norms and Standards. The Ministry states that the preparation of the supplementation has already been conducted, the Rules, however, have not yet been amended accordingly.

4. Corrective measures of the Municipality of Gorišnica

• The Municipality of Gorišnica only stated that the employees of the municipality administration were acquainted with the regulations and activities in the field of implementation of public procurements and public-private partnership projects, as well as with the regulations governing the preparation of the development plans and investment documentation, yet it failed to provide a description of business processes of public-private partnership and public procurement, including the definition of their basic activities and responsibilities for their implementation and measures for improvements.

5. Corrective measures of the Ministry of Health

• The Ministry of Health introduced the second amendment to the investment programme of the eZdravje project and, compared to the first amendment, thus improved the transparency of content and time schedule, as well as enabled comprehensive illustration of expanses and sources of funding pertaining to the eZdravje project. The Ministry, however, failed to remove inconsistencies in terms of content as well as financial inconsistencies in investment documentation, which is why the content, costs and financial projections of all eZdravje sub-projects are still not unambiguously and clearly defined.

6. Corrective measures of National Institute of Public Health and National Laboratory of Health, Environment and Food

• National Institute of Public Health failed to eliminate irregularities in determining a salary of a civil servant in accordance with Article 3 of Public Sector Salary System Act (a new employment contract with classification of a civil servant into an appropriate salary grade was not concluded), as well as failed to require the repayment of an excessively paid salary (EUR 5,974 in 2011 and EUR 7,375 in 2012) as stipulated by Article 3.a of Public Sector Salary System Act.

7. Corrective measures of the University of Ljubljana, Faculty of Mechanical Engineering

• The Faculty of Mechanical Engineering failed to demonstrate that it had required from the Dean to return the unduly paid grade-related allowance as in accordance with Article 3.a of Public Sector Salary System Act. The Faculty expressed its disagreement with the assessment of the Court of Audit already in an objection to the proposed audit report which included also the position of the Rector of the University of Ljubljana. The Senate of the Court of Audit refused the objection as unjustified, as the Dean's payment should have been determined by 1 March 2006 as in accordance with Public Sector Salary System Act, Decree on the Salaries of Directors and Rules on Classification of Posts of Directors. Decree on Salaries of Directors clearly stipulates that the post of a dean is considered as the post of a director, which is way the Dean is not entitled to a grade-related allowance. In line with Higher Education Act, the universities and independent higher education institutions are authorised to independently manage their internal organisation and operations based on their statutes in accordance with the applicable law. The Act, however, does not represent a legal basis for drawing up such classification of posts that would foresee salaries exceeding

the limits as stipulated by Public Sector Salary System Act and regulations issued on the basis thereof.

- The Faculty of Mechanical Engineering submitted a letter only to the personal insurance holding company Prva osebna zavarovalnica where it stated to terminate the complementary pension saving for employees on 30 June 2014, which clearly indicates that the Faculty did not cease to pay contributions to supplementary pension schemes within the time limit set in the audit report. The acknowledgement of receipt regarding the cessation of contributions provided by Prva osebna zavarovalnica shows that the contract no. I-POG-D-2 040000025 should be brought to a standstill on 1 July 2014 but not terminated. According to Article 246 of Pension and Disability Insurance Act, the provision on standstill of supplementary insurance only refers to temporary suspension of contributions as provided for in the pension scheme.
- 8. Corrective measures concerning the audit of efficiency of determination and payment of compensations due to construction and reconstruction of public utility infrastructure
 - The Government of the Republic of Slovenia presented activities to be carried out by the Ministry of Justice to unify the conditions for the examination of professional qualifications of court experts or court valuators, and activities to be implemented regarding the modifications of conditions for obtaining the permit to perform the tasks of court valuators, exercise control over the work of court valuators and to implement changes of measures imposed due to identified careless work of court valuators, but it failed to submit a plan of activities for the unification of conditions for obtaining and retaining the permit to perform the tasks of all valuators allowed to carry out valuations outside judicial proceedings, and to ensure unified control over the valuators' work.
 - In its response report, the Ministry of Infrastructure and Spatial Planning only indicated that the field of compulsory purchases for public purposes was to be regulated by an act rather than a decree as in accordance with Article 55 of Act Regarding the Sitting of Spatial Arrangements of National Significance in Physical Space, yet it failed to lay down the activities to be performed for the preparation of the amendments to the act.
 - The Ministry of Infrastructure and Spatial Planning indicated in the response report that the questions about the assessment of real estate values are regulated by several regulations. This calls for an amendment in order to ensure unified legal bases that would comprehensively address the questions regarding procedures and persons having the right to make such assessments. Although the Ministry of Infrastructure and Spatial Planning is responsible for the regulations in the field of contribution determination in case of construction or reconstruction of public utility infrastructure, it failed to present activities to be carried out to ensure the unification of legal bases regulating the powers to assess the amount of compensations, methods of assessment and types of compensations.
 - The Ministry of Infrastructure and Spatial Planning failed to establish an appropriate method of recording of paid compensations in its books of account until the submission of a response report. In its response report, it only presented the method or recording compensations that should have been established until 31 October 2014.

9. Corrective measures of Health Centre Ptuj

The Court of Audit assesses the presented corrective measure as partially adequate, since **the Health Centre Ptuj** within the time limit of 90 days, set for the elimination of irregularities in payroll accounting for a civil servant, failed to act in accordance with then applicable Article 3.a of Public Sector Salary System Act. The Health Centre failed to conclude with a civil servant a written agreement on the manner of repayment of overpaid amounts of salaries or failed to bring an action before the competent court to reimburse the total difference in the value between overpaid salary and legally determined salary.

10. Corrective measures of the Municipality of Bovec

- The Municipality of Bovec only indicated to act in accordance with the regulations, but failed to provide a description of business processes regarding the real estate management, including the definition of basic activities of a particular process and responsibilities for its implementation.
- The Municipality stated that when implementing public procurements it acted in accordance with Public Procurement Act and considered a 30-day payment period, yet it failed to provide a description of business processes of public procurement, including the definition of basic activities of a particular process and responsibilities for its implementation.

11. Corrective measures concerning the audit of efficiency of regulating the field of providing expert assistance to deputies

• The Court of Audit assesses the presented corrective measure as inadequate, since the **National Assembly** only announced to change the manner of determining salary grades in the future but failed to indicate that it redetermined a salary grade for those professional workers and associates who were in the previous term of the National Assembly classified into a higher salary grade than determined for their work post, and who had employment contracts terminated with the termination of a deputy group.

12. Corrective measures concerning arrangement of a part of an information system of the Customs Administration of the Republic of Slovenia

- The Customs Administration of the Republic of Slovenia failed to define the process of amending the data for most of the code lists, including the information on participants in excise procedures, and thus failed to guarantee the sufficient level of risk management by enabling external contractor to further modify information on databases.
- In its response report, the Customs Administration indicated the plan of activities including the persons responsible, yet it failed to lay down the time limits for the implementation of a corrective measure and the final deadline which should depend on the assessment and proposals made by an external contractor responsible for updating the applications through an audit trail together with the defined manner of control. The Customs Administration should establish at least framework assessments and proposals for the update and lay down the final deadline expected for the completion of the task enabling the Customs Administration to guarantee the management of risk of uncontrolled and unsupervised modification of data on databases and in waiting lists.

13. Corrective measures concerning the regularity audit of the operations of the nongovernmental budget users and judicial authorities

Since the Slovenian Quality Assurance Agency for Higher Education failed to implement activities for the recovery of unduly paid funds, the Court of Audit assesses the presented corrective measure as inadequate.

- The Constitutional Court of the Republic of Slovenia classified civil servants into new salary grades, thus preventing further incorrect payment of salaries. However, it failed to perform repayment of salaries paid in the amounts too low or conclude the agreement on the repayment of excessively paid salaries as stipulated by Article 3.a of Public Sector Salary System Act.
- Since the Constitutional Court of the Republic of Slovenia failed to eliminate irregularities in accordance with Article 3.a of Public Sector Salary System Act, the Court of Audit assesses the corrective measure as inadequate.
- Slovenian Compensation Company examined the possibility for the recovery of unduly paid funds and thereby established that such recovery is not possible. The Court of Audit is of the opinion that the aforementioned conclusion is not undoubtedly based on Slovenian Sovereign Holding Act and is at the same time not fully confirmed by the arguments of Slovenian Compensation Company. Slovenian Compensation Company failed to examine whether the recovery would be possible in accordance with the Rules on Unjust Enrichment. The Court of Audit assesses the presented corrective measure as partially adequate (meeting fees and refunding).
- Slovenian Compensation Company examined the possibility for the recovery of unduly paid funds and thereby established that such recovery is not possible. The Court of Audit is of the opinion that the aforementioned conclusion is not undoubtedly based on Slovenian Sovereign Holding Act and is at the same time not fully confirmed by the arguments of Slovenian Compensation Company that failed to examine whether the recovery would be possible in accordance with the Rules on Unjust Enrichment. The Court of Audit assesses the presented corrective measure as partially adequate (repair of a company car).
- By adopting the two decisions, **the Slovenian Academy of Sciences and Arts** specified the manner of calculating financial rewards and increased monthly rewards, yet it failed to specify the time period for which the members of the Academy are entitled to the monthly reward. The presented decisions were adopted by the Presidency of the Slovenian Academy of Sciences of Arts, although the decisions from the concerned field should be taken and amended by the Assembly as in accordance with Article 47 of the Academy's Statute. Slovenian Academy of Sciences and Arts indicated in the response report that its Statute would be appropriately amended, yet it failed to lay down the time period in which the Assembly was to be convened. The Court of Audit assesses the presented corrective measure as partially adequate.

14. Corrective measures of the Ministry of Education, Science and Sport

- The Ministry of Education, Science and Sport failed to indicate in the response report that it had drawn up the plan of activities (with individual activities, their providers and deadlines specified) for entering past data on persons enrolled in higher education study programmes in the academic year 1999/2000 into the eVŠ database (electronic record of students and graduates) as stipulated by Higher Education Act.
- Instead of the required corrective measure, the Ministry of Education, Science and Sport indicated that it planned activities to call on higher vocational colleges to enter past data on persons enrolled in vocational college study programmes into databases. The Court of Audit assesses the presented corrective measure as inadequate, since the implementation thereof requires the appropriate legal bases regarding the determination of enrolment periods and the deadline by which the data are to be entered. When planning the legal bases, the Court of Audit assesses that it would be appropriate to examine which academic period to encompass when recording data on enrolment of persons in vocational college study programmes, namely within the framework of application, selection and enrolment in vocational college study programmes.

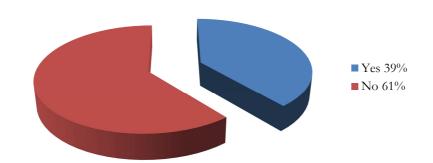
15. Corrective measures concerning the audit of the proposal of the Annual Financial Statement of the Budget of the Republic of Slovenia for the year 2013

- The Ministry of Finance failed to prepare the plan of activities for the improvement of internal controls concerning the planning of State budget and the provision of completeness in recording of State budget revenues and expenditures, as well as assets and liabilities.
- The Court of Audit required the preparation of a plan of activities for the adoption of a chart of accounts with an account heading specified, which means that the Financial Administration of the Republic of Slovenia should have drawn up a plan of activities for the preparation and formal adoption of a chart of accounts for recording taxes and other compulsory duties. The chart of accounts should be formed as an internal act with the content and the purpose defined, as well signed by the person responsible. The Financial Administration indicated among the activities to supplement in the accounting records of central tax recording system, i.e. eDIS CDK, the recording scheme and to prepare the chart of accounts with an account heading specified. The Court of Audit considers this as the preparation of the chart of accounts in terms of content, while the Financial Administration planned to perform the modifications within the information system, which is not appropriate. However, the Financial Administration failed to indicate the activities for the formal adoption of the chart of accounts with the person responsible indicated. The chart of accounts in the information system could simply be the copy of a formally adopted chart of accounts the Financial Administration decided to apply, which is why the presented activity of the Financial Administration is not fully adequate.

- The Financial Administration of the Republic of Slovenia further indicated among its activities the analysis and remedy of deficiencies in recording of transactions referring to distribution accounts, and laid down 31 December 2015 as a final deadline. It is, however, not evident therefrom whether the remedy of deficiencies in recording of transactions will also be implemented in the information system. The presented activity of the Financial Administration foresees the harmonisation of a distribution account balance with actual account balances and thus bringing the collective records by types of taxes to present the account balances harmonised with the values under the account heading Accounts receivable and payable. As the distribution accounts refer to the amounts paid, the harmonisation of account balances alone will not eliminate incorrect amounts in collective records by types of taxes recorded in accordance with the accual principle.
- Among its activities, the **Financial Administration of the Republic of Slovenia** indicated the preparation of an opening account balance rather than the completion of analytical records and the start of new ones. The Financial Administration failed to examine the procedure for implementing changes in the information system to conclude analytical records at the end of the year and starting new ones at the beginning of a new year in order to record and separate accounting entries for an individual year that refer to a particular period, thereby excluding the accounting entries from previous years. Transcription of opening account balances exclusively into a special file does not represent an adequately implemented corrective measure, as the analytical record will still not solely include account balances for an individual year; additionally, the recorded activity, namely proposal for system update, does not specify the changes to be implemented by the planned upgrade or which part of a record concluding should such upgrade support.
- The Ministry of the Environment and Spatial Planning failed to draw up a plan of activities for making inventory and the arrangement of infrastructure constructed for the Republic of Slovenia by the public company Infra, d. o. o., Leskovec pri Krškem on 31 December 2013, for determining the value of the concerned infrastructure and the value of funding liabilities towards the public company Infra, as well as to obtain construction and infrastructure arrangement permits from the public company Infra to be able to overtake the infrastructure owned by the Republic of Slovenia. Upon repayment of all loans taken out for the intended purpose, the Ministry plans to record the concerned infrastructure facilities and the arrangement thereof in the books of account.
- The Ministry of Infrastructure failed to indicate in the response report the plan of activities for the entry of entire real estate in the land register. It only explained that the entry of not yet registered real estate in the land register is the responsibility of the company Slovenian Railways (the field of railway infrastructure) and DARS, Motorway Company in the Republic of Slovenia (the field of motorways). Nevertheless, the Ministry of Infrastructure could implement the imposed corrective measure, since it could have demanded and obtained from the companies Slovenian Railways and DARS the plan of activities for the entry of entire state-owned real estate relating to the field of railways and motorways in the land register. Slovenian Roads Agency indicated the activities, deadlines and made the assessment of the funds required for the entry of state roads in the land register.

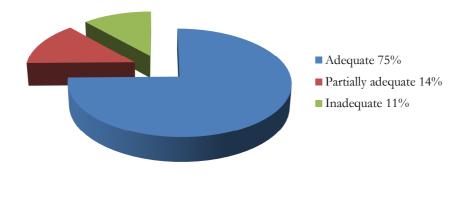
- The Ministry of Labour, Family, Social Affairs and Equal Opportunities only presented the reasons for the alleged irregularities, yet it failed to present the plan of activities for exercising control over internal control system of the Centres for Social Work. Based on the statements of the Ministry of Labour, Family, Social Affairs and Equal Opportunities it can be established that such irregularities no longer occur. Without the Ministry of Labour, Family, Social Affairs and Equal Opportunities exercising appropriate control, it is not possible to examine and verify whether the public institutes have such an internal control system established which prevents or reduces the risk of irregularity occurrence in managing and deciding on the procedures. In its plan of activities, the Ministry should have indicated the activities for the implementation of control over the establishment and operation of the overall internal control system in public institutes, yet it failed to do so.
- In its response report, the Ministry of Labour, Family, Social Affairs and Equal Opportunities failed to present the plan of activities for the implementation of control over the establishment and operation of internal controls. It only presented the measures that should ensure the proper management of and decision-making in the first-instance procedures. The Ministry of Labour, Family, Social Affairs and Equal Opportunities may only create but cannot guarantee such conditions through the information system that contribute to the proper management of and decision-making in the procedures. The information system is namely only a tool which is not necessarily used appropriately. This is supported also by the internal controls that the Centres for Social Work should have established. Without the Ministry of Labour, Family, Social Affairs and Equal Opportunities exercising appropriate control, it is not possible to examine and verify whether the Centres of Social Work have an internal control system established which prevents or reduces the risk of irregularity occurrence in managing and deciding on the procedures.

Figure 2: Proportions regarding requests for the submission of response reports in the issued audit reports and proportions regarding the assessment of the adequacy of corrective measures in the issued post-audit reports



Requests for the submission of response reports in the issued audit reports

Assessment of the adequacy of corrective measures in the issued post-audit reports



More important requests for corrective measures and their implementation

Proposal of the Annual Financial Statement of the Budget of the Republic of Slovenia for the year 2013 and the regularity of the implementation of the Budget in 2013

The post-audit report was issued in 2014.

In accordance with Article 128 of Environmental Protection Act, (ZVO-1) the budgetary fund, namely the Climate Change Fund, shall be set up within the budget framework for an indefinite period for the purpose of co-financing measures for the reduction of and adjustment to the climate changes. Sources of finance for the Climate Change Fund are the revenues raised from the sale of emission credits by a public auction. Setting up the Climate Change Fund is determined also by the Act Amending the Environmental Protection Act (ZVO-1F) which was adopted after the enforcement of the Implementation of the Republic of Slovenia Budget for 2013 and 2014 Act. Since the Government did not foresee the establishment of a budgetary fund for 2013, it proposed by the acts on the implementation of the State

budget per individual years the solutions which deviated from a systemic solution laid down in the Environmental Protection Act (ZVO-1). Since the Ministry of Finance failed to establish the budgetary fund, it breached the stipulations of Article 128 of Environmental Protection Act (ZVO-1 - valid from 31 November 2013 and adopted after the enforcement of the Implementation of the Republic of Slovenia Budget for 2013 and 2014 Act, and thus being a subsequent regulation to be adhered to in full, regardless of the stipulations of the Implementation of the Republic of Slovenia Budget for 2013 and 2014 Act). In its request for the submission of a response report, the Court of Audit demanded from the Government to prepare a plan of activities for the unification of a method of financing the measures for the reduction of and adjustment to the consequences of climate changes that is inconsistently regulated by the Environmental Protection Act (ZVO-1) and the Republic of Slovenia Budget Implementation Act.

In accordance with Article 162 of Waters Act (ZV-1), the Ministry of Agriculture and the Environment is responsible for the management of the Water Fund, which should be set up as a budgetary fund. In 2013, the Government failed to set up the Water Fund, however, it did act in accordance with point 9 of the first paragraph of Article 14 of the Implementation of the Republic of Slovenia Budget for 2013 and 2014 Act which deviates from the systemic solution laid down in Waters Act (ZV-1). The Implementation of the Republic of Slovenia Budget for 2013 and 2014 Act defined the financial resources of the Water Fund for 2013 as stipulated by Article 162 of Waters Act (ZV-1), yet it failed to guarantee to transfer the entire unused funds to the following year. Since the Water Fund was not set up as a budgetary fund regardless of the stipulation of Article 162 of Waters Act (ZV-1), the annual financial statement of the State budget for the year 2013 shows under the budget item of earmarked funds the amount of actually used funds rather than the amount of budgetary fund inflows. This would be appropriate if the budgetary fund was established. In accordance with Article 125 of Rules on the Procedures of Implementing the Budget of the Republic of Slovenia, the guaranteed earmarked funds under the budget item should be monthly transferred to the sub-account of a budgetary fund. Accordingly, the transfer of guaranteed funds should be indicated as the realisation of the budget item of earmarked funds. Since the Ministry of Finance failed to establish a budgetary fund, it breached Article 162 of Waters Act (ZV-1). In its request for the submission of a response report, the Court of Audit demanded from the Government to prepare a plan of activities for the unification of a method of financing the Water Fund which is being inconsistently regulated by the Waters Act (ZV-1) and the Republic of Slovenia Budget Implementation Act.

The first paragraph of Article 8 of Promotion of Agricultural and Food Product Act stipulates that the promotion of agricultural and food products shall be financed through the budget, earmarked State budget funds from contributions in accordance with the Promotion of Agricultural and Food Product Act, through voluntary earmarked funds paid into the budget, and through other sources. In 2013, there were no revenues from contributions as stipulated by Article 11 of Promotion of Agricultural and Food Product Act. In its request for the submission of a response report, the Court of Audit demanded from the Government to prepare a plan of activities for the harmonisation of stipulations of the Republic of Slovenia Budget Implementation Act defining the scope of the use of earmarked funds from contributions as in accordance with the Promotion of Agricultural and Food Product Act.

Regarding the presented three corrective measures, the Government in its response report recognized the need to follow the principle of budget integrality and the need for the scope of earmarked financing being in compliance with general principles of State budgetary and economy principles. Based on the presented assumptions, the Ministry of Finance and the Ministry of the Environment and Spatial Planning undertook to jointly examine the scope of earmarked financing by individual legal bases, namely

Environmental Protection Act (ZVO-1), Waters Act (ZV-1), Promotion of Agricultural and Food Product Act and the Republic of Slovenia Budget Implementation Act, and to propose amendments to the legislation, pertaining to the concerned field, or to the Republic of Slovenia Budget Implementation Act to ensure the harmonisation of legal bases until the preparation of the State budget 2016 at the latest. The Court of Audit assessed all three presented corrective measures as adequate.

Based on the finding that balancing of long-term investments is carried out with a one-year delay, the balance as at 31 December 2013 was incorrect. Long-term investments were thus not evaluated in accordance with Article 20 of Accountancy Act. The Ministry of Finance undertook to examine the possibility of amending the applicable legislation (Public Finance Act, Companies Act and others) and the effects of possible changes on individual fields from the point of view of relations between domestic and European institutions, which the Court of Audit assessed as an adequate corrective measure.

The budget for 2013 did not foresee a loan for the bank NKBM. However, the Republic of Slovenia granted to the bank NKBM a loan in the amount of EUR 100,000,000 for the purpose not planned in the budget and thus failed to act in accordance with the eleventh paragraph of Article 2 of Public Finance Act which stipulates that direct users of budget funds may incur liabilities and pay out budget funds in accordance with the budgetary commitment for the current year exclusively for the purpose and in the amount as laid down in the budget.

The Government, performing the role of a Management Board of the Bank Assets Management Company, passed a decision to grant powers to the Board of Directors of the Bank Assets Management Company to increase its initial capital by the amount of EUR 200,000,000. The increase of the Bank Assets Management Company's initial capital by the indicated amount was entered in the register of companies on 10 January 2014. The share capital is increased as of the day the increase is entered in the register of companies and is at the same time recognised as carrying amount. The increase in initial capital by EUR 200,000,000 is also recorded among long-term investments in aggregate balance sheet as of 31 December 2013. In its request for the submission of a response report, the Court of Audit demanded from the Ministry of Finance to supplement the risk register by the examination of risks (determination, assessment and management) regarding the ineligible use of funds and the recording of capital investments by incorrect time periods. In its register was appropriately supplemented by the examination of risks regarding the ineligible use of funds and the recording of capital investments by the ineligible use of funds and the recording of capital investments by the ineligible use of funds and the recording of capital investments by the ineligible use of funds and the recording of capital investments by the examination of risks regarding the ineligible use of funds and the recording of capital investments by the examination of risks regarding the ineligible use of funds and the recording of capital investments by the ineligible use of funds and the recording of capital investments by the examination of risks regarding the ineligible use of funds and the recording of capital investments by wrong time periods or financial years. The Court of Audit assessed both measures as adequate.

In accordance with Article 3 of Slovene Export and Development Bank Act, the SID Bank is authorised to perform all the transactions and activities laid down in the Act Governing Insurance and Financing of International Commercial Transactions. This Act regulates the key principles of insurance and financing of international commercial transactions as instruments of commercial policy of the Republic of Slovenia, as well as governs the role the state plays therein. In its books of account, the Ministry of finance failed to record transactions incurred in 2013 by implementing insurance transactions carried out by the SID Bank by authorisation. The SID Bank implements insurance transactions on behalf and for the account of the Republic of Slovenia, therefore, the transactions incurred thereby represent funds and liabilities or income and expenditure of the Republic of Slovenia. In its request for the submission of a response report, the Court of Audit demanded from the Ministry of Finance to prepare the plan of activities for the

improvement of internal controls concerning the planning of State budget and the provision of completeness in recording of State budget revenues and expenditures, as well as assets and liabilities. In its response report, the Ministry of Finance indicated that the new Public Finance Act, amendments to the Act Governing Insurance and Financing of International Commercial Transactions, Decree on the Documents of Development Planning Bases and Procedures for the Preparation of the Central Government Budget, and amendments to the Rules on the Single Chart of Accounts for the Budget, Budget Users and Other Public Entities were underway. Therefore, the Ministry planned to form a legal basis for recording transactions the SID Bank implements on behalf and for the account of the Republic of Slovenia. Additionally, the Ministry is of the opinion that it is necessary to amend the Implementation of the Republic of Slovenia Budget for 2014 and 2015 Act. To the improvement of internal controls concerning the planning of the State budget shall contribute the Fiscal Rule Act with its definition of precautionary principle applied to the preparation of the State budgets. The Court of Audit assessed the presented corrective measure as inadequate as the Ministry of Finance failed to prepare the plan of activities for the improvement of internal controls concerning the planning of State budget and the provision of completeness in recording of State budget revenues and expenditures, as well as assets and liabilities.

Upon publishing public procurement notices regarding development and maintenance of the MFERAC information system, the Ministry of Finance also laid down such public procurement conditions for which a high probability exists that they can only be met by those tenderers who already participated in the MFERAC project. The conditions set out were disproportionate to the subject of the public procurement and were unjustifiably limited not ensuring competition which is not compliant with the first paragraph of Article 7 and Article 10 of Public Procurement Act (ZJN-2) that lay down the principles of ensuring competition among tenderers and proportionality. The Ministry of Finance prepared a plan of activities determining activities, deadline for their implementation and the person responsible. For the implementation of the activities a working group will be appointed and will include (selected) representatives of the Ministry of Finance, Financial Administration, Public Payments Administration of the Republic of Slovenia and the Ministry of Public Administration. By 31 December 2016, the working group is to conclude the following activities:

- review of which methodologies and standards are used for the development and maintenance of information systems in the public administration bodies;
- supplementation of methodologies and the preparation of standards for the implementation of activities regarding development and maintenance of information systems, including the MFERAC system, in the public administration bodies;
- review of which methodologies and standards are used for evaluating the scope of work involved in the implementation of activities regarding development and maintenance of information systems in the public administration bodies;
- seeking for appropriate and verifiable examples of good practice in the Republic of Slovenia and abroad;
- supplementation of methodologies and the preparation of standards for evaluating the scope of work involved in the implementation of activities regarding development and maintenance of information systems in the public administration bodies.

The Court of Audit assessed the presented corrective measure as adequate.

Audit of the regularity of the operations of 14 non-governmental budget users and judicial authorities in the year 2011

The Court of Audit provided to non-governmental budget users and judicial authorities the *recommendations* for the improvement of their operations. Human Rights Ombudsman of the Republic of Slovenia, Slovenian Quality Assurance Agency for Higher Education, Constitutional Court of the Republic of Slovenia, Commission for the Prevention of Corruption, Slovenian Compensation Company, Slovenian Academy of Sciences and Arts, State Attorney's Office, Labour Court in Celje, Labour and Social Court in Ljubljana, and Labour Court in Maribor failed to eliminate all the established irregularities. The Court of Audit therefore demanded the submission of *response reports*. The post-audit report concerning the regularity of operations of non-governmental budget users and judicial authorities was issued in 2014.

The required corrective measures referred to:

- elimination of irregularities in payroll accounting for civil servants in accordance with Articles 3 and 3.a of Public Sector Salary System Act;
- implementation of activities for acquiring documentation enabling the examination of the regularity of payments of operating as well as other costs to the manager;
- preparation of a plan of activities for the implementation of a public procurement of electricity, telecommunications, postal, insurance, and information technology services in accordance with the rules and regulations on public procurement;
- implementation of activities for the recovery of unduly paid funds;
- implementation of activities for the inclusion of anti-corruption clause in contracts;
- determining the conditions for the allocation to work posts considering comparable levels of education;
- amendments to internal rules and regulations determining promotion to titles by enabling the promotion to higher titles only to appointed judges;
- elimination of irregularities regarding payroll accounting for civil servants as in accordance with Articles 3 and 3.a of Public Sector Salary System Act;
- examination of possibilities for the recovery of unduly paid funds and the repayment of possible recovered funds to the State budget;
- examination of possibilities for the reimbursement of costs arising out of damage and the repayment of possible recovered costs to the State budget;
- modification of classification of posts so that it will no longer determine official posts;
- preparation of the plan of activities for the modification of a statute which will exactly define the period for which individuals are entitled to monthly rewards, as well as to lay down the method of calculating monthly and increased monthly rewards when a membership or a function is shorter than one month;
- examination of possibilities for the recovery of unduly paid funds and the implementation of activities for ensuring the payment of management and operating costs by the actual size of business premises owned or rented or by the actual usage;
- harmonisation of the manner of implementation of judicial administration in accordance with the provisions of the Courts Act.

The findings of the Court of Audit established in the post-audit procedure are presented in the continuation of the report. Slovenian Quality Assurance Agency for Higher Education failed to implement activities for the recovery of unduly paid finds concerning the payment of the work performed at the

sessions of the Slovenian Quality Assurance Agency for Higher Education Council. Constitutional Court of the Republic of Slovenia failed to perform repayment of salaries paid in the amounts too low or conclude agreement on the repayment of excessively paid salaries as stipulated by Article 3.a of Public Sector Salary System Act. Slovenian Compensation Company failed to adequately examine or justify the possibilities for the recovery of unduly paid funds of the damage caused. In its plan of activities, the Slovenian Academy of Sciences and Arts failed to define the deadline of the Executive Board meeting to discuss the amendment to the Academy's Statute, as well as the method for determining the period for which the members of the Academy are entitled to receive the rewards. Pertaining to the aforementioned, the Court of Audit issued calls for remedial action and a call for the elimination of the irregularities established in the response report.

Audit report concerning the implementation of corrective measures for regulating the performance of public utility services of the distribution system operator and post-audit report concerning the corrective measures of the Government of the Republic of Slovenia, the Ministry of Infrastructure and Spatial Planning and SODO, electricity distribution system operator, d. o. o., Maribor.

The Court of Audit requested from the Government to prepare a plan of activities with determined activities, deadlines and persons responsible for the adoption of a strategic document defining the ownership in distribution companies which is to be in line with the strategy of managing the financial investments of Slovenian Sovereign Holding.

The corrective measure presented: the Government conducted the implementation of activities that are to serve as the basis for the preparation of the Slovenia's Energy Concept. Following the adoption of the Slovenia's Energy Concept, National Development Energy Plan will be prepared within the time limit as defined by the Energy Act. Additionally, the Government started with the implementation of the activities for the preparation of the proposal concerning the investment managing strategy as stipulated by the Slovenian Sovereign Holding Act. The referred three strategic documents shall also define the share of the state in the distribution companies. The Court of Audit assessed the presented corrective measure as adequate.

Audit report concerning the provision and exercise of control over cemetery and funeral services and managing of the cemeteries

The Court of Audit demanded from the Ministry of Economic Development and Technology to draw up a plan of activities for the preparation of the proposal of a new Act which will regulate the field of funeral and cemetery services, as well as managing of cemeteries, and will at the same time replace the Cemetery and Funeral Services and Managing of the Cemeteries Act from 1984.

The corrective measure presented has not been implemented yet, since the deadline for the submission of a response report has not expired yet.

Audit report concerning the efficiency of determination and payment of compensations due to construction and reconstruction of public utility infrastructure and post-audit report concerning corrective measures for determination and payment of compensations due to construction and reconstruction of public utility infrastructure

The Court of Audit demanded from the Government to prepare a plan of activities for the unification of conditions for obtaining and retaining the permit to perform the tasks of all valuators allowed to carry out valuations outside judicial proceeding, and to ensure unified control over the valuators' work.

The corrective measure presented: the Government presented only activities for the unification of conditions concerning the examination of professional qualifications of court experts or court valuators, and activities to be implemented regarding the modification of conditions for obtaining the permit to perform the tasks of court valuators and exercise control over their work, but it failed to submit such plan of activities for all valuators allowed to carry out valuations outside judicial proceedings. The Court of Audit assessed the presented corrective measure as inadequate.

Audit report concerning the economy of operations of the company Slovenian Railways relating to the field of payroll and other incomes of the management and post-audit report concerning the corrective measure of the company Slovenian Railways

The Court of Audit demanded from the company Slovenian Railways to prepare amendments to the Rules and elements for the conclusion of individual employment contracts, with the calculation of a basic salary of managers determined as in accordance with the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities, and taking into account the authentic interpretation of the second indent of third paragraph of Article 4 thereof, as well as the Regulation on Setting the Highest Correlation of Basic Payments and the Rate of Variable Remuneration of Directors.

The corrective measure presented: the company Slovenian Railways prepared the amendment to the Rules and elements for the conclusion of individual employment contracts, in which it is stipulated that the basis for determining the basic salary of managers shall not exceed the amount calculated in accordance with the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities and the Regulation on Setting the Highest Correlation of Basic Payments and the Rate of Variable Remuneration of Directors. The Court of Audit assessed the presented corrective measure as adequate.

Post-audit report regarding corrective measures concerning the efficiency of implementation of measures for the efficient energy use

The Court of Audit demanded from the Ministry of Infrastructure and Spatial Planning to submit to the Government a proposal for amending the Energy Act, Decree on Energy Savings at End-Users and the proposal for a special Act concerning the setting up of a budgetary fund. The aforementioned measure shall ensure the system for collecting and use of collected funds for increasing the efficient energy use, as well as for collecting heat or fuel price premium for increasing efficient energy use at least by the end

of 2016 and only within the framework of integral part of State budget. At the same time, the eligible use of collected funds shall be ensured.

The corrective measure presented: the Ministry of Infrastructure and Spatial Planning submitted a proposal for amending the Energy Act which indicated that Eco Fund had been carrying out the programme for the improvement of efficient energy use and that the system for collecting funds, as well as for collecting heat or fuel price premium for increasing efficient energy use had been established. The proposal, however, did not lay down the entity responsible for recording those funds among its revenue, which is why the collected funds represent neither revenues of the integral part of the State budget nor the revenues of the Eco Fund. The Court of Audit assessed the presented corrective measure as partially adequate.

Effectiveness of the projects for reforming of the information system of Tax Administration of the Republic of Slovenia and merging of in-payment duty sub-accounts

In its audit report concerning the effectiveness of the projects for reforming the information system of Tax Administration of the Republic of Slovenia and merging of in-payment duty sub-accounts, the Court of Audit, inter alia, demanded from the Tax Administration of the Republic of Slovenia to adopt an amendment to the investment programme regarding the reforming of the information system since the applicable did no longer correspond to the actual state of the reform project.

In its response report, the Financial Administration of the Republic of Slovenia indicated that it temporarily terminated the project for reforming the information system as it was to be continued in a different form. The Financial Administration of the Republic of Slovenia indicated adequate corrective measures for additional three requested corrective measures, including the finding concerning the responsibilities of individuals and the examination of examples in which the implemented activities, involved in the reforming of the information system, deviated from the services requested, contractually agreed and paid for by the Tax Administration of the Republic of Slovenia. Financial Administration of the Republic of Slovenia adopted additional ten measures for the elimination of irregularities and inefficiencies disclosed in the audit report. Those measures also include the request for the compensation of business damage inflicted to the contracting authority due to delays of the contractor.

Waiting periods at University Medical Centre Ljubljana

In its audit report concerning *waiting periods at the University Medical Centre Ljubljana*, the Court of Audit demanded from the public institute to implement the imposed corrective measures, focused primarily on the prevention of unequal treatment of patients in the future, as well as to exercise proper control over possible deviations. Additionally, the public institute was required to establish the efficient system for the prevention of unequal treatment of patients regarding access to healthcare services.

In its response report, the University Medical Centre Ljubljana indicated corrective measures for all disclosed inefficiencies or irregularities. However, during the review and verification of the credibility of the response report, the Court of Audit established that the credibility of certain indications might be disputed. On the basis of the aforementioned the decision on the implementation of an audit of a response report was passed, which, however, was not concluded until the end of 2014.

Effectiveness of the Municipality of Kranj in implementing results-based budgeting

It is the first audit at municipality level with results-based budgeting. Already during the audit procedure, where applicable, the Municipality of Kranj eliminated the disclosed inefficiencies or implemented proper corrective measures, mainly focused on the establishment of suitable strategic and other bases for results-based budgeting. In its report concerning the *effectiveness of the Municipality of Kranj in implementing results-based budgeting*, the Court of Audit reported on 16 already implemented corrective measures of the Municipality of Kranj. There were also 17 recommendations given regarding the improvement of budgeting.

Audit of efficiency of regulating the field of providing expert assistance to deputies

Upon issuing the post-audit report concerning the audit of *efficiency of regulating the field of providing expert* assistance to deputies, the Court of Audit addressed a letter to the President of the National Assembly intended to provide information on inadequately eliminated corrective measures and to summon to completion of the implementation of certain already conducted amendments to the National Assembly internal regulation.

Recommendations issued

Based on the implemented audits, the Court of Audit provided to the users of public funds 180 recommendations. The Court of Audit also issued recommendations respectively proposals to legal entities that were not auditees but could influence with their activities the elimination of established irregularities respectively inefficiencies, ineffectiveness or uneconomy.

Other measures

Aside from carrying out audits and adopting measures on the basis of issued audit reports, the Court of Audit contributes with other activities to the improvement of operations of public funds users. One of more important activities is proposing amendments to the legislation respectively proposing systemic solutions in individual fields of public sector operations.

Proposals to amend regulations

In the year 2014, the Court of Audit made proposals to amend or supplement the following acts or implementing regulations respectively it called attention to certain risks due to unclear provisions of particular regulations. Additionally, the Court of Audit pointed out the lack of regulation in particular fields and proposed amendments to or adoption of certain strategic and operational documents. *Ministry of the Environment and Spatial Planning:*

 submission of amendments to the Bases for the Resolution on National Programme of the Slovenian Railway Infrastructure Development from 2011 until 2030 which will include the possibility of acquiring missing investment funds on the basis of public-private partnership, as prescribed by the second paragraph of article 8 of Public-Private Partnership Act;

- submission of the adopted Regulation on Energy Accounting with the data on mandatory content, type of data and the manner of energy accounting defined;
- submission of the proposal for amendment to the Energy Act, Decree on Energy Savings at End-Users and the proposal for a special Act concerning the setting up of a budgetary fund to the Government in order to ensure the system for collecting and use of collected funds for increasing the efficient energy use, as well as for collecting heat or fuel price premium for increasing efficient energy use at least by the end of 2016 and only within the framework of integral part of State budget; at the same time, the eligible use of collected funds shall be ensured;
- submission of the Rules on Methods for Determining Energy Savings at End-Users supplemented by
 the Methodologies for Calculating Energy Savings by the Jožef Stefan Institute to ensure that all
 entities in any way responsible for the measures will apply the same methods for calculating energy
 savings, consumption of energy from renewable resources and for carbon dioxide reduction, as well
 as that the Methodologies for Calculating Energy Savings by the Jožef Stefan Institute will take into
 account the methods whereby the same measure will no longer have different results and the doublecount correction factors of energy savings will be considered;
- preparation of the implementing regulation in accordance with Article 55 of Act Regarding the Sitting of Spatial Arrangements of National Significance in Physical Space or the Decree on Valuation of Real Estate and Property Rights, Compensation for Damages and Other Costs;
- unification of legal bases regulating the powers to assess the amount of compensations, methods of
 assessment and types of compensations regarding the procedures of compulsory purchase or
 expropriation of real estate in case of construction or reconstruction of public utility infrastructure, as
 well as the submission of the proposal to the Government for the approval of all regulations which in
 the process of determining compensations deviate from the provisions of the Act Regarding the
 Sitting of Spatial Arrangements of National Significance in Physical Space or supplementation thereof
 due to the repeal of all legal provisions regulating the payment of compensations in the
 aforementioned cases;
- elimination of electricity network connection charge from the Energy Act, since the adopted
 amendment to the indented use of sources from the electricity network connection charge as
 stipulated by the Energy Act will no longer be used for expanding or increasing the capacity of the
 existing distribution network but mainly for covering running costs incurred during the use of public
 utility services of the distribution system operator; the intended purpose, for which the network
 charge was originally imposed, will thus no longer be fulfilled;
- regulation of the field of exercising public authority in the Energy Act by granting the power thereof to the company SODO, d. o. o. acting as the electricity distribution system operator, and determination of a deadline by which the company shall takeover the right to exercise public authority in full; the Amendment C to the Energy Act namely introduced only temporary solution regarding the transfer of exercising public authority to distribution companies, which has been incorporated also into the currently valid Energy Act in an unchanged form.

Ministry of Agriculture and the Environment:

 submission of the proposal for the amendment to the Decree on Consumer Information on Fuel Economy and CO₂-Emissions defining the review of the use of fuel and carbon dioxide emission of new passenger cars;

- preparation of a proposal for the amendment to the Agricultural Land Act referring to the part dealing with the methods and manners for the valuation of agricultural land due to impossibility for determining the value of agricultural land and forest in accordance with the Unified methodology for determining the value of agricultural land and forest;
- preparation of the proposal for amending and supplementing the Decree on the Implementation of the Regulation (EC) No. 1013/2006 on Shipments of Waste as regards the determination of relevant procedures, as well as the submission thereof to the Government to establish, upon the issue of consents for the import and export of waste to and from the Republic of Slovenia, whether the principle of self-sufficiency pertained to the disposal of waste, principle of vicinity and the principle of giving priority to recovery over disposal of waste are being complied to, and to identify the conditions for the preparation of objections to shipments of waste;
- preparation of the regulation proposal specifying the content and manner of keeping the record on environmental protection;
- preparation of the proposal for supplementing the Environmental Protection Act, namely the criteria for pronouncing fines for offences referring to the violation of the concerned Act and the rules adopted thereof in case several ranges of fines exist.

Ministry of the Environment and Spatial Planning:

- preparation of the proposal for amending the Operational Programme on Elimination of Wastes with Objective to Reduce the Quantity of Biodegradable Disposal Wastes for the Period 2009-2013 which shall lay down clear goals, tasks and activities for the achievement of set objectives in order to ensure the provision and performance of a public utility service of incineration of waste and define the guidelines regarding the performance of a public utility service of incineration of waste and the provision of funds for the construction of the required facilities;
- preparation of the proposal for amending and supplementing the Environmental Protection Act as regards the manner of pricing of mandatory national public utility service of incineration of waste as defined in Article 59 of Public Utilities Act;
- preparation of the proposal for supplementing the Decree on the Performance of Mandatory National Public Utility Service in the Field of Urban Waste Incineration, including the chapter on the manner regarding the control over the price set for the performance of the public utility service of incineration of waste, as stipulated by the Decision of the European Union as of 20 December 2011;
- preparation of regulation proposal for determining depreciation rates for public utility infrastructure in use for the public utility service of incineration of waste.

Ministry of Justice:

- examination of the relevance of the Courts Act and the Rules on Court Experts and Court Valuators in the parts defining that the Ministry of Justice is responsible for exercising the control over the education and (non-)conscientiousness of court valuators carrying out valuations outside judicial proceeding or by request of the client;
- preparation of the proposal for amending the legal bases ensuring the comparability of measures imposed by court valuators and certified valuators of the Slovenian Institute of Auditors, as well as the possibility of implementing regular control over the work of the court valuators.

Ministry of Economic Development and Technology:

• preparation of the proposal of a new act that will regulate the field of funeral and cemetery services, as well as managing of cemeteries, and will at the same time replace the Cemetery and Funeral Services and Managing of the Cemeteries Act from 1984.

Criminal offences and misdemeanours

The Court of Audit cooperates with the Police and the Prosecution Service in inspecting criminal offences by delivering at their request audit documentation, draft or proposed audit reports respectively final audit reports. The cooperation is ensured also through joint meetings and consultations in accordance with the Agreement on Mutual Cooperation between the Court of Audit and the Police. The same applies also to the cooperation with the state prosecution service, if required. In 2014, the Court of Audit provided the Police with the relevant documentation on 5 cases and, as a result of this cooperation through joint meetings, harmonized the positions on several additional cases examined.

Documentation on offences and misdemeanours was in 2014 provided to authorised authorities in one case.

Strategic objective 2

To detect changes in a timely manner, identify the emerging risks and respond thereto in good time

- The primary task of the Court of Audit is to report to the public and the National Assembly in a timely manner whether public funds have been used regularly and efficiently. Timely response and timely reporting are considered the key factors for the achievement of outcomes.
- The Court of Audit should be constantly aware of new technologies applied by the users of public funds. The auditors should know how the systems work and monitor any changes. As our audit approaches develop, we will be able to effectively audit the functioning of the systems.
- The Court of Audit responds to the proposals of the National Assembly and, in accordance with relevant legal provisions, includes such proposals for the implementation of audits in its programme of work. Such practice will be continued also in the future.
- The Court of Audit is considered the window of civil society. Comprehensive communication with the target public, such as individuals and the institutions of civil society, enhances the openness of the Court of Audit as well as ensures timely detection of problems and appropriate responses thereto.
- We are able to respond to emerging issues for which it is important to be addressed in a short time scale. The Court of Audit will continue to endeavour to respond to key public finance challenges in a timely manner. Where necessary, external experts will be included in dealing with such issues.

Every year, the Court of Audit prepares a Programme of work for the exercise of auditing powers of the Court of Audit of the Republic of Slovenia (hereinafter referred to as: the Annual programme of work for the exercise of auditing powers), which indicates audits that are planned for the year concerned. When defining the Annual programme of work, the Court of Audit, aside from its statutory obligations, considers the materiality of users of public funds as well as risk of irregular or unsound operations in

respect of budget volume, control over the use of public funds, possible outputs of audits and initiatives received from the National Assembly and individuals, current lack of auditing and current media publications. Since the circumstances alter during the implementation of the Annual programme of work for the exercise of auditing powers, the Court of Audit corresponds to those changes and revises the programme if necessary. Namely, in 2014 the Court of Audit additionally included 46 audits in the Annual programme of work for the exercise of auditing powers as the response to new circumstances, and 38 audits were excluded from the programme.

Timely and relevant reporting

The Court of Audit is highly aware of the importance of timely response and timely reporting on the most relevant issues. Timely provision of information on errors, irregularities and inefficiencies, timely made requests for corrective measures, and timely given recommendations prevent further damage and negative consequences, as well as provide for savings in the operations of the audited users of public funds. In the current strategic period, the Court of Audit thus places a special emphasis on the timely preparation and publication of audit reports.

Pre-audit enquiry

The Court of Audit Act provides for the conduct of a pre-audit enquiry. The Court of Audit may, prior to the commencement of an audit, demand from the user of public funds to provide all information which they consider relevant to their audit, including bookkeeping documents, data and other documentation, and make other enquiries necessary for the planning or performing the audit. A report on the implemented pre-audit enquiry includes a risk assessment and a proposal whether the audit should be included or not in the programme of work for the exercise of auditing powers. Due to urgent issues arising from the activities of public sector, the Court of Audit in 2014 initiated 14 pre-audit enquiries and issued 9 reports on the pre-audit enquiries implemented.

Received initiatives for auditing

In 2014, the Court of Audit received 516 initiatives for the implementation of audits, which is 19 less than the previous year when it received the most initiatives in a single year so far. Compared to the previous year, the share of initiatives decreased by 3.5 percent. Nevertheless, the number of initiatives remains relatively high if compared to previous years - in 2012, the Court of Audit for example received 387 initiatives.

According to the number of initiatives (182), this year again individuals and groups of individuals stand out, although they made 28 initiatives less than in 2013 (210). They are followed by anonymous initiatives, 142 of them, which is significantly more than in the previous year (101). Different legal entities (companies, institutions, public companies, institutes, societies and associations) made 88 initiatives, which is 43 less than in 2013, including 19 initiatives by the Commission for the Prevention of Corruption, which made 29 initiatives in 2013, and 2 initiatives by a District Prosecutor's Office.

The National Assembly made 19 initiatives in 2014, which is 15 initiatives more than in 2013. The Commission for Public Finance Control made 11 initiatives in 2014, the Committee on Labour, Family,

Social Affairs and the Disabled 3 initiatives, and individual deputies, deputy groups or National Assembly deputy groups made 5 initiatives. A detailed presentation of initiatives is shown in the following table.

Seq. No.	Submitter	Description of initiative		
1.	Commission for Public Finance	Audit of the efficiency and effectiveness of the sales of government bonds		
2.	Control	Regularity audit of operations of RTV Slovenia in the part relating to the broadcasting of the TV Slovenia informative programming		
3.		Performance and regularity audit of operations of the Faculty of Social Sciences		
4.		Follow-up audits of the efficiency of implementation of measures for the efficient energy use		
5.		Follow-up audits of the efficiency of control over foodstuffs		
6.		Performance audit of the bank Nova Ljubljanska banka, d. d.		
7.		Performance audit of the Office of the State Prosecutor General of the Republic of Slovenia		
8.		Performance audit of the Supreme Court of the Republic of Slovenia		
9.		Performance audit of the coal mine Premogovnik Velenje, d. d.		
10.		Performance audit of the Information Commissioner		
11.		Performance Audit of the Public Company Energetika Ljubljana, d. o. o.		
12.	Committee on Labour, Family, Social Affairs and the	Efficiency, effectiveness and economy audit of operations of FIHO - Foundation for financing the disability and humanitarian organisations in the Republic of Slovenia for the years 2012 and 2013		
13.	Disabled	Regularity and performance audit of operations of companies involved in the sale of the company Helios		
14.		Regularity and performance audit of operations of the banks NLB, d. d. and NKMB, d. d. in the sale of the company Mercator to Agrokor		
15.	Slovenian Democratic Audit of operations of the public pharmacy institutes Party Deputy Group (SDS)			
16.	Christian Democrats Deputy Group (NSi)	Audit of a public call for submission of applications for co-financing operations of Operational Programme for Strengthening Regional Development Potentials for the Period 2007-2013 during the period 2013-2015		

Table 2: Initiatives for the implementation of audits, received in 2014 from the National Assembly

Seq. No.	Submitter	Description of initiative		
17.	Unaffiliated Deputy Ivan Vogrin, MA	Audit of operations of the Municipality of Lenart in the construction of the middle wing of the Lenart Health Care Centre		
18.	Deputy Matej Tonin, MA	Regularity audit of the Farmland and Forest Fund of the Republic of Slovenia; economy and efficiency of operations regarding the information system management in the period 2008-2013; efficiency, effectiveness and economy of operations in ensuring security of farmland and forest electronic register; activities for the prevention of external interventions in the period 2008-2013		
19.	Deputy group	Audit of economy and efficiency of the Ministry of Economic Development and Technology regarding the use of public funds in relation to the eligibility of funding from the European Regional Development Fund for the purpose of co-financing the operations of the Operational Programme for Strengthening Regional Development Potentials for the Period 2007-2013 during the period 2013-2015		

The Court of Audit included some initiatives made in 2013 by deputies of the National Assembly or the Commission for Public Finance Control in the Programme of work for the exercise of auditing powers for the year 2014, as provided for in the second paragraph of Article 25 of the Court of Audit Act. It is necessary to stress out that the realisation of the initiatives made by deputies of the National Assembly or its working bodies is in different stages of audit procedure, whereby some audit reports based on the initiatives shall be issued in 2015. The initiatives made by deputies of the National Assembly or its working bodies in 2014 were considered by the Court of Audit when adopting the Programme of work for the exercise of auditing powers for the year 2015.

Governmental offices, ministries and subordinated bodies of the ministries made 60 initiatives, which is 9 more than in 2013 (51), including 5 initiatives made by the Police (2 less than in 2013) and 1 initiative made by the Tax Administration of the Republic of Slovenia (9 less than in 2013). Bodies of the local governments delivered 25 initiatives for the implementation of an audit (13 less than in 2013).

The share of received initiatives by submitters in 2014 and comparison to the previous year is illustrated in Figure 3.

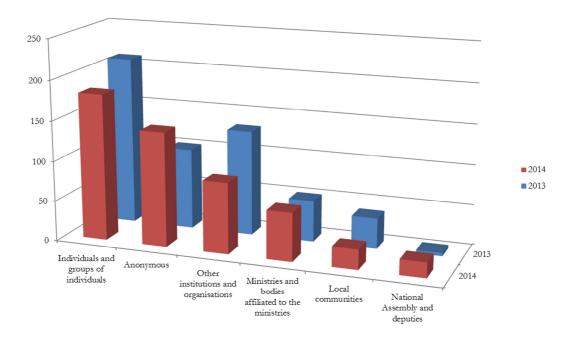


Figure 3: Initiatives for the implementation of audits by submitters in 2014 and comparison to 2013

Strategic objective 3

To provide advice to the users of public funds

• Direct advice

The Court of Audit receives many questions posed by the users of public funds. It responds by expressing opinions on and providing answers to the relevant issues. Such method of knowledge transfer increases the value of our audit services. Quality and timely responses will therefore continue to be the focus of our efforts.

• Advice to target groups of the users of public funds

The Court of Audit organises expert meetings (conferences, sessions, round tables) with the users of public funds in order to provide them with the examples of good practice. Such meetings are deemed the key mechanisms for the presentation of the established irregularities and inefficiencies and the prevention of recurrence thereof. We will continue with such working methods also in the period covered by the present Strategy.

To further increase the advisory role of the Court of Audit

The Court of Audit performs its advisory role not only by imposing measures and giving recommendations but also by providing answers to the questions posed by the users of public funds and

by implementing or co-implementing various education and training. The latter gives the representatives of the Court of Audit the opportunity to present the audit findings from the implemented audits, the required corrective measures and recommendations given to a wide range of users of public funds, thus contributing to the improvement of their operations.

Responding to questions

In 2014, the Court of Audit gave 175 responses to the questions on public finance (71 opinions of the member of the Court of Audit or supreme state auditor, 4 opinions on public finance issues and 100 responses), which represents a 46-percent increase compared to 2013, when 120 responses to questions were given, and a 15-percent increase in comparison to the year 2012, when 152 responses were given.

In 2014, the members of the Court of Audit and its Supreme State Auditors advised on the basis of the requests by users of public funds especially to local communities and non-commercial public service providers, followed by the ministries, their subordinate bodies and commercial public service providers. In recent years, the complexity of questions has been increasing, which requires more time for them to be answered.

In terms of content, the fields to which most common questions on public finance refer do not differ significantly in comparison to the previous years. In 2014, the questions posed most commonly referred to the financing of election campaigns and operations of political parties. Additional fields concerned were also:

- promotion period in the public sector,
- interpretation of provisions of the Employment Relationship Act,
- allocation of transfers,
- management of tangible assets,
- work of the municipality supervisory boards,
- calculation of building land development fee,
- setting prices of public utilities,
- granting of concessions,
- relations among municipal authorities and bodies,
- reimbursement of various costs related to work,
- public procurement arrangement,
- preparation of tender documentations and necessary insurance,
- rules of concluding copyright contracts,
- reimbursement of commuting cost,
- rights of members of public institutes to various benefits,
- various aspects of the salary system (classification of posts, classification of employees into salary grades, their promotion, determination of various bonuses),
- borrowing of municipalities and public institutes.

Education of budget users and other public

The members of the Senate of the Court of Audit, the Supreme State Auditors and other representatives of the Court also in 2014 continued with best practice of sharing their experience with the budget users.

The Center of Excellence in Finance - CEF, in cooperation with Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ (German Federal Enterprise for International Cooperation), organised a training on the issue of Strengthening Supreme Audit Institutions, which took place from 29 to 31 January 2014. The focus was on the role of the audit institutions in providing fiscal responsibility and good public finance management. The key objective of the training was to increase the understanding of the participants from the countries of South-East Europe about challenges arisen with the strengthening of audit institutions, and to provide them with knowledge about how to plan institutional reform processes. First Deputy President of the Court of Audit, Jorg Kristijan Petrovič, MA, presented in its lecture the experience of the Court of Audit with internal reform processes, the adopted Strategy of the Court of Audit of the Republic of Slovenia for the period 2014-2020 and the foreseen updating of guidelines.

In April, there was a working consultation of the Association of Municipalities and Towns of Slovenia regarding the issue of public procurement titled *Public Procurement Act (ZJN-2E) and Key Provisions of Public Procurement* which was attended by the Deputy Supreme State Auditor, Aleksander Petrovčič, on behalf of the Court of Audit.

The same month, the Court of Audit organised a meeting with the representatives of political parties with the purpose of presenting novelties of Political Parties Act and Elections and Referendum Campaign Act from 2013 pertaining to the fields of financing and reporting of political parties, and election and referendum campaigns.

On the basis of the aforementioned acts the Court of Audit assumed additional powers and responsibilities relating to the regularity audit of operations of political parties, mandatory review of annual reports of political parties and filing allegation proposals on misdemeanour matters. President of the Court of Audit, Tomaž Vesel, presented in detail to the representatives of political parties the amendments to the Political Parties Act, especially those pertaining to the regularity audit of operations of political parties that receive funds from the State budget or local community budgets and in 2013 thus received or were entitled to receive funds in the amount of more than EUR 10,000. Second Deputy President of the Court of Audit, together with Supreme State Auditor, Zoran Mladenovič, focused on the topical issues related to auditing, while the First Deputy President of the Court of Audit highlighted the key issues concerning the financing of political parties. The field of examination of annual reports prepared by political parties and sanctions pertaining thereto were presented by Adviser to Supreme State Auditor, Petra Zemljič, MA.

In April 2014, there was a consultation titled The Meeting of Public Sector Employees 2014 organised in Ljubljana by the Faculty of Administration, with the active participation of Supreme State Auditor, Nataša Musar Mišeljić, who outlined the most common findings of the Court of Audit in the field of labour costs.

She also lectured at the conference Operation of the Public Institutes and the Role of its Council Members, which took place in May 2014, on the most common findings regarding payments and other income of the public servants.

In September 2014, the Court of Audit, in cooperation with the Municipality of Šmartno ob Paki and the Association of Municipalities and Towns of Slovenia, organised a regional consultation with the mayors of municipalities, which was attended also by the President of the Court of Audit, Second Deputy President

of the Court of Audit and Supreme State Auditor, Mojca Planinšek, MA. At the consultation, the representatives of the Court of Audit presented a series of audit findings from the field of operations of municipalities and their public utilities and the accompanying audit opinions issued by the Court of Audit within the framework of its advisory role.

The Second Deputy President of the Court of Audit presented the findings from the audit report concerning the regularity of operations of the Government, the Ministry of Infrastructure and Spatial Planning and the Ministry of Justice and Public Administration in the determination and payment of compensations due to construction and reconstruction of public utility infrastructure in June 2014 at the 17th Annual Conference of Valuators organised by the Slovenian Institute of Auditors, in October 2014 at the 3rd Expert Meeting of Court Experts and Valuators organised by the Slovenian Judicial Training Centre of the Ministry of Justice, and in November 2014 at the consultation titled Real Estate Businesses and Activities in the organisation of the Real Estate Association of the Chamber of Commerce and Industry of Slovenia. All expert groups of court and authorised valuators expressed strong interest in the findings of the Court of Audit as the audit report initiated highly reasoned discussion on (in)appropriateness of the current regulation and arrangement of the field concerned - not only in terms of powers and responsibilities for the implementation of valuations but also as regards the arrangement of legal bases for determining compensations and exercising control over court and authorised valuators.

September 2014 saw the beginning of the two-day conference XXI. Days of Slovene Public Administration titled Opportunities and Challenges of Slovenian Public Sector: the EU Programming Framework 2014-2020, which took place at the Faculty of Administration in Ljubljana. At the invitation of the programme committee, the already traditional conference was attended also by the President of the Court of Audit, giving the opening speech and thus presenting the position of the Court of Audit on certain aspects of disbursement of the EU funds. Besides the President, three other representatives of the Court of Audit participated in the conference who aimed at familiarizing wider expert public with the manner the highest public finance supervisory body is dealing with the concerned issue and with the information such authority provides to the expert and wider public in its audit reports. Therefore, Deputy Supreme State Auditor, Simona Bevk, lectured on the effectiveness and efficiency of the decision-making system as regards the rights to public funds, Auditor Aljanka Klajnšek, MA, presented the effectiveness of introducing results-based budgeting of the ministries within the period 2010-2011, and Deputy Supreme State Auditor, Aleksander Petrovčič, analysed the importance of timely and adequate planning of projects or public-private partnership on the example of the Municipality of Maribor.

In November 2014, Auditor Aljanka Klajnšek, MA, gave a guest lecture to the postgraduate students enrolled in a 2nd cycle Master's study programme of the Faculty of Administration on the subject of effectiveness of sub-programme management - auditing of results-based budgeting.

In November 2014, the Court of Audit responded to the invitation of the Association of Municipalities and Towns of Slovenia to the First expert meeting of mayors. In his opening speech, the President of the Court of Audit presented the financial standing of municipalities and tasks of the Court of Audit, as well as outlined its key activities in the field of auditing of municipalities in 2014. In the consultation which brought forward certain audits of operations of municipalities, especially cross-sectional audits of transfers, also Supreme State Auditor, Mojca Planinšek, MA, participated. She explained most common mistakes in the operations of the municipalities. In 2014, students of the Faculty of Law of the University of Maribor, under the mentorship of associate professor Borut Holcman, PhD, met the President of the Court of Audit. Mr Vesel presented to them the procedures and workflow of the Court of Audit, explained the audit process and pointed out those audit reports which had received the most attention of the public. The students were especially interested in the status of the Court of Audit and shared their views on the fiscal standing of the Republic of Slovenia.

Strategic objective 4

To improve outcomes by strengthening communication and cooperation with others

- Communication of findings to the interested public and the National Assembly is one of the important steps to achieve outcomes of our audits. In addition to the adequate presentation of our reports and further strengthening of cooperation with the Commission for Public Finance Control of the National Assembly of the Republic of Slovenia, we will enhance our cooperation with other working bodies of the National Assembly.
- All reports of the Court of Audit are public. Once served to the users of public funds, they are available also on the website of the Court of Audit. Our website also sets out the audits which are currently in progress, allowing the National Assembly and the public to be at all times aware of the audits being implemented. We will maintain this communication approach also in the future. With various forms of publication on our website, such as an overview of the phases of audits in progress, archive of published audit reports, good practices, views and opinions, graphical representation of the budget, answers to frequently asked questions and news, we want to create the best possible working conditions for the media observing the work of the Court of Audit. We will thus also enable the public to be well informed. We will comply with the principles and policies laid down in the INTOSAI Communication Guideline, the emphasis being placed on the promotion of a better understanding of the field of auditing and accessibility of information to the public and the media.
- We will continue to strengthen our cooperation with internal audit services of the users of public funds and with other bodies providing general preventive role.
- At international level, we will maintain our cooperation with the Supreme Audit Institutions of the Member States of the European Union, European Court of Auditors as well as EUROSAI and INTOSAI international organisations. With the international presentation of our audit findings, we will continue to endeavour for our audit work to be internationally recognised. We will request the external evaluation of foreign partners to keep internationally comparable level of quality. With the application of the highest professional standards, we will continue to strengthen the reputation of the Court of Audit and contribute to the development of the audit profession at international level.

Cooperation with the National Assembly of the Republic of Slovenia and the National Council of the Republic of Slovenia

The National Assembly discusses audit and annual reports of the Court of Audit as defined by the Court of Audit Act. Therefore the Court of Audit delivers all issued audit reports to the National Assembly. The reports are considered by the Commission for Public Finance Control. In 2014, the Court of Audit continued with the preparation of briefing documents summarizing key audit findings and including questions for discussions about audit reports at the Commission's for Public Finance Control meetings,

since such documents proved helpful to the members of the Commission in considering individual audit reports. There were preparatory meetings for the members of the Commission for Public Finance Control reintroduced, where the members of the Senate and the Supreme State Auditors with their associates give detailed presentation of the contents of the briefing document before the actual meeting.

In 2014, the Commission for Public Finance Control, within the framework of 10 regular meetings, addressed 12 audit reports (7 less than in the previous year), 6 post-audit reports and the Annual Report of the Court of Audit for 2013. The Commission invites the President of the Court of Audit, other representatives of the Court of Audit as well as representatives of audited users of public funds to all its meetings where it discusses the Court's reports.

On our initiative, two meetings of the Commission took place at the Court of Audit last year, which additionally strengthens close cooperation with the National Assembly. This practice will also be continued in the present strategic period.

It is nevertheless worth mentioning that the Commission for Public Finance Control, in addition to the audit reports of the Court of Audit, addressed also other questions on public finance at its meeting, in which the representatives of the Court of Audit took part and had the opportunity to express the Court's viewpoints. We are of the opinion that such cooperation additionally strengthens our collaboration with the National Assembly.

The representatives of the Court of Audit are also invited to the meetings of the Committee for Agriculture, Forestry, Food and the Environment and of the Committee on Health that addressed additional three audit reports in 2014, which is evident from the table below.

No. of meeting	Date	Audit report
33 rd meeting	13/2/2014	1. Simplification of the European Cohesion Policy Implementation System - audit report
		2. Performance of a chimney sweep service - audit and post-audit report
34 th meeting	20/2/2014	1. Effectiveness and efficiency of the decision-making system as regards the rights to public funds - audit and post-audit report
35th meeting	10/4/2014	1. Annual Report of the Court of Audit for 2013
36 th meeting	15/4/2014	1. Are there the effects of the proposed regulations on the company being verified in Slovenia - RIA 2 (Regulatory Impact Analysis) - audit report
37th meeting	8/5/2014	1. Efficiency of promoting foreign direct investment - audit report
1 st continuation of 38 th meeting	18/6/2014	1. Efficiency of implementation of measures for the efficient energy use - audit and post-audit report

Table 3: List of reports examined by the Commission for Public Finance Control

No. of meeting	Date	Audit report
2 nd continuation of 38 th meeting	24/6/2014	1. Efficiency of control over foodstuffs - audit and post-audit report
2 nd meeting	5/11/2014	1. Proposal of the Annual Financial Statement of the Budget of the Republic of Slovenia for the year 2013 - audit report
3rd meeting	11/11/2014	1. Regularity of the operations of the non-governmental budget users and judicial authorities - audit and post-audit report
		2. Financial statements and the regularity of operations of the Pension and Disability Insurance Institute of Slovenia in the year 2012 - audit report
		3. Financial statements and the regularity of operations of the Health Insurance Institute of Slovenia in the year 2012 - audit report
6 th meeting	4/12/2014	1. Fictitious enrolments in the vocational college and higher education study programmes - audit and post-audit report

Table 4: List of rer	ports examined by	v other working	bodies of the	National Assembly
		0		

Working body	No. of meeting	Date	Audit report
Committee for Agriculture, Forestry, Food and the Environment	30 th meeting	23/1/2014	1. Performance of duties by the Triglav National Park Public Institute - audit report
Committee on Health	9 th meeting	13/5/2014	2. Effectiveness of the implementation of the eZdravje project - audit report
Committee on Health	1 st meeting	9/12/2014	3. Control over the Health Insurance Institute of Slovenia regarding non-emergency medical transportation - audit report

National Council of the Republic of Slovenia discussed the Annual Report of the Court of Audit for 2013 at its 17th session as of 4 April 2014 and took note of the audit findings and proposals for the improvement of fiscal standing. Discussion of the National Assembly of the Republic of Slovenia drew much attention to the provision of support of the Court's work, as well pointed out several warnings regarding the use of public funds, especially in relation to disbursement of the European Union funds, unresponsiveness of certain ministries, operation of local communities and other issues which the Court of Audit had partially considered when preparing its annual programme of work.

International cooperation

As regards international cooperation, the Court of Audit aims at strengthening cooperation with other supreme audit institutions and with its participation in international seminars and workshops enhancing the capacity and skills of the employees as well as becoming a well-established and recognised audit institution on both European and world scale. In 2014, the scope of those activities was somewhat affected by the limited amount of funds available, nevertheless, the Count of Audit continued to be active in achieving the objectives set. 13 representatives of the Court of Audit participated in 14 meetings and consultations abroad, where they made 3 presentations. The Court of Audit was visited by two foreign delegations. They were prepared special programmes, with the Court of Audit presenting its work and highlighting those topics that were of the highest interest to the participants from abroad.

The representatives of the Court of Audit attended especially the conferences, working group meetings and consultations taking place within the Contact Committee, the European Organisation of Supreme Audit Institutions (EUROSAI) and the V4+2 group.

Cooperation within the Contact Committee

Within the *Contact Committee*, which brings together representatives of Supreme Audit Institutions of the Member States of the European Union, a regular meeting of the Contact Committee took place in October at the Court of Audit in Luxembourg which was attended by the President of the Court of Audit and the SAI Liaison Officer.

In January and September 2014, two seminars of *working groups for the fiscal policy audits* took place in Potsdam, Germany that were attended by the First Deputy President of the Court of Audit. The purpose of the seminars was to present the work and activities of the Member States of the European Union participating in the working group for the management of fiscal rules and fiscal councils.

Working group for the *European Public Sector Accounting Standards* met in February 2014 in Bonn, where the Slovenian Court of Audit was represented by the Second Deputy President.

Bilateral cooperation

In 2014, the President of the Court of Audit responded to the invitation from the Presidents of the Supreme Audit Institution of Romania and of Germany and thus attended two symposiums, marking important anniversaries of their operations.

In June, the *Supreme Audit Institution of Romania celebrated its 150th anniversary of its operations* with a special event and symposium which brought together renowned guests from 28 countries and of various social spheres. Ceremonial speeches were held by the President of the Supreme Audit Institution of Romania, the President of the Parliament of Romania, Secretary General of INTOSAI, as well as by the President of the Slovenian Court of Audit.

In November 2014, the *Court of Audit of Germany marked its 300th anniversary of exercising external financial control.* At the special occasion in honour of this anniversary, ceremonial speeches were given by President of Germany, Joachim Gauck, and President of the Court of Audit of Germany, Kay Scheller, who both

addressed the importance of external financial control throughout the years, while the Secretary General of INTOSAI, Dr Josef Moser, focused on the future challenges and expectations.

Member of the European Court of Auditors, Milan M. Cvikl, handed over to President of the Slovenian Court of Audit, Mr Vesel, the European Court of Auditors' 2013 Annual Report and a comprehensive and transparent *report titled Gaps, overlaps and challenges: a landscape review of EU accountability and public audit arrangements.* On this occasion, they took the opportunity to discuss the key audit findings from the annual report and the effects of conclusions from the landscape review on the future operations of the EU counties and Supreme Audit Institutions and on their cooperation.

In 2014, the Court of Audit hosted two visits by foreign delegations of the Supreme Audit Institutions. In March, the Court of Audit welcomed a delegation of the *Supreme Office of the Republic of Srpska Public Sector Auditing* led by its President Duško Šnjegota, which made a short working visit. The Serbian colleagues met President of the Court of Audit, Mr Vesel, both Deputy Presidents and the Supreme State Auditor. They mainly discussed the implementation of financial statements and performance audits.

At the end of March, a delegation of the Accounts Chamber of the Russian Federation led by its Chairwoman Tatjana A. Golikova paid a three-day visit to Slovenia. In addition to a discussion with the members of the Slovenian Court of Audit and the Supreme State Auditor, there was also a meeting with Mr Vesel, President of the Court of Audit, on the agenda. Mutual satisfaction with the visit and the possibilities recognised for further promotion of cooperation between the institutions resulted in the invitation from Mrs Golikova to Mr Vesel to pay official visit to Russia.

Cooperation within the V4+2 Group

In September 2014, the Court of Audit of the Republic of Austria hosted regular annual meeting of the heads of Supreme Audit Institutions of the V4+2 group. A two-day meeting was attended by participants from Austria, the Czech Republic, Hungary, Slovakia and Poland discussing current issues of the V4+2 group, with the special emphasis being on the *enhanced cooperation between Supreme Audit Institutions of the Member States of the European Union and the European Court of Auditors*. Regarding the concerned issue, the group formed a common ground focusing on the importance of independence and autonomy of Supreme Audit Institutions for the coherent and sustainable development. Other topics covered by the meeting pertained to the field of development of joint European public sector auditing standards, exchange of experience in the field of audit planning and risk assessment, cooperation among Supreme Audit Institutions, namely Eurostat. By the end of the meeting, the V4+2 group formulated a somewhat amended draft proposal for the resolution to set up a special action group of a Contact Committee and to enhance cooperation among Supreme Audit Institutions of the European Union and the European Court of Auditors, which was submitted to the Contact Committee by the Polish Supreme Audit Office on behalf of the working group.

Cooperation within EUROSAI

The Court of Audit has been involved in two groups of this international organisation: Working Group on Environmental Audit and Task Force Audit & Ethics.

50 representatives from 27 countries, including a representative of Slovenian Court of Audit, attended a seminar of the EUROSAI Working Group on Environmental Auditing (WEGA) on the issue of auditing environmental aspects in the implementation of infrastructure projects, auditing biodiversity and on how to increase efficiency of research and alternative innovative approaches to acquire data when implementing environmental audits. The Slovenian representative, who is also a member of a Management Board of the Working Group on Environmental Auditing, held a discussion on auditing effectiveness of financial instruments for the protection of biodiversity and presented the approach of the Slovenian Court of Audit to the preparation of questionnaires regarding the waste audit.

Within the framework of *a seminar on public revenue audit,* organised in October 2014 in Prague under the auspices of the Supreme Audit Office of the Czech Republic, the Slovenian representative shared the experience of the Slovenian Court of Audit regarding the concerned field. Participants of the seminar were the representatives of Supreme Audit Institutions from 20 countries and from the European Court of Auditors.

Cooperation within the INTOSAI and other multilateral organisations and consultations

In June 2014, there was a working meeting of the INTOSAI *working group on public procurement* under the presidency of Accounts Chamber of the Russian Federation, which mostly focused on the current arrangement and state in the field of development of public procurement by countries which is, considering the global nature of INTOSAI, extremely diverse. Slovenian aspects of practice and experience were presented by Advisor to the President of the Court of Audit.

Under the auspices of the United Nations Development Programme (UNDP) and the Government of the Kingdom of Sweden financing the Advancing Accountability Mechanisms in Public Finances Project, *the State Audit Institution of the Republic of Serbia* organised a two-day regional conference on auditing of political parties in November 2014, with active participation of two representatives of Slovenian Court of Audit who are specialised in the concerned subject.

Cooperation with the media and public

One of the most import channels of communication respectively communication with the public is the media. It is, however, in the Court's interest that the media inform both the expert and the lay public about the issued audit reports.

With various forms of activities, such as answers to the questions posed by the media, press conferences and press releases, responses to requests for giving statements on topical issues relating to public finance, latest news with the announcements of most recent events, regular updates to the website with the overview of the phases of audits in progress, archive of published audit reports, and answers to frequently asked questions, we want to create the best possible working conditions for the journalists and editors observing the work of the Court of Audit.

Questions posed by journalists and requests for additional explanations

Since 2006, there had been an increase observed in the number of questions posed by the media on audit procedures and other public finance issues. In the year 2012, the trend turned slightly down and persisted through the years 2013 and 2014. Though, it is necessary to point out that those figures and observations refer only to the media questions in writing. In the recent years, telephone communication became one of the dominant forms of communication since it is necessary to follow the needs and requirements of media houses that strive to short and concise information in the shortest time possible. In 2012, there were thus 297 written questions of journalists and requests for additional explanations recorded, in 2013 the number of questions and requests received amounted to 270 and in 2014 there were 203 written questions submitted. On the other hand, the number of received phone calls relating to questions of journalists and requests for interviews and giving statements increased.

Press conferences

From January to the end of December 2014, there were 6 press conferences held at the issue of the audit and post-audit reports or at more visible events, such as:

- Statement by the President of the Court of Audit on the commencement of audit of Slovenian Compensation Company and Holding Slovenske elektrarne, d. o. o. in relation to the investment of the construction of the unit 6 of the Šoštanj Thermal Power Plant (5 February 2014).
- 2. Press conference with the President of the Court of Audit presenting the findings from the audit report concerning waiting periods at the University Medical Centre Ljubljana (13 February 2014).
- 3. Press conference with the Second Deputy President of the Court of Audit presenting the findings from the audit report concerning the efficiency of determination and payment of compensations due to construction and reconstruction of public utility infrastructure (11 March 2014).
- 4. President of the Court of Audit, Mr Tomaž Vesel, and Chairwoman of the Accounts Chamber, Dr Tatjana A. Golikova, signed a Joint Audit Report on the Results of the Parallel Audit of the Implementation of the Memorandum between the Governments of the Russian Federation and the Republic of Slovenia on Important Projects for Expansion of the Bilateral Economic Cooperation signed in Moscow on 17 November 2010 (25 March 2014).
- 5. Press conference with the President of the Court of Audit addressing the implementation of measures for flood safety in the Republic of Slovenia and presenting the findings from the audit report concerning efficiency of the use of European funds for flood protection (12 November 2014).
- 6. Press conference titled (Non)provision of mandatory public utility services held on 26 November 2014, with the Second Deputy President of the Court of Audit presenting key findings from two audit reports and a post-audit report:
 - Audit report concerning the performance of providing and performing mandatory national public utility service of waste incineration;

- Audit report concerning the provision and exercise of control over cemetery and funeral services and managing of the cemeteries;
- Post-audit report concerning the corrective measures of the Government of the Republic of Slovenia, the Ministry of Infrastructure and Spatial Planning and SODO, electricity distribution system operator, d. o. o., Maribor.

The Court of Audit also presented the letter addressed to the Government to summon to the implementation of certain key measures from already carried out audits that had not yet been taken but were crucial for ensuring efficient provision of public utility services.

Statistical review of published articles in the media

The number of published articles in the media reporting on the Court of Audit and its activities in 2014 amounted to 5,857, which is by 0.5 percent less compared to the year 2013. The difference, however, is relatively small based on the data on average media coverage of the past years which was calculated in 2013. Such an increase in the media attention directed towards the Court of Audit in 2013 can be attributed to the relevance of topics in audit reports and the new management. In 2013, the National Assembly elected new Members of the Court of Audit, namely the President in April, First Deputy President in February and Second Deputy President of the Court of Audit in October 2013.

Publications on the website of the Court of Audit

All reports of the Court of Audit are public. When they are submitted to the auditees, they are also available to the public on the website of the Court of Audit, except in case of reports defined in the third paragraph of Article 24 of Court of Audit Act. The website also presents audits in the process of implementation, with a description of the phases of particular audits. The public is thus able to regularly monitor the work of the Court of Audit. Such an approach shall be provided also in the future.

In 2014, the Court of Audit published 108 articles on its website with the purpose of informing the public of its work. In order to present the contents of audit reports to a wide range of the public, the news section includes also the publication of brief summaries of audit reports. The public was regularly informed about all activities, press conferences, statements as well as other domestic and international events.

Strategic objective 5

To provide a stimulating working environment

Motivation and creativity of the employees are essential for the achievement of best results. They are based on the stimulating working environment and the opportunities for personal growth. The stimulating working environment will be provided through good internal communication, active participation of the employees, openness, the respect for diversity and the promotion of teamwork. We will provide opportunities for trainings and professional development to facilitate further personal growth of the employees.

Internal communication

Internal communication affects the level of satisfaction of employees. One of the crucial factors influencing the overall job satisfaction is open communication among employees which increases the sense of involvement and participation. In 2014, there was a growth in the number of working meetings recorded due to the introduction of the updated guidelines for the work of Court of Audit, the Integrity Plan and the Code of Ethics for auditors. Furthermore, the employees of the Court of Audit can access the Court's intranet website which offers all information about its work and includes the Court's views and opinions issued, alerts about modifications to the regulations, audit documentation and other important warnings.

Education and expert training of employees

In 2014, there was no internal call for the conclusion of contracts on education. At the end of 2014, the Court of Audit had 9 contracts on education concluded, namely 8 for post-graduate and 1 for graduate studies. In line with the regulations, the employees of the Court of Audit have been attending trainings for obtaining the title state auditor, certified state auditor, and for a bar exam, as well as trainings for persons having access to classified information. In 2014, there was no training for obtaining the title state auditor organised. The title certified state auditor was awarded to one auditor. At the end of 2014, there was one employee who had a contract on training for obtaining a bar exam and one for obtaining the title certified state auditor.

In accordance with the 2014 annual training plan, the provision of expert training had a priority over other forms of further training and education, with the emphasis being on the attendance of seminars (workshops) in the organisation of the Court of Audit (internal seminars).

AUDIT FINDINGS

Opinions expressed in audit reports

In the issued audit reports where the objectives were either to express an opinion on the regularity of operations or on the compliance of operations with the regulations and/or on financial statements, a total of 61 opinions were expressed, which is less than in the previous year. The higher total number of opinions expressed in 2012 and 2013 can be attributed to a great share of mandatory audits of organisers of election and referendum campaigns.

Opinions expressed within performance audits were descriptive and consisted of assessments of efficiency, effectiveness and economy of operations. In 2014, there were 27 such opinions, 5 more than in the previous year.

The most frequent type of opinion expressed in 2014 was a qualified opinion. Almost two thirds of the opinions expressed on the regularity of operations and on financial statements were qualified opinions (61 percent respectively 37 opinions). The number of unqualified opinions amounted to 13 percent (8 opinions). A quarter of all opinions expressed were adverse opinions, i.e. 26 percent respectively 16 opinions. The share of types of opinions expressed is illustrated in Figures 4 and 5.

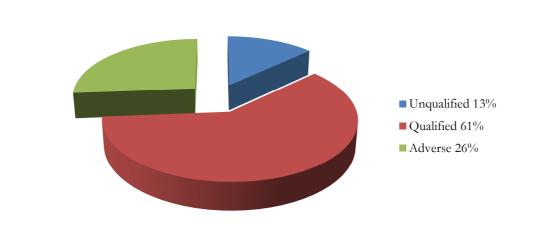
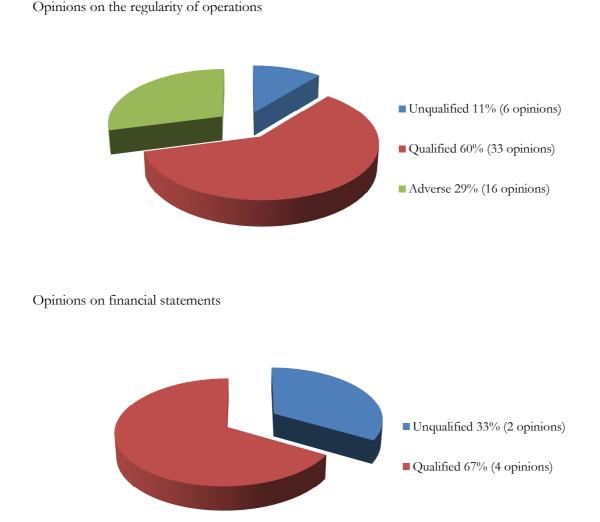


Figure 4: Types of opinions expressed in 2014 - in total



Among the audits with the objective to express an opinion on the regularity of operations, the most frequent are qualified opinions, i.e. 33 such opinions, which is 60 percent respectively 36 percentage points more than in the previous year (24 percent). They are followed by adverse opinions, i.e. 16, which represents almost one third of all opinions expressed (29 percent). This is one percent more than in the previous year (28 percent). There were 6 unqualified opinions expressed, which is 11 percent of the total share respectively 37 percentage points less than in the previous year (48 percent). Compared to the year 2013, the share increased by 6 percent. The higher total number of qualified opinions expressed can be attributed to the fact that in 2014 there were no audits of organisers of election and referendum campaigns which were implemented in previous years and thus increased the scope of unqualified opinions.

Figure 5: Opinions by audit objectives

In the case of audits of financial statements, the Court of Audit expressed only unqualified and qualified opinions. Such structure can be attributed to the fact that the auditees mainly follow the findings and recommendations from previous years and in the field of financial statements improve their operations. Most of the expressed opinions were qualified opinions (67 percent) while 2 opinions were unqualified (33 percent).

Most common errors and irregularities

The Court of Audit carries out audits of the regularity of operations of users of public funds by reviewing compliance with regulations. Operations of users of public funds are regulated by a number of acts and implementing regulations, namely their financial operations are regulated by legislation from the broad field of public finance, the accounting and payment of salaries of employees is regulated by labour legislation while operations of budget users are regulated also by many other relevant regulations. The most common errors and irregularities, disclosed in 2014 by the Court of Audit in its audit reports, are put forward in the continuation of the report.

Irregularities in the field of employment, salaries and other remuneration:

- *Public Sector Salary System Act:* irregular calculation of a basic salary when a public servant was reallocated to other work post;
- Collective Agreement for Public Sector: irregular calculation of allowances for night shift work;
- Collective Agreement for the Non-Economic Sector of the Republic of Slovenia: the amount of reimbursement of commuting costs was overstated;
- Decree on the Promotion of Civil Servants to Salary Grades: all the conditions for promotion of a civil servant were not met.

Irregularities in budgetary commitments:

- *Public Finance Act:* funds were used for purposes other than those provided for by law and other regulations; the principles of efficiency and economy were not followed; the payments were not examined for their legal bases or the scope of commitments; funds were provided from the budgetary reserve for the purposes that could have been planned in advance;
- Implementation of the Republic of Slovenia Budget for 2013 and 2014 Act: budgetary commitments were made for the coming years although the relevant conditions were not complied with;
- Value Added Tax Act: an invoice did not contain all elements prescribed by the Act;
- Decree on Provisions for Direct Remuneration to the Subcontractor when a Contractor Enters into Public Contract with the Subcontractor: authorisation for direct remunerations to the subcontractor was not obtained, payment to the subcontractor was not directly implemented;
- Decree on the Management of State Road Maintenance Public Service and Concession Contracts: the extension period of the concession agreement was too long;
- Rules on the Procedures of Implementing the Budget of the Republic of Slovenia: commitments were disclosed irregularly; a written contract was not concluded before the commencement of work.

Irregularities in public procurement and in public-private partnership:

• *Public Procurement Act:* the principles of competition and proportionality were not met; before the contract was signed, the tenders were not carefully studied; the tenders not complying with the conditions were not excluded from the public procurement procedure; a public procurement notice

was published too late; minutes on the opening of the tenders were not appropriately delivered to the tenderers, estimated value of the public procurement award was either underestimated or was not estimated, inadequate public procurement procedure was selected for the award of contract, the project did not follow the principles of economy, efficiency, effectiveness, competition and transparency, circumstances occurred that caused discrimination of tenderers, by splitting project into several smaller ones, the contracting authority avoided the Public Procurement Act, a contract for the implementation of public procurement procedures was concluded with a body governed by private law, selection procedure included criterion that was not published, at least three tenderers were not invited to submit their tenders, appropriate records on the award of public procurements were not kept;

• *Public-Private Partnership Act:* there was no analysis made whether the projects could be implemented as public-private partnership.

Irregularities in the allocation of transfers:

- *Public Finance Act*: payments from the budget were implemented even though all conditions were not met; budgetary commitments were not based on a written contract; procedure for allocation of funds was not in line with the Act; other participants were involved in the procedure for allocation of funds; there was no adequate control exercised over the implementation of approved programmes of a legal entity;
- Organization and Financing of Education Act: no criteria defined in the rules;
- *Subsidized Student Meals Act*: food quality was not considered as the key criterion in public invitation to tenders;
- *Cultural Heritage Protection Act:* a financing contract was concluded before the authorisation was granted;
- Decree on the Agricultural Structural Policy and Rural Development: entity was not required to supplement the application;
- Decree on the Organisation of the Market in Wine: assessment forms were not signed;
- Regulation on the Procedure of Standards and Manners to Allocate Means for the Promotion of the Evolutional Programme and the Preferential Tasks: selection criteria were defined inappropriately; it was not evident from the assessments of the applications, who made the assessment;
- Decree on Granting the Concessions to Provide Public Regular Passenger Services in National Road Transport as Public Service Obligations: the Programme for the implementation of concession activities did not indicate the organisation of transport operations and the calculation of prices; the amount of compensation was not determined adequately;
- Decree on the Methodology Determining the Basis for the Calculation of Funds for Carrying Out Public Services in the Field of Culture: irregular basis was used for the determination of funds scope;
- Rules on Methodology for Financing Educational Programmes in Upper Secondary Education: decree on financing was issued too late; when defining the scope of financing, the appropriate data were not considered;
- Rules on the Introduction of a New Method for Financing and Organising Educational Work in Secondary Technical Schools, Vocational Colleges and Halls of Residence for Secondary School Students: the contract was concluded too late;
- Rules on Norms for Financing Higher Vocational Schools: the contracts on financing were concluded too late or decrees on financing were issued too late; when defining the scope of financing, the appropriate data were not considered;
- Rules on Norms and Standards for Implementation of Educational Programmes and a Schooling Programme in Secondary Education: the amount of the advance payment was not determined;

- Rules on Norms and Standards for the Implementation of the Primary School Programme: the amount of the advance payment was not determined;
- Rules on the Completion of Central and Local Government Budget Implementation: liabilities were incurred after the competition of the budget implementation.

Other most common irregularities were, inter alia, the following:

- Employment Relationship Act: civil servants were allocated to work posts for which they did not fulfil the conditions, overtime work was not ordered or it was not ordered before the beginning of work; civil law contracts included elements of employment relationship;
- *Public Sector Salary System Act:* public servants were allocated to grades in an irregular manner or basic salaries were incorrectly defined, translation of basic salaries was irregular, funds to reduce wage disparities were calculated incorrectly or they were not defined at all, the obtained promotions were not considered when calculating salaries, internal acts related to classification of posts did not include all necessary data;
- *Civil Servants Act:* officials were not appointed in grades by decrees; equivalent qualifications for work posts were not defined by the internal acts classifying work posts; published open competition did not include appropriate conditions, the principle of equal accessibility to work posts was not respected, a candidate with best professional competences was not selected;
- Collective Agreement for Public Sector: irregular payment of allowances;
- *Public Finance Act:* the expenditure did not find the basis in authentic bookkeeping documents; the payments were not examined for their legal basis or the scope of commitments; budgetary commitments were not based on a written contract; public procurement contracts were awarded without concluded contracts or a contract was concluded after the services were provided; the principles of efficiency, economy and purpose were not met; funds were used for purposes not necessary for the operations of the entity; not all conditions were met for a conclusion of a direct contract, there was no appropriate financial management set up and there were no appropriate internal controls;
- The Republic of Slovenia Budget for 2003 and 2004 Implementation Act, The Republic of Slovenia Budget for 2004 and 2005 Implementation Act, The Republic of Slovenia Budget for 2006 and 2007 Implementation Act, The Republic of Slovenia Budget for 2007 and 2008 Implementation Act, The Republic of Slovenia Budget for 2011 and 2012 Implementation Act: commitments were paid within the time limits longer than the prescribed; contracts were concluded for an unlimited period, period of notice within contracts was agreed too long, tangible assets were purchased without tangible assets management plan;
- Act on Physical Assets of the State, Regions and Municipalities: annual state-owned tangible assets management plans and individual management programmes were not adopted, tangible assets management programme was not developed for renting property;
- Integrity and Prevention of Corruption Act: contracts did not include anti-corruption clause;
- Free Legal Aid Act: decrees on expenses were issued too late;
- Courts Act: matters of judicial administration were not in line with the provisions of the Courts Act;
- Decree on Physical Assets of the State and Local Government: tenders on the external market were not reviewed, premises were rented on the internal market;
- Decree on Attendance Fees and Reimbursement of Expenses at Public Funds, Public Agencies, Public Institutes and Public Utilities: recipients of funds were defined incorrectly;
- Decree on the Use of Official Cars within the Public Administration Bodies: members of the management board used official cars without journey forms and did not report on the use of fuel, there were no records on technical examination of cars nor records on the use of fuel;

- Rules on the Procedures of Implementing the Budget of the Republic of Slovenia: contracts were not concluded before the commencement of works, in individual years commitments were presented as too low;
- Rules on the Completion of Central and Local Government Budget Implementation for the year 2011: commitments were made after the date defined as the final date, commitments were made without preliminary consent of the Ministry of Finance;
- Rules on Remuneration of and Repayment of Expenses to Lay Judges: funds were paid, although appropriate evidence were not presented;
- Rules on Awards and Reimbursement of Travel Expenses of Mediators: award assessments were issued too late.

In the field of performance audits, the following inefficiencies should be highlighted:

- not clearly enough defined responsibilities, roles and/or relations between the entities in the audited field;
- new regulations or amendments to old regulations have been adopted without preliminary assessments of their effects, whereby subsequent analyses of the existing regulations have been conducted very rarely;
- urgency procedure for the adoption of legislation is often used without due care;
- transparency of the planning and implementation of financing is often poor;
- absence of the clear link between financial resources planned for the implementation of activities and the content of the activities;
- basic strategic documents, if any, are often inconsistent and outdated;
- highly inappropriate cooperation between entities when planning policies;
- solutions, which are developed and implemented, are short-term and partial instead of setting out an integrated approach to providing long-term and efficient systemic solutions;
- inadequate planning and inefficient preparations and activities for the implementation of amendments;
- systems in the field of education, health and social security do not provide for the equal treatment of participants;
- inefficient information support to the decision-making and thus inefficient performance of tasks;
- assessments of operations are based on information and data which are of poor quality or are lacking;
- unsatisfactory reporting reports are not systematic and do not provide for clear, comprehensive, complete, balanced and objective overview.

PRESENTATION OF WORK BY AUDIT DEPARTMENTS AND IMPLEMENTED AUDITS

The field of the State budget and direct State budget users

The audit department B1 covers audits of operations of direct government and non-governmental budget users, judicial authorities, organisers of election and referendum campaigns.

There were 4 audit reports as well as 4 post-audit reports issued at the end of 2014. In 4 issued audit reports, a regularity and financial audit opinion was expressed to 33 auditees. Namely, opinion on the regularity of operations to 17 auditees in 4 audits. Audit of the financial statements, as a specific audit objective, was carried out within the audit of the annual financial statement of the budget of the Republic of Slovenia for the year 2013. Audit reports issued by the audit department B1 are the following:

- 1. Proposal of the annual financial statement of the budget of the Republic of Slovenia for the year 2013 and the regularity of the implementation of the State budget in the year 2013;
- 2. Regularity of operations of the non-governmental budget users and judicial authorities in 2011;
- 3. Regularity of operations of the Market Inspectorate of the Republic of Slovenia in 2011 and 2012;
- 4. Regularity of operations of the Health Inspectorate of the Republic of Slovenia in 2011 and 2012.

In 2014, there were 4 post-audit reports issued:

- 5. Corrective measures under the audit of the proposal of the annual financial statement of the budget of the Republic of Slovenia for the year 2012;
- 6. Corrective measures under the audit of the proposal of the annual financial statement of the budget of the Republic of Slovenia for the year 2013;
- 7. Corrective measures under the audit of the regularity of operations of the non-governmental budget users and judicial authorities;
- 8. Corrective measures under the audit of the utilization of research equipment.

Proposal of the Annual Financial Statement of the Budget of the Republic of Slovenia for the Year 2013

The Court of Audit carried out an audit of the Proposal of the Annual Financial Statement of the Budget of the Republic of Slovenia for the Year 2013 and the regularity of the implementation of the Budget in 2013. The Court of Audit also reviewed the aggregate balance sheet of the State budget as of 31 December 2013.

Audit objectives were to express an opinion on the Proposal of the Annual Financial Statement (the revenue and expenditure account, financial assets and liabilities account, financing account) and an opinion on the regularity of the implementation of the budget in 2013.

Audited users of public funds were government, individual ministries or governmental bodies (governmental budget users).

The Court of Audit expressed *a qualified opinion* on the proposal of the annual financial statement for 2013, due to disclosed misstatements related to the presentation of the revenue and expenditure.

In the revenue and expenditure account there are no records of the revenue and expenditure arising from insurance operations performed for the Republic of Slovenia by the Slovene Export and Development Bank based on the Slovene Export and Development Bank Act. Among the expenditure there is no expenditure disclosed for compensations according to the Payment of Compensation to the Victims of War and Postwar Aggression Act and Act Regulating the Issuing of Bonds in Compensation for Confiscated Property pursuant to Abrogation of the Penalty of Confiscation of Property. The expenditure is disclosed too high since the principal repayment of financial liabilities towards the public corporation Infra, d. o. o., Leskovec pri Krškem, arising from the construction of water, state and local infrastructure on the Lower Sava River, are recorded as expenditure in the revenue and expenditure account instead of in the financing account.

The financial assets and liabilities account disclosed too low expenditure for paying-up of the venture capital companies by the Republic of Slovenia in 2013.

Among the revenue in the financing account the benefits from borrowings for debt management are presented too high, among the expenditures the expenditures for buying-in treasury bonds are disclosed in the same amount. Among benefits from borrowings there are no funds disclosed that were earmarked by the Slovene Export and Development Bank for compensations according to the Payment of Compensation to the Victims of War and Post-War Aggression Act and Act Regulating the Issuing of Bonds in Compensation for Confiscated Property pursuant to Abrogation of the Penalty of Confiscation of Property. The expenditure in the financing account is disclosed too low since the expenditure does not include the principal repayment of financial liabilities towards the public corporation Infra, d. o. o., Leskovec pri Krškem, arising from the construction of water, state and local infrastructure on the Lower Sava River.

Without affecting the audit opinion, the Court of Audit pointed out findings related to the aggregate balance sheet of the State budget as of 31 December 2013. The Court of Audit reviewed the completeness of the aggregate balance sheet, namely whether all direct budget users were included in the aggregate balance sheet as of 31 December 2013. Furthermore, the Court of Audit carried out a selected review of the most important items according to the risks detected. The following items were reviewed: tangible fixed assets, long-term investments, long-term receivables from operations, receivables relating to assets managed by others, funds at banks and other financial institutions, short-term liabilities to service providers, i.e. all referred to major budget users.

Among the more important audit findings there were the following: direct budget users did not completely reconciliate bookkeeping records with factual state disclosed by the annual inventory; longterm investments, tax liabilities and liabilities (trade payables) were not recorded within the appropriate time frame. Tangible fixed assets (land and buildings) which were valued at purchase price EUR 1 or less were still recorded within the aggregate balance sheet of the budget as of 31 December 2013, nevertheless there were fewer cases compared to the previous year. An important share of the real estate owned by the state has not yet been recorded in the land register.

The Court of Audit expressed *a qualified opinion* on the regularity of implementation of the State budget for 2013. Disclosed findings in respect of noncompliance with the regulations are presented in the following paragraphs.

Noncompliance with the regulations in the field of employment, salaries and other remuneration:

- *Public Sector Salary System Act:* irregular calculation of a basic salary when a public servant was reallocated to other work post;
- Collective Agreement for Public Sector: irregular calculation of allowances for night shift work;
- Collective Agreement for the Non-Economic Sector of the Republic of Slovenia: the amount of reimbursement of commuting costs was overstated;
- Decree on the Promotion of Civil Servants to Salary Grades: all the conditions for promotion of a civil servant were not met.

Noncompliance with the regulations related to budgetary commitments:

- *Public Finance Act*: funds were used for purposes other than those provided for by law and other regulations; the principles of efficiency and economy were not followed; the payments were not examined for their legal basis or the scope of commitments; funds were provided from the budgetary reserve for the purposes that could have been planned in advance;
- Implementation of the Republic of Slovenia Budget for 2003 and 2004 Act: budgetary commitments were made for the coming years although the relevant conditions were not complied with;
- Value Added Tax Act: an invoice did not contain all elements prescribed by the Act;
- Decree on Provisions for Direct Remuneration to the Subcontractor when a Contractor Enters into Public Contract with the Subcontractor: authorisation for direct remunerations to the subcontractor was not obtained, payment to the subcontractor was not directly implemented;
- Decree on the Management of State Road Maintenance Public Service and Concession Contracts: the extension period of the concession agreement was too long;
- Rules on the Procedures of Implementing the Budget of the Republic of Slovenia: commitments were presented irregularly; a written contract was not concluded before the commencement of work.

Noncompliance with the regulations related to public procurement and in public-private partnership:

- *Public Procurement Act:* the principles of competition and proportionality were not met; before the contract was signed, the tenders were not carefully studied; tenders not complying with the conditions were not excluded from the public procurement procedure; a public procurement notice was published too late; minutes on the opening of the tenders were not appropriately delivered to the tenderers;
- *Public-Private Partnership Act:* there was no analysis made whether the projects could be implemented as public-private partnership.

Noncompliance with the regulations related to the allocation of transfers:

- *Public Finance Act*: payments from the budget were implemented even though all conditions were not met; budgetary commitments were not based on a written contract; procedure for allocation of funds was not in line with the Act; other participants were involved in the procedure for allocation of funds; no adequate control was exercised over the implementation of approved programmes of a legal entity;
- Organization and Financing of Education Act: no criteria defined in the rules;
- *Subsidized Student Meals Act:* food quality was not considered as the key criterion in the procedure of a public procurement;
- *Cultural Heritage Protection Act:* a financing contract was concluded before the authorisation was granted;
- Decree on the Agricultural Structural Policy and Rural Development: entity was not required to supplement the application;
- Decree on the Organisation of the Market in Wine: assessment forms were not signed;
- Regulation on the Procedure of Standards and Manners to Allocate Means for the Promotion of the Evolutional Programme and the Preferential Tasks: selection criteria were defined inappropriately; it was not evident from the assessment of the applications, who made the assessment;
- Decree on Granting the Concessions to Provide Public Regular Passenger Services in National Road Transport as Public Service Obligations: the Programme for the implementation of concession activities did not indicate the organisation of transport operations and the calculation of prices; the amount of compensation was not determined adequately;
- Decree on the Methodology Determining the Basis for the Calculation of Funds for Carrying Out Public Services in the Field of Culture: irregular basis was used for the determination of funds scope;
- Rules on Methodology for Financing Educational Programmes in Upper Secondary Education: decree on financing was issued too late; when defining the scope of financing, the appropriate data were not considered;
- Rules on the Introduction of a New Method for Financing and Organising Educational Work in Secondary Technical Schools, Vocational Colleges and Halls of Residence for Secondary School Students: the contract was concluded too late;
- Rules on Norms for Financing Higher Vocational Schools: the contracts on financing were concluded too late or decrees on financing were issued too late; when defining the scope of financing, the appropriate data were not considered;
- Rules on Norms and Standards for Implementation of Educational Programmes and a Schooling Programme in Secondary Education: the amount of the advance payment was not determined;
- Rules on Norms and Standards for the Implementation of the Primary School Programme: the amount of the advance payment was not determined;
- Rules on the Completion of Central and Local Government Budget Implementation: liabilities were incurred after the competition of the budget implementation.

Other noncompliance with the regulations:

- Environmental Protection Act: Climate Change Fund was not set up as a budgetary fund;
- *Waters Act:* Water Fund was not set up as a budgetary fund;
- Promotion of Agricultural and Food Product Act: promotion programme was not adopted, sectors to be involved in the programme were not selected, quality schemes were not developed; regulation laying down the amount and the launching of a compulsory contribution for the implementation of the promotion of agricultural and food products was not adopted;

- Act Regulating Guarantee of Republic of Slovenia for Liabilities under Long-Term Loan of 440 Million Euros Made to Termoelektrarna Šoštanj, d. o. o. by European Investment Bank for Financing Termoelektrarna Šoštanj 600 MW Replacement Unit-6 Installation Project: a condition for issuing a guarantee was not met;
- Decree on Physical Assets of the State and Local Government: valuation was not implemented in line with the International Valuation Standards.

Regularity of the operations of the non-governmental budget users and judicial authorities

The Court of Audit implemented an audit of the regularity of the operations of 14 non-governmental budget users and judicial authorities in the year 2011.

The audit objective was to express an opinion on the regularity of the operations of an individual nongovernmental budget user and a judicial authority in the year 2011.

Audited non-governmental budget users and judicial authorities were: National Electoral Commission, Human Rights Ombudsman of the Republic of Slovenia, Information Commissioner, the Slovenian Quality Assurance Agency for Higher Education, Constitutional Court of the Republic of Slovenia, National Review Commission for Reviewing Public Procurement Award Procedures, Commission for the Prevention of Corruption, Agency for the Governance of Capital Investments of the Republic of Slovenia (after the Slovenian Sovereign Holding Act was adopted on 28 December 2012 the Agency for the Governance of Capital Investments of the Republic of Slovenia ceased to exist and the legal successor became the Slovene Compensation Corporation, Ljubljana), Slovenian Academy of Sciences and Arts, State Attorney's Office, Labour Court in Celje, Labour Court in Koper, Labour and Social Court in Ljubljana, Labour Court in Maribor.

The Court of Audit expressed:

- an adverse opinion on the regularity of operations of National Electoral Commission;
- *a qualified opinion* on the regularity of operations of Human Rights Ombudsman of the Republic of Slovenia;
- *a qualified opinion* on the regularity of operations of Information Commissioner;
- *an adverse opinion* on the regularity of operations of the Slovenian Quality Assurance Agency for Higher Education;
- *a qualified opinion* on the regularity of operations of Constitutional Court of the Republic of Slovenia;
- *a qualified opinion* on the regularity of operations of National Review Commission for Reviewing Public Procurement Award Procedures;
- an adverse opinion on the regularity of operations of Commission for the Prevention of Corruption;
- *an adverse opinion* on the regularity of operations of Agency for the Governance of Capital Investments of the Republic of Slovenia;
- an adverse opinion on the regularity of operations of Slovenian Academy of Sciences and Arts;
- *a qualified opinion* on the regularity of operations of State Attorney's Office;
- *a qualified opinion* on the regularity of operations of Labour Court in Celje;
- a qualified opinion on the regularity of operations of Labour Court in Koper;
- a qualified opinion on the regularity of operations of Labour and Social Court in Ljubljana;
- a qualified opinion on the regularity of operations of Labour Court in Maribor.

The audit disclosed the following most common irregularities:

- Employment Relationship Act: civil servants were allocated to work posts for which they did not fulfil the conditions, overtime work was not ordered or it was not ordered before the beginning of work; civil law contracts included elements of employment relationship;
- *Public Sector Salary System Act:* public servants were allocated to grades in an irregular manner or basic salaries were incorrectly defined, translation of basic salaries was irregular, funds to reduce wage disparities were calculated incorrectly or they were not defined at all, the obtained promotions were not considered when calculating salaries, internal acts related to classification of posts did not include all necessary data;
- *Civil Servants Act:* officials were not appointed in grades by decrees; equivalent qualifications for work posts were not defined by the internal acts classifying work posts; published open competition did not include appropriate conditions, the principle of equal accessibility to work posts was not respected, a candidate with best professional competences was not selected;
- Collective Agreement for Public Sector: irregular payment of allowances;
- *Public Finance Act:* the expenditure did not find the basis in authentic bookkeeping documents; the payments were not examined for their legal basis or the scope of commitments; budgetary commitments were not based on a written contract; public procurement was awarded without made contract or the contract was made after the services were provided; the principles of efficiency, economy and purpose were not met; funds were used for purposes not necessary for the operations of the entity; not all conditions were met for a conclusion of a direct contract, there was no appropriate financial management set up and there were no appropriate internal controls;
- The Republic of Slovenia Budget for 2003 and 2004 Implementation Act, The Republic of Slovenia Budget for 2004 and 2005 Implementation Act, The Republic of Slovenia Budget for 2006 and 2007 Implementation Act, The Republic of Slovenia Budget for 2007 and 2008 Implementation Act, The Republic of Slovenia Budget for 2011 and 2012 Implementation Act: commitments were paid within the time limits longer than the prescribed; contracts were made for an unlimited period, period of notice within contracts was agreed too long, tangible assets were purchased without tangible assets management plan;
- Public Procurement Act and Act Amending the Public Procurement Act: estimated value of the public procurement award was either underestimated or was not estimated, inadequate procedure was selected for the implementation of the public procurement, the project did not follow the principles of economy, efficiency, effectiveness, competition and transparency; circumstances occurred that caused discrimination of tenderers, by splitting project into several smaller ones, the contracting authority avoided rules of the Public Procurement Act, a contract for the implementation of public procurement procedures was concluded with a body governed by private law, selection procedure included criterion that was not published, at least three tenderers were not invited to submit their tenders, appropriate records on the award of public procurements were not kept;
- Act on Physical Assets of the State, Regions and Municipalities: annual state-owned tangible assets management plans and individual management programmes were not adopted, tangible assets management plan was not developed for renting property;
- Integrity and Prevention of Corruption Act: contracts did not include anti-corruption clause;
- Free Legal Aid Act: decrees on expenses were issued too late;
- Courts Act: matters of judicial administration were not in line with the provisions of the Courts Act;
- Decree on Physical Assets of the State and Local Government: tenders on the external market were not reviewed, premises were not rented on the internal market;
- Decree on Attendance Fees and Reimbursement of Expenses at Public Funds, Public Agencies, Public Institutes and Public Utilities: recipients of funds were defined incorrectly;

- Decree on the Use of Official Cars within the Public Administration Bodies: members of the management board used official cars without journey forms and did not report on the use of fuel, there was no records on technical examination of cars nor records on the use of fuel;
- Rules on the Procedures of Implementing the Budget of the Republic of Slovenia: contracts were not concluded before the commencement of works, in individual years commitments were presented as too low;
- Rules on the Completion of Central and Local Government Budget Implementation for the year 2011: commitments were made after the date defined as the final date, commitments were made without preliminary consent of the Ministry of Finance;
- Rules on Remuneration of and Repayment of Expenses to Lay Judges: funds were paid, although appropriate evidence were not presented;
- Rules on Awards and Reimbursement of Travel Expenses of Mediators: assessments of the awards were issued too late.

Regularity of operations of the Market Inspectorate of the Republic of Slovenia

The Court of Audit carried out an audit of the *regularity of operations of the Market Inspectorate of the Republic of Slovenia in 2011 and 2012.* The Inspectorate is implementing control over the application of legislation in the area of trade, crafts, services, pricing, criteria, product safety, consumer protection, fair competition (Market Inspection Act).

The audit objective was to express an opinion on the regularity of operations of the Market Inspectorate of the Republic of Slovenia in 2011 and 2012.

The Court of Audit expressed *a qualified opinion* on the regularity of operations of the Market Inspectorate of the Republic of Slovenia in 2011 and 2012 due to the following disclosed irregularities:

- the principle of equal accessibility to work posts was not respected in public and internal competitions; the inspectorate did not correctly define grade for an employee who was reallocated to other work post; employees did not fulfil conditions for promotion; the inspectorate incorrectly calculated and paid allowances, i.e. the amount of reimbursement of commuting costs was overstated, length-of-service increments were underestimated;
- the inspectorate used purchase orders contrary to the master agreement and it issued purchase orders after the services were completed;
- payments were implemented, but the legal bases were not reviewed;
- in public procurement procedures the principles of competition and proportionality were not met, by splitting project into several smaller ones, the inspectorate awarded the public procurement contract directly or it used bidding procedure and therefore awarded the contracts to one tenderer or more tenderers, in this way the inspectorate avoided rules of the Public Procurement Act due to lower estimated value of each tender;
- the inspectorate made commitments for the period longer than defined by the legislation, and for the purposes not foreseen in the annual tangible assets management plan;
- inspectorate carried out a training for inspectors contrary to the regulations;
- inspectorate rented parking spaces without carrying out an analysis of costs or negotiations and did not award the contract to the most economically advantageous tenderer;
- contracts did not include anti-corruption clause.

Regularity of operations of the Health Inspectorate of the Republic of Slovenia

The Court of Audit carried out an audit of the *regularity of operations of the Health Inspectorate of the Republic of Slovenia in 2011 and 2012.* The Inspectorate is implementing control over the application of legislation in the area of health protection.

The audit objective was to express an opinion on the regularity of operations of the Health Inspectorate of the Republic of Slovenia in 2011 and 2012.

The Court of Audit expressed *a qualified opinion* on the regularity of operations of the Health Inspectorate of the Republic of Slovenia in 2011 and 2012, since it established that the Inspectorate's operations did not comply with the regulations in the following cases:

- individual work posts were incorrectly classified in relation to prescribed level of education, description of tasks and other conditions; when an employee was allocated to work post within the same grade the pay scale related to promotion was not considered; translation of basic salaries was irregular; a fixed-term contract was made thus the conditions for it were not met; in the selection procedure the Inspectorate incorrectly used the criterion - field of education and disqualified candidates who met the condition prescribed by the internal act classifying posts, therefore the principle of equal accessibility to work posts was not respected;
- funds were used for purposes other than those provided for by law and other regulations; the principle of economy was not followed;
- payments were made within time limits contrary to prescribed ones;
- procedures were not implemented according to the provisions of public procurement legislation, the value of the public procurement award was underestimated;
- the Inspectorate did not examine the scope of commitments (bookkeeping records) before the payments were carried out;
- budgetary funds were used for purposes not necessary for the operations of the Inspectorate;
- contracts or annexes did not include anti-corruption clause;
- Inspectorate rented parking spaces without reviewing costs on the internal or external market and did not carry out negotiations with the most economically advantageous tenderers;
- payments were made on the basis of the documents where it was stated that the services were provided on specified date but the services were not completed by that date.

Audits from the field of local communities

In 2014, there were 211 municipalities that realised EUR 2,198 million (9 percent more than in 2013) of revenues and EUR 2,278 million of expenditures (11.7 percent more than in 2013). Control over the use of those funds is implemented by the audit department B2.

The lump sum of EUR 536 was the same as in 2013. Adequate absorption of funds amounted to EUR 1,099 million and was for 0.2 percent higher than in 2013. The lowest adequate absorption of funds was disclosed in the Municipality of Hodoš, i.e. EUR 302,670, the highest adequate absorption of funds was disclosed in the Municipality of Ljubljana, i.e. EUR 122,815,879, that exceeded the absorption of the Municipality of Hodoš for 406 times. The lump sum of the Municipality of Hodoš amounted to EUR 926 per citizen, while in the Municipality of Ljubljana amounted to EUR 455 per citizen, i.e. half less than in

the Municipality of Hodoš. Only 61 municipalities were financially independent, namely the revenues from the personal income tax covered financing of the municipal statutory tasks.

Among the most important revenues in 2014 there were personal income tax (EUR 1,126 million), building land development fee (EUR 180 million), rents (EUR 122 million), funds from the State budget (EUR 111 million) and the European funds (EUR 339 million). Compared to the year 2013, the amount of the European funds increased by EUR 186 million respectively they increased by more than twice (increased by 121.6 percent), namely the European funds amounted to EUR 153 million in 2013 and to EUR 339 million in 2014.

The structure of expenditure in 2014 shows that municipalities spent EUR 494 million for their operations, granted EUR 804 million of current transfers and EUR 74 million of capital transfers and implemented for EUR 905 million investments.

Among the most important expenditures in 2014 there were investment expenditures that amounted to EUR 905 million (new constructions represented the amount of EUR 653 million), they are followed by expenditures for transfers to individuals in the amount of EUR 370 million, current transfers to public institutes amounted to EUR 220 million, current maintenance in the amount of EUR 135 million and salaries and other remuneration to employees in the amount of EUR 116 million. Among other transfers to individuals there are three very important transfers: partial payments of Kindergarten Programmes amounted to EUR 245 million respectively 10.8 percent of all expenditures, subsidising of services provided by homes for the elderly amounted to EUR 50 million and subsidising of transport services for school children amounted to EUR 40 million. Compared to the year 2013 there was an increase in expenditures for new constructions, reconstructions and renovations, namely in 2013 they amounted to EUR 402 million in 2014 they amounted to EUR 653 million, respectively EUR 251 million more (increased by 62.4 percent).

Data on debt as of 31 December 2014 were not known, therefore we present some of the data on debt as of 31 December 2013 when debt of municipalities amounted to EUR 669.7 million, debt of the public sector at municipal level amounted to EUR 107.8 million, in total EUR 840.5 million. Total debt as of 31 December 2013 increased by EUR 3.8 million respectively 0.5 percent compared to the debt as of 31 December 2012. On average, according to data as of 31 December 2013 each municipality had a debt in the amount of almost EUR 4 million; each citizen had a debt of EUR 408. Total debt of municipalities and public sector at municipal level in 2013 amounted to 2.4 percent compared to the gross domestic product (EUR 35.275 million).

Debts incurred by municipalities in 2014 amounted to EUR 131 million, i.e. 5.6 percent of all realised revenues of municipalities in 2014, they paid off EUR 86.2 million of debt, i.e. 3.7 percent of all realised expenditure of municipalities. In repayment of debt the interests amounted to EUR 14.7 million or 0.6 percent of the expenditure of the revenue and expenditure account. Since 2009 when the payment of interests amounted to EUR 9.6 million, the payment of interests increased by EUR 5.1 million respectively by 53.1 percent.

Audits from the field of local communities in 2014

In 2014, the Court of Audit was carrying out 42 audits in the field of local communities. It issued 29 audit reports and expressed opinions on the operations of 29 auditees. 28 audit reports had the objective of expressing an opinion on the regularity of operations of a municipality; in one audit report the audit objective was to express an opinion on the efficiency and effectiveness of operations of a municipality. As regards the audits with the objective of expressing an opinion on the regularity of operations on the regularity of operations, there were 6 adverse opinions expressed, 16 qualified opinions expressed and 6 unqualified opinions expressed, while in the case of performance audit the opinion was expressed in the form of conclusions.

In 2014, also two post-audit reports were issued (one of them referred to an audit report issued in 2013).

Table 5 illustrates issued audit reports, expressed opinions and potential demands to submit response reports.

Audit report	Opinion on the efficiency/ effectiveness of operations	Opinion on the regularity of operations	Response report
Regularity of a part of operations of the Municipality of Sveta Trojica v Slovenskih goricah	/	adverse opinion	not necessary
Regularity of a part of operations of the Municipality of Škofljica	/	adverse opinion	not necessary
Regularity of a part of operations of the Municipality of Horjul	/	qualified opinion	not necessary
Regularity of a part of operations of the Municipality of Nazarje	/	adverse opinion	not necessary
Regularity of a part of operations of the Municipality of Radeče	/	qualified opinion	not necessary
Regularity of a part of operations of the Municipality of Bovec	/	adverse opinion	necessary
Regularity of operations of the Municipality of Cirkulane related to granting current transfers	/	qualified opinion	not necessary
Regularity of operations of the Municipality of Makole related to granting current transfers	/	unqualified opinion	not necessary
Regularity of operations of the Municipality of Luče related to granting current transfers	e /	qualified opinion	not necessary

Table 5: Issued audit reports, audit opinions and demands to submit response reports

Audit report	Opinion on the efficiency/ effectiveness of operations	Opinion on the regularity of operations	Response report
Regularity of operations of the Municipality of Sveta Ana related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Zavrč related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Vuzenica related to granting current transfers	/	unqualified opinion	not necessar
Regularity of operations of the Municipality of Bistrica ob Sotli related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Gorje related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Kostel related to granting current transfers	/	adverse opinion	not necessar
Regularity of operations of the Municipality of Sveti Tomaž related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Žirovnica related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Vitanje related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Ljubno related to granting current transfers	/	unqualified opinion	not necessar
Regularity of operations of the Municipality of Loška dolina related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Kostanjevica na Krki related to granting current transfers	/	unqualified opinion	not necessar
Regularity of operations of the Municipality of Dobje related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Žužemberk related to granting current transfers	/	qualified opinion	not necessar
Regularity of operations of the Municipality of Divača related to granting current transfers	/	unqualified opinion	not necessar
Regularity of operations of the Municipality of Sodražica related to granting current transfers	/	qualified opinion	not necessar

Audit report	Opinion on the efficiency/ effectiveness of operations	Opinion on the regularity of operations	Response report
Regularity of operations of the Municipality of Jezersko related to granting current transfers	/	adverse opinion	not necessary
Regularity of operations of the Municipality of Žalec related to borrowing	/	unqualified opinion	not necessary
Regularity of operations of the Municipality of Renče-Vogrsko related to granting current transfers	/	qualified opinion	not necessary
Effectiveness of the Municipality of Kranj in implementing results-based budgeting	opinion in the form of conclusions	/	not necessary

Audit reports issued in 2014 reviewed regularity of a part of operations of municipalities, while in one case the audit report reviewed effectiveness of operations of a municipality.

The audits of the part of operations of the municipalities of Sveta Trojica, Škofljica, Horjul, Nazarje, Radeče and Bovec reviewed real estate management, public procurement awards related to investments and borrowing. The audit report on the operations of the Municipality of Bovec includes regularity of a part of operations from 2010, while audit reports on the operations of municipalities of Sveta Trojica, Škofljica, Horjul, Nazarje and Radeče include regularity of a part of operations from 2011. The audit report on the operations of the Municipality of Bovec includes regularity of Kranj in application of the results-based budgeting, mainly related to planning, monitoring and reporting on the performance of the tasks within the municipal budget implementation pertaining the years of 2011 and 2012.

In 2014, the Court of Audit was carrying out two cross-sectional audits in the field of granting current transfers and borrowing that allow in-depth review of a part of municipal operations, a comparison between municipalities, identification of examples of best practice and possible weaknesses of the legislation.

The cross-sectional audit with the objective to express an opinion on the operations of the municipalities related to granting current transfers included 22 municipalities. In 2014, the Court of Audit issued 21 audit reports.

The cross-sectional audit in the field of borrowing of municipalities in the period from 2009 to 2013 was introduced at the second half of the year 2014, thus in 2014 only one audit report was issued, i.e. audit report on the operations of the Municipality of Žalec related to borrowing.

Disclosed irregularities were remedied by 28 audited municipalities, where possible, already during the audit implementation. A lot of corrective measures aimed at preventing similar irregularities and inefficiencies to occur in future. In one case the Court of Audit demanded from a municipality a response report.

European funds

In 2014, the Court of Audit issued an audit report on the efficient use of European funds for flood protection in the period from 1 January 2007 to 7 March 2014. The auditees were the Ministry of Agriculture and the Environment and the Slovenian Environment Agency. In the audit report the Court of Audit demanded a response report from the auditees.

The Court of Audit reviewed whether the Ministry and the Agency were efficient in spending the European funds for flood protection, and found out that flood risks shall be reduced later than they should be, mainly due to the fact that the projects were underdeveloped in 2007 when they were included in the Operational programme 2007-2013 and that the Ministry had a passive approach to the development of the projects in the period from 2007 to 2010. The Court of Audit found out that the project selection procedure did not provide for the selection of subjects that would significantly reduce flood risks, i.e. as a result of the selection of river basins, areas and investments in accordance with the time feasibility criterion.

In 2014, at the beginning of the new programming period the level of projects maturity co-financed within the programming period 2014-20120 was not higher than the level of projects maturity of the programming period 2007-2013 in 2007. The Ministry systematically defined flood endangered areas but did not developed anti-flooding solutions. For the majority of those areas the Ministry has not yet identified and selected locations intended to preserve natural or artificial flood plains, therefore the Ministry does not prevent disturbance of the areas that could be intended for flood/water retention.

The Court of Audit requested from the Ministry and the Agency to submit response reports in which the Ministry, inter alia, has to disclose the plan of activities for amending regulations in order to ensure consistency and clarity of terms and provisions pertaining to flood areas and areas at risk due to flooding, the plan of activities with the defined manner of and deadline for the protection of most significant river basins that may be intended for grouping of waters at the level of individual river basins, as well as to draw up a time schedule and organisational plan for the preparation and implementation of the projects that should be carried out by using the European funds for the 2014-2020 programming period.

The Court of Audit also submitted several recommendations for ensuring greater benefits relating to invested funds, improving transparency of the concerned field arrangement, and for taking preventive actions.

This audit report was formally addressed at the 6th meeting of the Commission for Public Finance Control of the National Assembly, where they adopted a conclusion that the National Assembly shall at its next session discuss the non-efficient use of the European funds for flood protection.

Audits of non-commercial public services and associations

In accordance with the Court of Audit Act, the Court of Audit must annually audit the operations of an adequate number of the non-commercial public services providers, whereby the audit department B3 undertakes this type of audits, and apart from that it also carries out the audits of associations and chambers and every year mandatory audits of the Public Health Insurance Institute and Pension and

Disability Insurance Institute. In the middle of 2014, the audits of public agencies and public funds came under the responsibility of the department B3.

Public service is a way of providing services used by the State or local community to satisfy the needs of the citizens continuously and undisturbed. Even though all definitions of public service do not include this key emphasis; the main characteristic of the public service is equality of the distribution and access of goods and services to the citizens. Public institute is a legal form intended for the implementation of the so called social services. According to the legislation social services are classified as non-commercial public services, namely: education, schooling, science, culture, sports, health protection, social security, pre-school child care, disabled insurance, social insurance.

Public institutions were established in order to satisfy public needs, recognised as highly relevant needs that must be met by implementing public services. The objective of the public institute thus cannot be profit making - the objective is and must be exclusively to properly and to the extent appropriate satisfy the needs of the users of public institute. Inevitably, the public institute must follow and comply with all valid regulations and carry out its operations economically and efficiently. Even though acts establishing public institutions mainly do not exclusively define such provisions, it is clear that the state or the local communities provide (public) funds for the existence and operations of the public institutes and that they need to implement their operations legally and efficiently, economically and effectively. Related to the regularity (legality) of operations of the public institutes, the Court of Audit reviews compliance of their operations with the regulations (the Constitution, acts and regulations), other general legal acts (collective agreements, internal acts), specific legal acts (judgements, Administrative Court decisions, legal decisions) and directions, valid for the operations of the public institutions. In principle, there are no difficulties in understanding that all internal acts and activities of the institute must comply with the legislation. In practice there is discrepancy or there are even contradictions between different legal acts (unclear rules) related to the operations of the public institutes. There are also cases where legislation causes inequalities, inefficiencies, ineffectiveness, uneconomy or impracticability whereby such factors can be either subjective or objective.

Apart from the common objectives of all regulations (public order, safety and others), regulations governing operations of the public funds users are not a goal in itself, but rather a means of providing relevant quantity of goods and services of an appropriate quality in order to satisfy the needs of the public at the minimum price (funds, i.e. public funds, allocated for providing public services should be at the lowest level). Economic, efficient and effective operations of the entities are the key objective of those regulations. Even though this objective is not achieved by all regulations equally effective it is considered a basic guideline offering solutions for possible conflicts between regularity of operations and performance of operations. If the regulations are followed, the performance of the operations of the public institutes should be met; therefore it is necessary to comply with the regulations also when it appears that the results of those operations are neither economic nor efficient. Mostly, such considerations are not appropriate since the uneconomy, inefficiency or ineffectiveness of operations occurred due to non-compliance with the legislation or improper operations from the past. A typical example of this would be poor criteria of the public procurement procedures causing inefficient and ineffective and uneconomic decisions in the selection phase. Whenever the regulations prescribe activities with a negative effect on the economy, efficiency and effectiveness of operations, it is necessary to be able to recognise such regulations in order to point out such derogations, to eliminate them or to amend them.

In Slovenia there are approximately 1,500 public institutes, almost ten times more associations and different chambers, and at the level of the state there are 15 public agencies and 8 public funds. Most of the public institutes operate in the area of education, schooling, sports followed by culture, social security and health protection. Only a few public institutes implement their tasks in the area of scientific research. Public institutes differ: in terms of number of employees, namely there are from 3 to 10 employees in the smallest institutes and over 7,000 employees in the largest hospital, in terms of scope of funds allocated for their operations (most of funds are allocated for the operations of the two insurance institutes, employment service and largest hospitals), in terms of methods of financing, of scope of funds allocated for their operations from the budget and of regional coverage and other. All those circumstances and some others (i.e. proposals for the implementation of audits) are considered when the Court of Audit makes decisions which public institutions to include in the annual audit programme. Every year the Court of Audit implements the mandatory audits of the Public Health Insurance Institute and Pension and Disability Insurance Institute as well as audits of operations of approximately 14 public institutes. Up to now the Court of Audit has implemented audits of 17 percent of all active public institutes, i.e. potential auditees - most of them in the field of health protection (approximately 65 percent) where the number of employees is the highest and the scope of funds allocated for their operations is significant. The smallest share of the public institutes represent institutions in the field of education, schooling and sports (somewhat above 8 percent). In this field there are two thirds of all public institutes that are small or medium public institutes. There are over 110,000 public servants employed in public institutes, on average 73 employees per public institute. Non-commercial public services providers, namely the providers of public services carry out labour-intensive activities. It is therefore not surprising that most of the irregularities are disclosed in the field of salaries and other remuneration, thus audits of the noncommercial public services most often deal with those expenditures that are defined as audit subjects. After the introduction of the new salary system for public servants in 2008 the situation thus worsened due to complexity and ambiguity of the regulations. Fiscal Balance Act and some other acts related to austerity measures brought new challenges for public institutions as well as the Court of Audit in the function of supervisor. It is necessary to mention irregularities related to purchases of goods and services, i.e. in the field of public procurement, where there are in terms of value material irregularities mainly in the area of health protection.

In 2014, the audit department B3 was carrying out 34 audits in the field of public services and 18 auditors were involved in their implementation. Apart from the mandatory audits of the Public Health Insurance Institute and Pension and Disability Insurance Institute for the years 2012 and 2013 the department was carrying out also two audits of the First Pension Fund of the years 2012 and 2013, two audits of the public agencies, an audit of an association and an audit in the field of promoting social entrepreneurship at the authorised ministry. By implementing 27 audits of public institutes the area of non-commercial public services was covered, thus most of the audits were carried out in the field of culture and social security, one audit reviewed scientific research run by a public institute. The criterion of regional coverage was appropriately followed, since in 2014 the Court of Audit implemented audits in all regions but three (regions of Koroška, Spodnjeposavska and Notranje-kraška), most audits were implemented in public institutes located in the regions of Osrednjeslovenska (central Slovenia) and Podravska.

In 2014, the Court of Audit issued 10 audit reports and 5 post-audit reports referred to audits carried out by the audit department B3. Namely, out of 10 issued audit reports 3 concerned health protection area, 2 concerned education, 2 concerned schooling, 2 concerned culture and 1 concerned scientific research.

In 2014, the Court of Audit issued Financial and regularity audit of operations of the Health Insurance Institute for the year 2012 and Financial and regularity audit of operations of the Pension and Disability Insurance Institute for the year 2012. The Court of Audit expressed opinions on financial statements, of which two unqualified and three qualified, in one case the Court of Audit rejected to express an opinion. On the regularity of operations there were 5 qualified opinions and 5 adverse opinions expressed. In 7 cases audits were not completed when audit reports were issued because the Court of Audit demanded from public institutes to submit response reports where they have to or had to report on 24 correction measures. In 5 post-audit reports there were 3 inadequate corrective measures and 1 partially adequate corrective measure, therefore the Court of Audit issued 3 calls for remedial action, addressed to a relevant authority.

Most irregularities related to the operations of the public institutes were disclosed in the field of salaries and other remuneration. As regards the basic salaries the Court of Audit established that there were the following most common irregularities: irregular translation of basic salaries, almost all public institutes incorrectly determined a part of the salary as a performance bonus for the increased workload; as regards remuneration most irregularities referred to grade-related allowances. As regards the reimbursements of costs related to employment relationship there were mainly irregularities concerning payments for the annual leave allowance for the year 2012 due to Government decision and ministry's instructions. Different types of irregularities were disclosed in the field of work contracts and copyright contracts. There were also many cases of paying the insurance policies for their employees that was considered a non-eligible expenditure. Even though improvements were noted in the field of public procurement, the Court of Audit found out in 2014 that the public institutes did not carry out prescribed procedures of public procurement or those procedures were not implemented correctly. Irregularities identified in the audits are presented in detail in the following paragraphs, whereby assessed outcomes of audits or potential savings (that have occurred or will occur after the irregularities are remedied) are presented.

Audit of the Financial Statements and the Regularity of Operations of the Murska Sobota Grammar School in the Year 2011

The Court of Audit rejected to express an opinion on the financial statements; due to lack of documentation and non-transparent bookkeeping records it was not possible to obtain sufficient and appropriate evidence to express an opinion on the regularity of presenting items in the balance sheet as well as in the revenue and expenditure account. Bookkeeping records were in several cases unclear, incorrect and were made subsequently, there were no bases in the bookkeeping documents, individual business events were not recorded in the general ledger in accordance with the regulations. Receivables and payables were not balanced at the end of the business year, inventory of assets and liabilities was not carried out. The Court of Audit expressed an adverse opinion on the regularity of operations of the grammar school in the year 2011, since it established that the grammar school did not prepare its financial plan, it failed to determine increased tuition obligation for some public servants, it failed to make agreements or issue decrees related to a part of the salary as a performance bonus for the increased workload. The grammar school incorrectly determined and calculated a performance bonus for the increased workload and did not calculate indemnities for absence due to medical reasons. Public servants were calculated their basic salaries contrary to their contracts or basic salaries were not harmonised with the scope of implemented hours worked per week. Public servants were paid jubilee or other long-service benefits and annual leave allowance for the year 2011 in amounts higher than allowed. The grammar

school granted several public servants mutual assistance and thus allocated funds contrary to the planned purpose of the school fund. It incurred debts to cover labour costs contrary to the legislation, it purchased goods and ordered services contrary to the rules on public procurement, it did not keep records on the public procurement awards. It concluded work contracts (outsourcing) for services that are listed among tasks from labour relationship.

During and after the audit implementation the grammar school began to follow the sound financial management principles. Already during the audit implementation the grammar school provided for monitoring and separate recording of revenue and expenditure related to departments of sports, it set up the specific records of revenue and expenditure related to school textbooks fund, and set up new records of revenue and expenditure related to school fund, it defined increased tuition obligation for public servants and made annexes to their contract thereof. In 2013, administrative board of the school fund was organised and it adopted Rules on the organisation, work and management of the school fund. The administrative board discussed proposals on allocation of funds, identified purposes of the fund, approved the use of the remaining available funds, and adopted the 2013/2014 financial plan on the allocation of funds. In the post-audit report the grammar school presented activities related to implementation of the inventory of assets and liabilities as of 31 December 2013, activities related to setting up additional records of fixed tangible assets, activities related to account items of customers and service providers, respectively to clarify correct commitments to service providers and activities related to overpayments, bookkeeping errors and recordings of amounts of compensations in the general ledger. It also demonstrated activities of balancing commitments for assets received from the founder. The Court of Audit assessed that grammar school is expected to make savings of EUR 88,174 due to all above mentioned corrective activities.

Audit of the Financial Statements and the Regularity of Operations of the University of Ljubljana, Faculty of Mechanical Engineering in the Year 2011

The Court of Audit expressed a qualified opinion on the financial statements of the Faculty since it established that the Faculty in 2011 disclosed understated profit of the year and thus incorrectly accounted corporate tax per year and its liabilities were overstated because the profit of the year was understated for the previous years as well as for the year 2011. The Faculty failed to break down the revenues and expenditures of the year 2011 into public services and commercial services. Some items of the balance sheet were incorrectly disclosed. The Court of Audit expressed a qualified opinion on the regularity of operation of the Faculty in the year 2011 since it established that the Faculty paid contributions to supplementary pension schemes for the employees, paid performance bonuses exceeding the allowed levels, and paid tuitions exceeding the scope of hours defined by the norms. By purchasing material, fixed assets and ordering services the Faculty acted contrary to public procurement regulations.

During the audit implementation the Faculty remedied some errors in the financial statements: it entered the difference of the understated value of the equipment, it correctly accounted the depreciation and balanced financial state of the fund and long-term liabilities. Purchase of books was recorded as stationary and the value was written off, appropriate corrections were implemented also for previous years. As of financial statement 2012 the Faculty recorded differed income for research and applicative projects and the European research projects as well as liabilities towards the Slovenian Research Agency facilitating bilateral scientific and research cooperation that were not recorded among trade receivables in 2011. The

Faculty followed recommendations of the Court of Audit concerning the financial statement of 2012, thus the costs of professional and academic journals were correctly broken down, and it carried out appropriate corrections of the fund of assets that was understated due to the way the accounted depreciation was covered and due to the fact that the Faculty did not account the depreciation. The Faculty developed a list of guarantees and bonds received. During the audit implementation the Faculty accounted for overpaid allowance for tutors that was allocated despite of the half-yearly absence of the young researcher. The Court of Audit demanded from the Faculty to submit a response report presenting that it ceased to pay contributions to supplementary pension schemes for the employees and that it remedied irregularities related to Dean's payment. The Faculty failed to demonstrate that it required from the Dean to return the unduly paid grade-related allowance and it did not case to pay contributions to supplementary pension schemes for the employees within the time limits set in the audit report, therefore both corrective measures were assessed as inadequate, thus the Faculty violated the requirement for operational efficiency. After the Court of Audit issued an appeal to the Rector of the University of Ljubljana to take action in accordance with its powers, the Faculty cased to pay contributions to supplementary pension schemes for the employees. The Court of Audit assessed that the Faculty is expected to make savings of at least EUR 286,806 due to all the above mentioned corrective activities.

Financial statements and regularity of operations of the Celje People's Theatre in the Year 2011

The Court of Audit expressed a qualified opinion on the financial statements of the Theatre, since it established that the Theatre incorrectly broke down revenue from paid season tickets, in recognising claims towards the funds provider, it did not follow the accrual accounting principle. The Court of Audit expressed a qualified opinion also on the regularity of operations of the Theatre. Disclosed irregularities mainly relate to determining and allocating salaries; i.e. meeting the conditions for promotion of employees, paying allowances contrary to the regulations and paying contributions to accident insurance for the employees and paying contributions to supplementary health insurance for the employees contrary to the legal bases.

During audit implementation the Theatre amended the chart of accounts to become harmonised with the legislation by providing correction of irregularities concerning recording of short-term liabilities (trade receivables and service providers' receivables), revenue and expenditure and it presented revenue and expenditure account by type of activities. The manager adopted amended accounting guidelines related to braking down the revenue from the paid season tickets. The Theatre made new contracts with public servants that were allocated to grades but their promotion was not correctly considered. Furthermore, the Theatre made agreements concerning the manner, amount and calculation of the differences in salaries. A public servant no longer received allowance for doctorate holders and signed an agreement with the Theatre concerning refunding the unduly paid allowance. The Theatre terminated the contracts on insurance and ceased to pay contributions to accident insurance and contributions to supplementary health insurance schemes for the employees. In the response report the Theatre demonstrated that two public servants were informed about their incorrect promotion and were asked to sign an agreement on repayment of the amounts overpaid, and the Theatre defined correct basic salaries in their annexes to employment contracts as the bases for allocation and payment of salaries. The Court of Audit assessed that the Theatre is expected to make savings of at least EUR 18,336 due to all the above mentioned corrective activities.

Audit of the Regularity of Operations of the Institute of Public Health in the Years 2011 and 2012

The Court of Audit expressed an adverse opinion on the regularity of operations of the Institute in the years 2011 and 2012, since it established that the Institute incorrectly defined, calculated and paid salaries, it unduly paid contributions to accident insurance for the employees, it did not follow the public procurement rules when purchasing material, medicines and vaccines and when ordering services and fixed assets.

During the audit implementation the Institute prepared new annexes to employment contracts and allocated employees to appropriate grades, correctly defined funds to reduce wage disparities and issued a decree on repayment of salaries paid in amounts too low. It also defined agreements on the recovery of salaries paid in excess, i.e. in instalments, but not all employees signed the agreements, therefore the Institute brought proceedings before the authorised Court. The Institute made an annex to an employment contract with a public servant who was promoted before the conditions were met, and the public servant was allocated to a lower grade and the recovery of a salary paid in excess was made. The Institute acted in the same way in the case of public servant who was allocated to a higher grade contrary to the legal bases. The Institute claimed overpaid travel expenses from public servants and it cased to pay accident insurance to those employees not entitled to it. It authorised Association of Health Centres of Slovenia to implement public procurement procedure for telecommunications services and made contract with the selected service provider. It carried out a joint demand to purchase vaccinations against infection with HPV regardless the source of financing (from compulsory health insurance or by individuals). After two unsuccessful demands in 2012 the Institute carried out two separate demands and delivered the call for tenders to selected renderers and made framework agreements for each set. By carrying out two separate demands it followed provisions of framework agreements and it complied with the purpose and nature of the subject of the public procurement award. In the post-audit procedure both legal successors of the Institute, i.e. National Institute of Public Health and National Laboratory of Health, Environment and Food presented appropriate activities to implement the public procurement procedure of awarding the postal services. However, the National Institute of Public Health failed to demonstrate appropriate corrective measure relating to incorrect allocation of the head of the unit to the higher grade, thus it violated the requirement for operational efficiency. The Court of Audit issued an appeal to the Council of the Institute to take action in accordance with its powers; the Council conferred on the Director the task of reviewing all work posts and their harmonisation with the legislation, namely all translated work posts of public servants allocated to work posts of specialised doctor, including all those employed at the predecessors of the National Institute of Public Health in the period of transition to the new salary system. The Court of Audit assessed that the legal successors of the Institute are expected to make savings of at least EUR 324,000 due to all the above mentioned corrective activities.

Regularity audit of operations of the Health Centre Ptuj in the Year 2012

The Court of Audit expressed a qualified opinion on the regularity of operations of the Health Centre, since it established that the Health Centre did not make appropriate agreements and did not adopt written decision on the increased workload and on performance bonuses thereof; it accounted for and paid performance bonuses in the amounts exceeding the prescribed limits; it unduly paid contributions to accident insurance for the employees; it did not follow the public procurement rules when purchasing material and when ordering services.

Already during the audit procedure the Health Centre adopted appropriate decisions and made agreements on performance bonus for the increased workload to be paid in accordance with the prescribed limits. It made a list of public servants facing higher risks at their work posts and who are entitled to accident insurance, while the Health Centre cased to pay accident insurance to those employees not on the list. Due to amendments of the regulations it concluded new work contracts for a limited period. Concerning public procurement procedures, it launched an open procedure for fuel; it authorised Association of Health Centres of Slovenia to implement public procurement procedure for supply of medicines, it authorised Ministry of Finance to award telecommunications services within joint public administration invitation to tenders. In the post-audit procedure the Health Centre demonstrated activities related to public procurement procedure of awarding maintenance service. It failed to make an agreement on the recovery of salaries paid in excess; neither it brought proceedings before the authorised Court in order to claim the reimbursement of the difference between the amounts of overpayment and the correctly defined salaries; thus the Health Centre violated the requirement for operational efficiency. After the Court of Audit issued an appeal to the Rector of the Council to take action in accordance with its powers, the employee signed the agreement concerning the manner and amount of the reimbursement of salaries; i.e. in instalments. The Court of Audit assessed that the Health Centre is expected to make savings of at least EUR 151,762 due to all the above mentioned corrective activities.

Financial and regularity audit of operations of the Pension and Disability Insurance Institute of Slovenia in the Year 2012

The Court of Audit expressed an unqualified opinion on the financial statements of the Institute for the year 2012, in this connection it pointed out that the Institute did not record claims for unpaid contributions to obligatory pension and disability insurance in the balance sheet. The Court of Audit expressed a qualified opinion on the regularity of operations of the Institute in 2012, since it established that there were irregularities in reallocation of public servants, in defining basic salaries, in paying long-term service bonuses and jubilee bonuses. The key register of the insured persons and pension procedure records did not contain accurate and complete data for the calculation of the bases for pension benefits, therefore in some cases the amounts of the pensions were incorrectly calculated and paid. The Institute did not follow the public procurement rules when ordering telecommunications services.

Already during the audit procedure the Institute concluded new contracts with public servants where irregularities were disclosed and public servants were allocated to the correct payment grade. It signed agreements on the recovery of salaries paid in excess. The Institute made an annex to an employment contract with a public servant who was calculated long-term bonus in the amount too high, the annex correctly presented the employee's work period and they signed an agreement on repayment of the amounts overpaid. The Institute determined pensions anew to all those recipients of pensions where the Court of Audit disclosed irregularities in determining pensions in 2012, thus all old decisions were repealed. During the audit implementation the Institute demonstrated that it eliminated irregularities related to entry of data in the key register, although those errors did not cause financial consequences for the recipients of pensions. The Institute completed the selection procedure and concluded a contract with the selected telecommunications service provider, it issued decree on the commencement of the public procurement procedure for other services and it published notice on e-procurement portal. The Court of Audit assessed that the Institute is expected to make savings of at least EUR 9,180 due to all the above mentioned corrective activities.

Audit of the Financial Statements and the Regularity of Operations of the Health Insurance Institute of Slovenia in the Year 2012

The Court of Audit expressed an unqualified opinion on the financial statements of the Institute for the year 2012, in this connection it pointed out that contributions unpaid, deferred and written off were reported only in the management report. Furthermore, the Institute did not record claims for unpaid contributions to obligatory health insurance in the balance sheet. The Court of Audit expressed a qualified opinion on the regularity of operations of the Institute, since it established that the Institute did not select the postal services and courier services provider in accordance with the public procurement regulations.

During the audit implementation the Institute issued a decree on the commencement of the procedure for awarding postal services, it carried out a public procurement procedure and made a contract with the selected service provider. In accordance with the recommendation of the Court of Audit it adopted an internal act on reimbursement of commuting costs, defining that reimbursement rates shall be based on the cheapest form of public transport.

Regularity audit of operations of the Jožef Stefan Institute in the Year 2009

The Court of Audit expressed an adverse opinion on the regularity of operations of the Institute in 2009. The Institute incorrectly defined basic salaries, bonuses, promoted employees, reallocated employees, unduly paid contributions to supplementary pension insurance for the employees and paid contributions to joint accident insurance for the employees and paid personal insurance. It did not follow the public procurement rules when purchasing material and when ordering services and fixed assets. It failed to make contracts when purchasing material and when ordering services and fixed assets, it failed to prepare minutes on the closure of the investments and on delivery of the equipment, as well as failed to obtain guarantees to rectify defects. The users of credit cards did not bear the costs of expenses that were not appropriately documented or not documented at all. When it leased premises and equipment and when it hired out apartments it did not comply with the regulations. The legal bases used by the Institute when financing the Jožef Stefan International Postgraduate School in 2009 were inappropriate.

The Institute remedied some of the irregularities related to accounting and paying salaries already during the audit implementation, namely it defined a correct grade to an employee by issuing an annex, and incorrectly defined funds to reduce wage disparities were no longer paid. It reviewed periods of employment and thus accounted and paid length-of-service increments in correct amounts to three employees. The institute commenced public procurement procedures for chemicals and laboratory materials; therefore it presented a call for prequalification of tenders and a decision on the recognition of competencies. It also carried out public procurement procedures for gas supply, for international academic literature and access to data bases. It presented a call for prequalification of tenders and a decision on the recognition of competencies for hiring photocopiers, printers and multifunctional equipment. Concerning the public procurement procedure of personal computers and computer hardware it presented a call for prequalification of tenders and a decision on the recognition of competencies and it obtained bank guarantee to rectify defects. The Court of Audit demanded a response report from the Institute presenting that it remedied irregularities related to accounting and paying salaries, that it ceased to pay contributions to supplementary pension schemes, contributions to collective accident insurance and individual insurance for the employees; that it began with appropriate public procurement procedures to select a provider of food or a lessee of premises, that it commenced procedures for the recovery of the outstanding payments of the use of credit cards, and it commenced activities to appropriately define agreement on cooperation with the Jožef Stefan International Postgraduate School. The deadline for the submission of the response report was 22 December 2014, thus the post-audit procedure was not completed in 2014. When the postaudit procedure is completed, the Court of Audit shall assess the expected savings resulting from remedial activities.

Audit of the Financial Statements and the Regularity of Operations of the Health Centre Laško in the Year 2012

The Court of Audit expressed a qualified opinion on the financial statements of the Health Centre, since it established that as of 31 December 2012 the presented intangible assets and tangible assets were too low as well as short-term liabilities and long-term liabilities and own sources, while some revenues were incorrectly broken down into public services and commercial services. The Court of Audit expressed an adverse opinion on the regularity of operations of the Health Centre, since it established that the Health Centre did not follow the public procurement rules when purchasing material and when ordering services; it incorrectly accounted and paid overtime rates and was paying contributions to accident insurance for the employees. There were several irregularities disclosed in the field of work contracts and other contracts governed by civil law.

During the audit implementation the Health Centre presented corrections of understatements of liabilities of intangible assets and tangible fixed assets and loss for the year. As of 1 January 2014 the Health Centre presented in the books of accounts corrections for incorrectly accounted depreciation in years from 2006 to 2013 due to delayed accounting of depreciation, incorrect depreciation rates applied and incorrect presentation of the costs related to tangible fixed assets. Accounted depreciation which was covered by liabilities of intangible assets and tangible fixed assets in the years from 2009 to 2012, was recorded as long-term accrued interest and other liabilities. It obtained approval of the funder to conclude employment relationship contract with the director and developed a list of public servants facing higher risks at their work posts. The director adopted the rules on the use of official cars and their maintenance which provides conditions and manners of use, rights and obligations of users, organisation and implementation of control over the use of official cars and manners of maintenance. Medical professionals who are employees of another public health institute and signed work contracts with the Health Centre presented approvals of the council and preliminary approvals of the minister or major. The Health Centre authorised two other health centres to carry out joint public procurement procedure for fuel supply and for laboratory services, both public notices were published on the e-procurement portal. The Health Centre also adopted internal rules on public procurement procedures. The Court of Audit assessed that the Health Centre is expected to make savings of at least EUR 5,691 due to all the above mentioned corrective activities.

Audits of public utilities, privatisation and environmental protection

Audit department B4 covers audits of public utilities providers, companies with majority ownership held by the Republic of Slovenia or Self-Governing Local Communities and audits of privatisation. In 2014, the audit department B4 was carrying out 16 audits in the field of public utilities and 15 auditors were involved in their implementation.

The Court of Audit reviewed state and municipal public utility services providers who must ensure that citizens have access to high-quality and affordable public services under the same conditions, when implementing public services they must protect interests of the users and provide general accessibility of public utilities. The Court of Audit noted inconsistencies in legislation concerning specific areas, thus the audits included assessments of the established regulatory framework. Namely, the Court of Audit reviewed compliance with the competition rules for each area of public utilities and granting unauthorised state aid to public utility services providers and their users.

The Court of Audit implemented an audit in the area of compensations for compulsory purchase or expropriation on grounds of public interest, i.e. due to construction or reconstruction of public utility infrastructure. Concerning the area of energy the audit reviewed transmission and distribution of electricity and sale of electricity generated. The Court of Audit implemented an audit concerning the operation of the railways and disclosed irregularities in the field of calculating salaries and remuneration to managers of this public utility. As regards the irregularities identified in the audit of provision and exercise of control over cemetery and funeral services and managing of the cemeteries it should be emphasized that the area is not regulated appropriately, since the government did not identify authorised ministry for the preparation of regulations and for control over their implementation. The municipalities therefore laid down contents of cemetery and funeral services and managing of the cemeteries in a non-coordinated manner, causing different definitions of cemetery and funeral services and managing of the cemeteries as well as different prices of services defined by municipalities. Inefficiencies were also disclosed in the audit of providing the mandatory state public utility service of incineration of waste and planning and implementation of the construction of the required facilities. In the field of implementation and financing of the mandatory municipal public utility services of environmental protection the ongoing audit reviews are carried out: drinking water supply, treatment and discharge of waste water, collection and treatment of certain types of waste, landfilling or disposal of waste, mainly related to forming, defining and controlling prices of those services (regulating prices of public utility services). The Court of Audit started the audit of financing the public utility service by the Municipality of Murska Sobota and of the provider Komunala, javno podjetje, d. o. o. In 2014, the Court of Audit was carrying out the following audits:

- performance audit of organising work of convicted persons and operations of the public utility "Pohorje" Mirna,
- performance audit of the operations of the Ministry of Agriculture and the Environment and Customs Administration of the Republic of Slovenia in providing efficient management of waste,
- efficiency of organising relationships of the infrastructure for the implementation of the public utility service of air navigation service providers, and efficiency of operations of the public company SLOVENIA CONTROL, Slovenian Air Navigation Services, Limited,
- follow-up audit on the effectiveness of managing the end-of-life vehicles,
- efficiency of the Ministry of Agriculture and the Environment and municipalities in providing drinking water supply in the Pomurje region,
- efficiency of the Ministry of Infrastructure in providing conditions and implementing tasks of public passenger transport long distance bus service,
- performance audit of operations of the Slovene Export Company.

Following proposals made by the public, the Court of Audit in 2014 undertook an audit of managing the cash-flow of the HSE Group in relation to the investment in the construction of the unit 6 of the Šoštanj Thermal Power Plant. Act Defining the Measures of the Republic of Slovenia to Strengthen Bank Stability defined additional obligation of the Court of Audit to annually implement control over the legality, intended use, economic and efficient use of funds of the Bank Assets Management Company BAMC and over the company established by Bank Assets Management Company BAMC and banks. In 2014 the Court of Audit launched the first such audit that apart from the mandatory review also included performance audit of the operations of the Government and the Ministry of Finance in establishing conditions for Bank Assets Management Company BAMC and for transfer of items exposed to risk to BAMC. This audit proved extremely complex and shall be completed in 2015.

At the end of 2014 the Court of Audit completed 5 audits, namely:

- performance audit of providing and performing mandatory national public utility service of incineration of waste,
- provision and exercise of control over cemetery and funeral services and managing of the cemeteries,
- economy of operations of the company Slovenia Railways relating to the field of payroll and other incomes of the management,
- corrective measures for regulating the performance of public utility services of the distribution system operator,
- efficiency of determination and payment of compensations due to construction and reconstruction of public utility infrastructure.

Future challenges are related to the entire range of matters covered by the audit department. The Court of Audit shall also in the future undertake audits in order to review whether the public utility services are appropriately provided. Due to fragmentation of public utility service providers at local level and due to municipal powers related to providing the public utilities, the field of public utilities is poorly regulated. These issues frequently arise with regard to regulations adopted at local level that do not comply with the amendments of the regulations adopted at national level. Shortage of qualified staff affects implementation of control, since they cannot provide adequate control over the implementation of public utility services to be in line with the principle of economies of scale. An absence of efficient organisation of public utility services that would provide the coverage of eligible costs and a reasonable profit only. Therefore the Court of Audit shall monitor regulation of prices of the public utility services and especially efficiency and effectiveness of the operations of public utility service providers by implementing audits.

Slovenian Sovereign Holding Act gave the Court of Audit the power to audit not only the Slovenian Sovereign Holding but also to audit the regularity and efficiency, effectiveness and economy of the commercial companies where the Slovenian Sovereign Holding directly or indirectly holds a majority of the voting rights. Effectively, this means that the scope of the auditees shall increase by at least 200 commercial companies.

Special attention shall be also in future given to the field of privatisation. The concerned field is very delicate, it involves high risks while impacts of such sales and the purpose of the use of the proceeds of sales of investments may bring a significant impact on the State budget and the reduction of public debt.

The Court of Audit shall closely monitor the planned process of privatisation and shall audit most important sales of companies owned by the Republic of Slovenia or Slovenian Sovereign Holding.

Efficiency of determination and payment of compensations due to construction and reconstruction of public utility infrastructure

The Court of Audit established that the operations of the Government and the Ministry of Infrastructure and Spatial Planning in managing the field of compensations regarding the procedures of compulsory purchase or expropriation of real estate due to construction or reconstruction of public utility service were inefficient. The Ministry of Infrastructure and Spatial Planning and the Government failed to provide adequate legal bases for unified manner of assessment of real estate values among valuators, thus failing to ensure equal treatment of parties affected in the compensation determination procedures as well as equal treatment of real estate valuators. The Ministry of Infrastructure and Spatial Planning was inefficient also in ordering and supervising the valuations and payment of compensations since it narrowed down the valuators authorised to carry out valuations of construction of arterial and secondary roads only to selected court valuators. The valuators were provided with insufficient instructions since the legal bases they must adhere to when carrying out valuations were not defined. The operations of the Ministry of Justice and Public Administration in exercising control over the work of court valuators were inefficient since the Ministry failed to ensure equal treatment of candidates in mandatory proficiency checks for obtaining the permit to perform the tasks of court valuators. The candidates for authorised valuators must pass a proficiency check while the candidates for court valuators are not required to undertake such checks on the basis of the Ministry's decisions. The Auditing Act stipulates that the exercise of control over the work of authorised valuators is the responsibility of the Slovenian Institute of Auditors. In case the authorised valuators make valuations at the entities under mandatory audits, the exercise of control falls also under the responsibility of the Agency for Public Oversight Over Auditing. Slovenian Institute of Auditors exercises control over the quality of work of authorised valuators on the basis of strategic documents and annual control plans, while the Ministry of Justice and Public Administration exerts such control ex officio which cannot be considered as comparable and sufficient scope of control.

Implementation of corrective measures for regulating the performance of public utility services of the distribution system operator

The Court of Audit established that the Government, the Ministry of the Economy, the Ministry of Infrastructure and Spatial Planning and the company SODO, electricity distribution system operator, d. o. o., Maribor were not effective in implementing corrective measures for regulating the performance of public utility services of the distribution system operator since there were no envisaged arrangement and manner of the performance, objectives and policies, measures to achieve these objectives as well as control over the performance of a public utility service of electricity distribution system operator defined at strategic level; furthermore, the incorporation of Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC into Slovenian legal system was not timely and the field of investing of sources from the electricity network connection charge was not arranged appropriately until the introduction of a final regulation regarding the matter of electricity infrastructure ownership. The reason behind is the time lag or even the failure of the implementation of the necessary investments into

electricity infrastructure. There was also no such information support which could ensure indirect access to the data on points of sale/delivery or to the data on the connection of users to the distribution network and the arrangement of access for monitoring and supervising the network charging for the use of distribution network and the electricity network connection charging. The Court of Audit additionally established that the transfer of responsibilities for planning the development of electricity infrastructure to the distribution companies as carried out by the companies SODO, d. o. o. and Elektro Gorenjska, d. d. could not ensure efficient planning and implementation of electricity infrastructure development of a distribution network since the possibility of conflicts of interest between the company SODO, d. o. o. and SODO, d. o. o. had not been appropriate.

Economy of operations of the company Slovenian Railways relating to the field of payroll and other incomes of the management

In its employment contracts, the company Slovenian Railways failed to determine the basis for the calculation of a basic salary. It did not take into account the authentic interpretation of the second indent of third paragraph of Article 4 of Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities³ and consequently paid to the management the basic salaries in the amounts too high. By concluding the employment contract which includes the stipulation about the payment of length-of-service increments with the Director General and Workers Director, the Supervisory board of Slovenian Railways enabled them to be calculated and paid the length-of-service increments although they were not entitled to. The Director General, who was entitled to the use of a company car for business and private purposes, was calculated and unduly reimbursed commuting costs, while the benefits for the use of a company car for private purposes were not taken into account. The Supervisory board of Slovenian Railways acted contrary to the Decision on recommendation to the representatives of the Republic of Slovenia in supervisory bodies of majority state-owned companies with regard to concluding employment contracts with manages as it did not lay down the rules which would serve as the basis for determining additional rights of the management of the company prior to the enforcement of the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities. Criteria in accordance to which the company Slovenian Railways calculates variable amounts of benefits arising from effectiveness of company's operations do not contain the requirement imposing that the company should, for the relevant financial year, ensure a financial source (net profit) for rewarding the management. Since the Slovenian Railways did not have the net profit ensured for paying to the management the variable amounts of benefits for 2010, the company acted uneconomically when rewarding the Director General and Workers Director. Slovenian Railways paid to the Director General the severance pay in the amount of six average gross monthly salaries although it should have amounted to the six basic gross monthly salaries. The office of Director General was terminated on the basis of a decision of a Supervisory board without stating the reasons which enabled the Director General to have been unduly granted a severance pay.

³ Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities, Official Gazette of RS, Nos. 21/10, 8/11, 23/14.

Performance audit of providing and performing mandatory national public utility service of waste incineration

Ministry of Agriculture and the Environment provided only one out of three planed facilities for incineration of waste by the end of 2012, i.e. Celje Heating Plant, thus providing only 11.5 percent of all necessary capacities for thermal treatment of waste in the Republic of Slovenia. In the operational programmes it failed to define ways of performing the public utility service of incineration of waste, it failed to define the number and capacity of each device for thermal treatment of waste, it failed to plan investment costs for thermal treatment of waste plant, neither it proposed clear guidelines on providing funds for the investment. The Government granted Energetika Celje, d. o. o. concession for performing public utility service of incineration of waste in the municipal areas of Savinjska Region without public procurement procedures being implemented. The Ministry did not define relationships concerning financing and ownership of the public utility service in order to make the infrastructure of national importance. Therefore, the rental income from infrastructure for public utility service of incineration of waste belonged to the budget of the Municipality of Celje instead of State budget. Providing necessary infrastructure for incineration of waste and performing mandatory national public utility service of incineration of waste was handed over to the Municipality of Celje. The Ministry did not exercise control over the investment implementation, which was contrary to its obligation of an investor. In the period from 2004 to 2012 the Municipality of Celje was not efficient in planning and implementing the investment of Celje Heating Plant, mainly in the part related to providing funds for the investment in public utility service of incineration of waste and to invoking bank guarantee to rectify defects when constructing facilities for thermal treatment of waste. In the period from September 2010 to the end of the year 2012 Energetika Celje, d. o. o. was not effective in implementing mandatory national public utility service of incineration of waste, namely it failed to appropriately utilise the capacity of the plant. When implementing the mandatory national public utility service of incineration of waste, it was not efficient, since in the period from the start of the plant's operation it failed to fully implement measures to carry out control over the received waste for incineration, thus it made lower income. When charging for services of thermal treatment of waste - light fraction and sewage sludge - for the years 2011 and 2012, it unduly approved discount to certain companies, thus making lower income when implementing public utility service of waste incineration.

Provision and exercise of control over cemetery and funeral services and managing of the cemeteries

The Government was not efficient in providing conditions for the implementation of cemetery and funeral services and managing of the cemeteries, because from 1 January 2009 to 28 November 2012 it did not define authorised ministry responsible for drafting regulations concerning the field of cemetery and funeral services and managing of the cemeteries (i.e. drafting new act, regulations, standards and norms). Therefore, Cemetery and Funeral Services and Managing of the Cemeteries Act from 1984 is still applicable, but it does not distinguish between cemetery and funeral services and it does neither define individual activities belonging to each service nor activities included in managing of the cemeteries. Furthermore, it does not identify activities of the cemetery and funeral services and managing of the cemeteries as public utility that must be available to all citizens, nor it defines ways and procedures for defining prices in order to provide appropriate regulation of implementation and financing of this public utility in the Republic of Slovenia. Consequently, the municipalities laid down contents of cemetery and

funeral services and managing of the cemeteries in a non-coordinated manner, causing different definitions of cemetery and funeral services and managing of the cemeteries as well as different prices of services provided by municipalities. The Government was not efficient in exercising control over the cemetery and funeral services and managing of the cemeteries, since it did not identify authorised ministry performing control over the legality of regulations concerning that field, which were adopted by the municipalities, and performing control over the implementation of cemetery and funeral services and managing of the cemeteries. Therefore, the control over the adoption and application of municipal regulations in the field of cemetery and funeral services and managing of the cemeteries was not carried out, which is reflected in non-regulated area of cemetery and funeral services and managing of the cemeteries at local level.

Performance audits

Audit department B5 implements performance audits, information system audits and results-based budgeting audits. After the organisation of the Court of Audit was altered in 2014 the audit department was given the responsibility for conducting the audits of environmental protection, thus there are not enough sources available for the implementation of those tasks. In the year 2014, the department was carrying out 22 audits. In 10 audit reports, the Court of Audit expressed performance audit opinions to 19 auditees. The audit department carried out one international audit and one joint audit that were published in 2014. The year 2014 was assessed as highly productive year for the department B5 which can be attributed to the number of audits being undertaken in 2013 but completed in 2014 and to cooperation with auditors of the audit department B1 that were involved in two published audits.

Audit reports issued by department B5 in 2014 are the following:

- Information system supporting the collection of accounting data on revenue and on management of the agricultural holdings (auditees: Ministry of Agriculture and the Environment, Chamber of Agriculture and Forestry of Slovenia, Institute of Agriculture and Forestry of Kranj, Institute of Agriculture and Forestry of Ptuj);
- Waiting periods at University Medical Centre Ljubljana (auditee: University Medical Centre Ljubljana);
- Effectiveness of implementing the Temporary Small Aid Scheme (auditees: Government the Republic of Slovenia, Ministry of Labour, Family and Social Affairs, Ministry of Economy and Employment Service of the Republic of Slovenia);
- Effectiveness of the Implementation of the Memorandum between the Governments of the Russian Federation and the Republic of Slovenia on Important Projects for Expansion of the Bilateral Economic Cooperation (auditees: Government the Republic of Slovenia, Ministry of the Foreign Affairs);
- Audit of a part of an information system of the Customs Administration of the Republic of Slovenia (auditee: Customs Administration of the Republic of Slovenia);
- Efficiency of regulating the field of providing expert assistance to deputies (auditee: National Assembly of the Republic of Slovenia);
- Fictitious enrolments in the vocational college and higher education study programmes (auditees: Ministry of Education, Science and Sports, Slovenian Students Union, School centre Ptuj Higher vocational college, University of Ljubljana, Faculty of Theology);
- Effectiveness of the projects for reforming the information system of Tax Administration of the Republic of Slovenia and effectiveness of merging of in-payment duty sub-accounts (auditee: Tax Administration of the Republic of Slovenia);

- Effectiveness of the Municipality of Kranj in implementing results-based budgeting (auditee: Municipality of Kranj);
- Control of the Health Insurance Institute of Slovenia over non-emergency medical transportation (auditee: Health Insurance Institute).

The international audit report issued by department B5 in 2014:

• Report on Parallel Audit of the Implementation of the Memorandum between the Governments of the Russian Federation and the Republic of Slovenia on Important Projects for Expansion of the Bilateral Economic Cooperation signed in Moscow on 17 November 2010.

The joint audit report issued by department B5 in 2014:

• Effectiveness of the ministries in managing selected sub-programmes.

The submission of a response report was demanded in 6 out of 8 audit reports issued in 2014. The Court of Audit received 7 response reports (6 were related to audit reports issued in 2014, one was related to audit report issued in 2013). In 2014, The Court of Audit issued 6 post-audit reports and commenced the audit procedure on the credibility of a response report (a new audit).

Out of 21 demanded corrective measures presented in 6 issued post-audit reports, the Court of Audit assessed 15 corrective measures as adequate, 3 corrective measures as partially adequate and 3 corrective measures as inadequate. In all those cases where the corrective measures were not assessed as adequate, the Court of Audit issued a decision on violation of the requirement for operational efficiency (4 decisions sent to 4 auditees).

Post-audit reports issued by department B5 in 2014 are the following:

- Corrective measures of the Ministry of Health,
- Corrective measures of the Government of the Republic of Slovenia,
- Corrective measures concerning the audit of efficiency of regulating the field of providing expert assistance to deputies,
- Corrective measures concerning arrangement of a part of an information system of the Customs Administration of the Republic of Slovenia,
- Corrective measures of the Financial Administration of the Republic of Slovenia,
- Corrective measures of the Ministry of Education, Science and Sport.

Most of the 22 audits **carried out by audit department B5** in 2014 were highly diverse as regards their content, scope and audit approaches, since the department undertaking performance audits is not limited by the nature of work of auditees when selecting areas of audit work. The audit department B5 also carries out information system audits and results-based budgeting audits, which are, in terms of methodology, to some extent different from other audits implemented by the Court of Audit. Audits of the results-based budgeting are aimed at improving and developing the budgetary financing system and at establishing tools for measuring efficiency, effectiveness and economy of operations of public sector. All audits stand out owing to their materiality, influence of audit scope, public notice, attention among expert public and changes made to individual audited systems. Highlighted in the continuation are some findings from the issued audit reports.

Fictitious enrolments in the vocational college and higher education study programmes

Audit Fictitious enrolments in the vocational college and higher education study programmes demonstrated that fictitious enrolments present a significant burden on the public finance. A conservative estimate of the state's costs of education for more than 18,000 potentially fictitiously enrolled students is about EUR 50 million. According to the audit opinion, the ministry was not efficient enough in preventing fictitious enrolments, therefore the Court of Audit demanded corrective measures from the ministry and it presented several recommendation. Since all presented corrective measures were not fully adequate, the Court of Audit issued a call for remedial action to the Government.

Waiting periods at University Medical Centre Ljubljana

In 2014, the Court of Audit issued the audit report Waiting periods at University Medical Centre Ljubljana. It also introduced an audit on the credibility of a response report thereof, and an audit of waiting periods at private entity that was granted a concession. The audit was well covered by the media and it caused several activities and changes not only at the auditee but also at the controlling entities (i.e. Health Insurance Institute and Commission for the Prevention of Corruption).

The field of equal treatment of patients related to managing waiting periods has become a challenging issue in the period when financial and other pressures on public health system are being increased, thus the Court of Audit shall closely monitor the field also in the future.

Information system audits

In 2014 the audit department completed 2 audits of the information systems of high importance for the State as well as for the citizens, namely information systems of the tax administration and customs administration. Those information systems record and process information on major income of the State budget. After the two audit reports were issued, tax administration and customs administration were joined into Financial Administration of the Republic of Slovenia, nevertheless, the Court of Audit assessed that the audits helped to strengthen control environment thereof. The audit department also issued an audit report on operation of the information system supporting the collection of accounting data on revenue and the management of the agricultural holdings, i.e. the Farm Accounting Data Network (FADN).

Auditors performing audits of the information systems were in 2014 involved in projects undertaken by other audit departments, furthermore they are implementing an ongoing audit of the information system (online application developed for drawing up the State budget) of the Ministry of Finance and an ongoing audit of the information system of the University Medical Centre Ljubljana, related in some ways to the audit of waiting lists.

The Attachment 1 to the Annual Report presents all audit and post-audit reports issued in 2014 to give a better overview of all published audit reports.

SOURCES USED FOR ACHIEVING THE OBJECTIVES

Financial resources

In the amended budget of the Republic of Slovenia for 2014 (Official Gazette of the RS, No. 102/13) there were funds allocated for the operations of the Court of Audit in the amount of EUR 5,541,520. These funds also included the planned earmarked funds in the amount of EUR 2,500.

Due to continued uncertain economic and poor fiscal situation, there was a correction of the adopted financial plan confirmed - the Revised budget of the Republic of Slovenia for 2014 (Official Gazette of the RS, No 84/14). The adopted financial plan for the Court of Audit was amended or reduced, thus the revised budget provided funds for the operation of the Court of Audit in the amount of EUR 5,184,020 and planned earmarked funds in the amount of EUR 1,244.

As it was established that the funds allocated with the revised budget for costs of work and material costs would not be used in their entirety, they were reallocated. The valid financial plan thus amounted to EUR 5,034,264 (the amount of EUR 1,244 was represented by earmarked funds).

The Court of Audit used the amount of EUR 4,930,370. The implementation of the financial plan represented 98 percent compared to the valid financial plan.

On the basis of the comparison of expenditure with the valid financial plan it can be concluded that in 2014 there were no major discrepancies between the planned and used funds. Compared to the previous year, the Court of Audit used the amount of EUR 271,669 less, which is a decrease by 5 percent.

Title	Financial plan in Euro	Valid financial plan in Euro	Expenditu re 2014 in Euro	Use index	Use index
1	2	3	4	5=(4:3)*100	6=(4:2)*100
Salaries, bonuses and other benefits	3,968,830	3,880,830	3,864,084	99	97
Contributions by the employer	612,330	595,330	589,589	99	96
Material costs	465,383	419,383	354,095	84	76
Investments and major maintenance	138,721	138,721	122,602	88	88
Total	5,185,264	5,034,264	4,930,370	98	95

Table 6:	Realisation of expenditure in 2014 compared to the adopted financial plan - revised budget
	(column 2) and the valid financial plan (column 3)

Implementation of the financial plan

Overview of individual types of expenditure

Salaries and other remuneration to employees

Salaries and other remuneration to the officials and public servants of the Court of Audit amounted to EUR 3,864,084 respectively 99 percent of planned funds in the valid financial plan. Compared to previous year, the share of expenditure on salaries decreased by more than 6 percent.

These funds covered:

- salaries and bonuses in the amount of EUR 3,624,003,
- annual leave allowance in the amount of EUR 18,679,
- reimbursements in the amount of EUR 182,429,
- performance and over-time bonuses in the amount of EUR 975,
- other payments to employees in the amount of EUR 37,998.

Salaries and other remuneration to the employees were financed from the budgetary sources.

Employer's social security contributions

Employer's social security contributions amounted to EUR 589,589 respectively 99 percent of planned funds in the valid financial plan. Compared to the previous year, the share of expenditure decreased by 8 percent.

Funds in the amount of EUR 577,372 covered employer's social security contributions, namely:

- pension and disability insurance contributions in the amount of EUR 312,369,
- health insurance contributions in the amount of EUR 258,788,

- employment contributions in the amount of EUR 2,565,
- parental protection contributions in the amount of EUR 3,650.

The framework of this subgroup of expenditure also includes the collective supplementary pension insurance for public servants. The amounts were calculated and paid in accordance with the Addendum to the Collective Agreement for non-economic activities in the Republic of Slovenia (Official Gazette of the RS, No. 46/13) and Decision adjusting the additional premium amounts for collective supplementary pension insurance for civil servants of the years 2012, 2013 and 2014. The supplementary pension insurance premiums amounted to EUR 12,217 respectively 2 percent of the employer's contributions.

Employer's social security contributions were financed from the budgetary sources.

Salaries and social security costs were planned in the amount of EUR 4,476,160 in the valid financial plan, respectively 89 percent of all planned funds for 2014.

Salaries and social security costs amounted to EUR 4,453,673 respectively 99 percent of all planned funds or 90 percent of all spent funds. Compared to previous year the costs of work covered by the Court of Audit amounted to EUR 322,423 less. Primarily planned funds for costs of work were not used due to temporary replacements and allowances paid thereof, the funds were therefore transferred to budgetary reserve.

Title	Expenditure in Euro	Share in percent
Salaries, bonuses and other benefits	3,624,978	81
Annual leave allowance	18,679	0.5
Reimbursement and other expenditure	220,427	5
Social security contributions	577,372	13
Collective supplementary pension insurance premiums on the basis of Collective Supplementary Pension Insurance for Public Servants Act	12,217	0.5
Total	4,453,673	100

Table 7: Share of expenditure for salaries and social security costs for the year 2014

Expenditure on goods and services

In order to provide for the effective implementation of audit work it is necessary to constantly:

- ensure adequate work conditions, equipment and services for the implementation of the audit work (stationary, telecommunications services, software and hardware ...),
- reimburse costs to the public servants due to field work,
- ensure professional training for employees,

- ensure optimal managing and maintenance of the equipment and premises (hardware, software, telecommunications equipment, electricity supply, heating devices ...),
- cooperate in international organisations and with other supreme audit institutions.

To be able to cover the basic operations of the Court of Audit the valid financial plan earmarked EUR 419,383 respectively 8 percent of all planned costs for 2014.

Expenditure for goods and services amounted to EUR 354,095 respectively 84 percent of planned funds earmarked in the financial plan or 7 percent of all expenditure for the year 2014. Overall spending was mainly affected by austerity measures, time limits for meeting budgetary commitments for the year 2014, and prescribed time limits for payments.

Compared to the previous year the expenditure for goods and services reduced by 1 percent.

Title	Expenditure in Euro	Share in percent
Office and general material and services	93,060	26
Specific material and services	27,552	8
Energy, water, utility services and communications	54,190	15
Commuting costs and services	35,101	10
Expenditure for business trips	24,208	7
Routine maintenance	39,773	11
Rents and leases	75,795	16
Other operative expenditure	22,416	7
Total	354,095	100

Table 8: Share of material expenditure for 2014

The largest share of the material expenditure (93 percent) relates to payments of the services provided and goods delivered, necessary for management and maintenance of the premises and equipment, for ensuring adequate work conditions and for effective implementation of the audit field work at home and abroad, thus EUR 329,127 were spent. The share of funds used for training and international cooperation did not change significantly compared to the previous year, namely the expenditures are kept on the downward trend due to austerity measures and streamlining.

Indirect costs related to effective implementation of the operations of the Ljubljana office amounted to EUR 283,014 and costs related to the operations of the Maribor office amounted to EUR 29,132. Additionally, there were reimbursement costs related to implementation of audit field work that amounted to EUR 8,699 (expenditure for business trips, counselling on the spot, and other). Audit activities were implemented by available staff.

In order to streamline auditing in the north-eastern part of Slovenia in 2004 the Court of Audit established organisational unit in Maribor. Fiscal policy in Slovenia in the last few years affected the operations of the Court of Audit, consequently the Maribor office was terminated on 31 August 2014 and it cased to operate. Afterwards, the Court of Audit signed an agreement with the Financial Administration of the Republic of Slovenia on the use of the premises free of charge, i.e. for occasional work and meetings.

Rules on Criteria and procedure for Determining the Subsidy Amount for Salaries of Disabled Workers define that in 2014 the Court of Audit was obliged to pay contribution for promotion of employment opportunities for the disabled. The number of the disabled employees to meet the quota defined was two, but the Court of Audit employed only one disabled for a limited period of time - 8 months, thus the Court of Audit allocated to the Public Guarantee, Maintenance and Disability Fund of the Republic of Slovenia EUR 8,282.

Purchases and construction of fixed assets

When the budget of the Republic of Slovenia for 2014 was being amended, the Court of Audit rationalised funds for current maintenance of the building as well as funds for purchase of equipment, primarily planned funds for renovation of the building and in-built equipment were reduced.

In the valid financial plan there were EUR 138,721 funds earmarked for investments and maintenance, i.e. for modernisation of vehicle fleet, upgrading software and hardware (out of that sum, funds for the intended purpose represent EUR 721) respectively 3 percent of the planned funds for 2014. Namely, EUR 122,602 were spent, representing 89 percent of realisation of the valid budget or 3 percent of the total funds use of 2014.

Title	Expenditure in Euro	Share in percent
Office, computer and similar equipment	26,980	22
Means of transport	43,915	36
Maintenance of investments	4,593	4
Immaterial assets	47,114	38
Total	122,602	100

Table 9: Share of expenditure for investments and maintenance for the year 2014

The scope of the expenditure for investments was increased compared to the previous year for more than 70 percent, nevertheless upgrading the equipment and investing in the premises is negligible. Only most urgent renovations of the offices were implemented. Funds temporarily withheld to finance investments in the building and equipment should be released next year for that purpose.

In order to provide for the effective implementation of the audit work in 2014, only most urgent upgrading of software and hardware was carried out. The Court of Audit purchased a multifunctional

equipment with additional options. For those purposes more that 50 percent of all expenditure for investments was used.

The Court of Audit concluded a contract for the purchase and maintenance of the Microsoft software (MS EA 2012-2014) already in the year 2012. Based on the contract for the purchase and maintenance of software the third and last instalment was paid in 2014. The vehicle fleet was technically and technologically out-of-date and damaged, therefore in 2014 it was partially modernised, i.e. two official cars were purchased. Expenditure for investments was fully covered by budgetary sources.

Balance sheet

Fixed assets

The recording of intangible fixed assets, real estate, equipment and other tangible fixed assets is in accordance with the Rules Amending the Rules on the Method and Rates of Depreciation of Intangible Fixed Assets and Tangible Fixed Assets and the Accounting Act.

The year 2014 saw the acquisition of equipment in the amount of EUR 85,371, of which the amount of EUR 904 was represented by stationary.

The vehicle fleet was technically and technologically out-of-date and damaged, therefore in 2014 it was partially modernised. Two official cars were purchased in the amount of EUR 43,915.

Several new software versions were purchased, in the total amount of EUR 14,271. There was a contract for purchase and maintenance of the Microsoft software (MS EA 2012-2014) concluded for the period of three years already in the year 2012. The contract included upgrade of the Windows operating system as well as the Microsoft Office and other software payable in quarterly instalments over the 12-month period. The equipment was delivered already in 2012. Apart from the computer software the Court of Audit purchased a number of new notebook computers and printers in the amount of EUR 6,640.

The Court of Audit purchased a multifunctional equipment with additional options in the amount of EUR 8,657, and carried out smaller renovations of the premises in the amount of EUR 4,594. The amount of EUR 5,529 includes purchase of a projector, new mobile phones and other equipment of small value.

On the basis of the agreement on conferring management of movable assets of the State concluded between the Ministry of Finance and Tax Administration, the Court of Audit obtained equipment free-of-charge in the estimated amount of EUR 861 and stationary in the amount of EUR 153.

In 2014, stationary in the amount of EUR 409 was purchased. The Court of Audit also received protocol gifts of small value (EUR 342).

Due to certain equipment being technically and technologically out-of-date and damaged or out of service, there came to a removal of intangible and tangible fixed assets in 2014. Damaged and out-of-date fixed assets had no present value.

Organisational changes, work areas defined anew for each audit department and status change (termination of the Maribor office), were the reasons that in 2014 there were several agreements signed on transfer of movable assets, i.e. with the Ministry of Finance, Office for Money Laundering Prevention, the Ministry of the Interior and the Financial Administration of the Republic of Slovenia.

Due to ineffective methods of disposing movable assets there were two direct contracts concluded on transfer of movable assets free of charge with: Primary school of Pirniče and Youth Cultural Centre of Šmartno ob Paki - Culture, Education and Sports.

The equipment that was not included in the direct contracts on transfer of movable assets free of charge was permanently withdrawn from service. It was planned to be divested in 2015.

The value of intangible and tangible fixed assets as at 31 December 2014 represented EUR 3,010,022, which is EUR 143,081 less compared to the previous year.

Current assets

As at 31 December 2014, there were short-term receivables and deferred expenses and accrued revenues in the amount of EUR 439,718 disclosed in the balance sheet of the Court of Audit.

The receivables refer to:

- receivables for the accounted and not paid salaries and taxes for December 2014 in the amount of EUR 378,145 (of which the amount of EUR 326,732 for salaries and other benefits, the amount of EUR 50,308 for taxes and the amount of EUR 1,105 for contributions for the employment of the disabled),
- provided services and supplied material in the amount of EUR 39,825,
- equipment of smaller value in the amount of EUR 774,
- accounted salary compensations in the amount of EUR 5.608,
- receivable related to agreement on cancellation of the contract and other items in the amount of EUR 14,852,
- non-reimbursement of fieldwork costs in December in the amount of EUR 514.

All listed receivables disclosed in the balance sheet as at 31 December 2014 are payable in 2015.

Short-term financial liabilities

As of 31 December 2014, there were short-term financial liabilities and accrued expenses and deferred revenues in the amount of EUR 439.718 disclosed in the balance sheet of the Court of Audit.

The financial liabilities refer to:

- short-term financial liabilities to employees in the amount of EUR 327,247, arising from the calculation of salaries for December 2014 and recovery of business travel and fieldwork costs in 2014,
- short-term liabilities to suppliers in the amount of EUR 37,351 for the material supplied, equipment and services provided in November and December 2014,

- other short-term liabilities from operations in the amount of EUR 51,455 for calculated tax on salaries for December 2014,
- short-term liabilities to users of the unified chart of accounts in the amount of EUR 3,205 for the performed services for December 2014,
- accounted salary compensations with the December 2014 salary in the amount of EUR 5,608 and accrued expenses in the amount of EUR 14,852.

All listed liabilities disclosed in the balance sheet as at 31 December 2014 are payable in 2015.

Own funds and long-term liabilities

As at 31 December 2014, under own funds and long-term liabilities in its books of account, the Court of Audit disclosed the general fund in the amount of EUR 3,010,022.

Within the framework of the general fund, the Court of Audit has only the fund of intangible and tangible fixed assets in the amount of EUR 3,010,022 disclosed in its books of account.

The Attachment 2 to the Annual Report presents the financial statements of the Court of Audit drawn up on the basis of the Accounting Act and the Rules on Drawing up Annual Reports for the Budget, Budget Spending Units and other Entities of Public Law.

Employment

There were 123 civil servants and officials employed at the Court of Audit on 31 December 2014.

In 2014, ten civil servants were recruited for an indefinite period of time. Seven employment contracts were terminated. In 2014, the Court of Audit recorded the turnover of employees of 5.7 percent (5.8 percent in 2013).

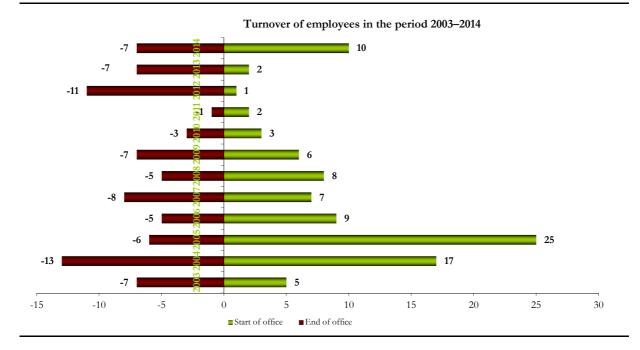


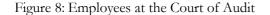
Figure 6: Turnover of employees in the period 2003-2014

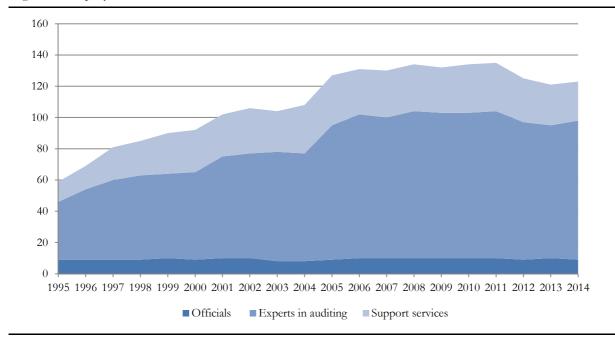
Figure 7: Turnover of employees in the period 2003–2014 (expressed as a percentage)



Work sector	No. of employees 31 December 2013	No. of employee 31 December 2014
Management:		
• members	3	3
• supreme state auditors	6	5
• secretary general of the Court of Audit	1	1
Total management	10	9
Auditing:		
• advisers	11	13
• deputy supreme state auditors	7	7
principal auditors	32	30
senior auditors	26	23
• auditors	9	15
• trainees	0	1
Total auditing	85	89
Support services:		
• head of the cabinet	1	0
• secretaries	7	7
• civil servants in support services	18	18
Total support	26	25
Total	121	123

Table 10: Number of employees by posts





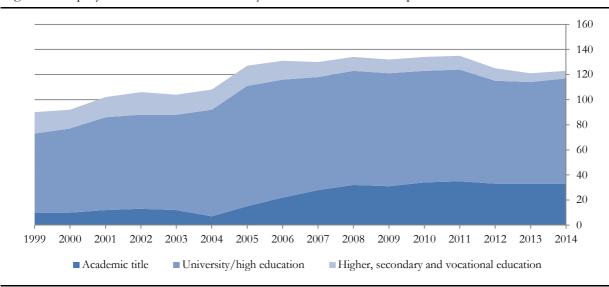


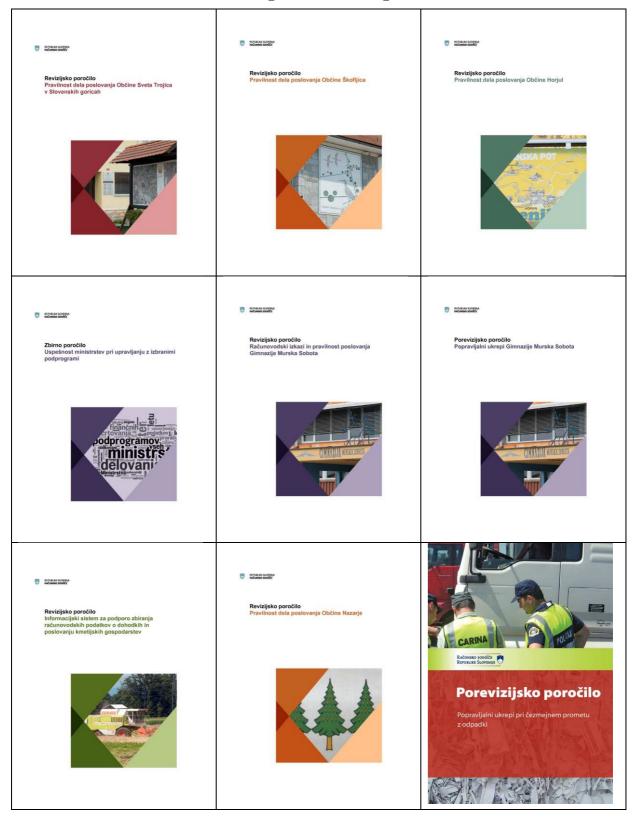
Figure 9: Employees of the Court of Audit by level of education in the period from 1999 to 2014

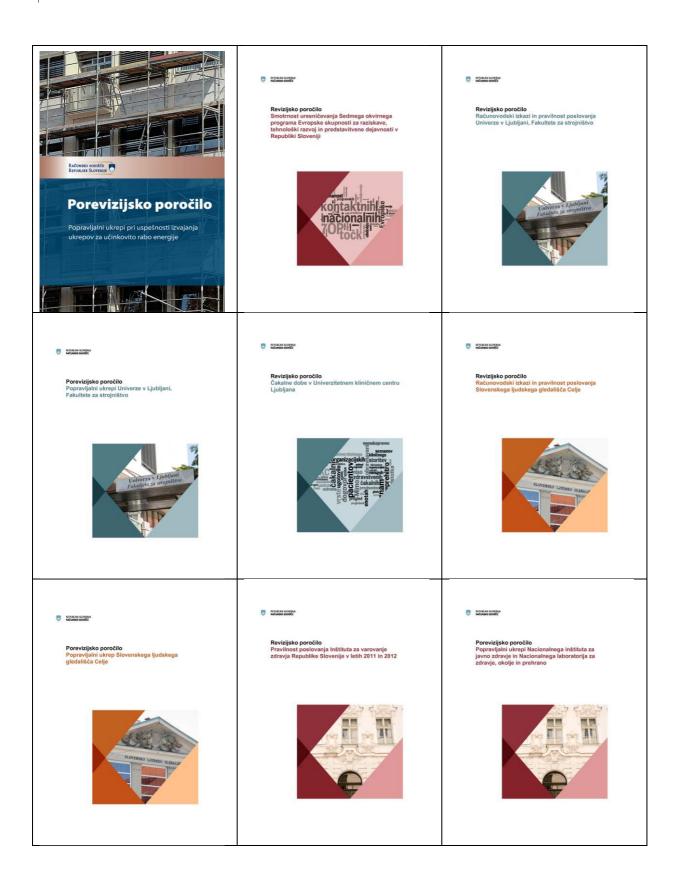
Promotion and reallocation

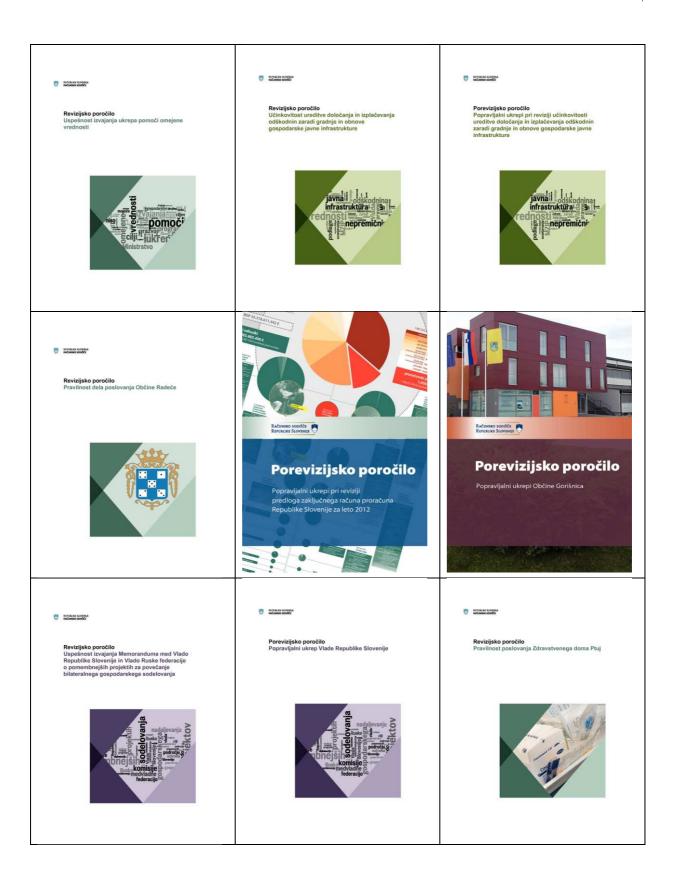
Employees that were promoted in 2012 (31 promotions to salary grade and 2 promotions to title) were due to provisions of the Fiscal Balance Act granted the right to salaries in accordance with promoted grades or title on 1 April 2014.

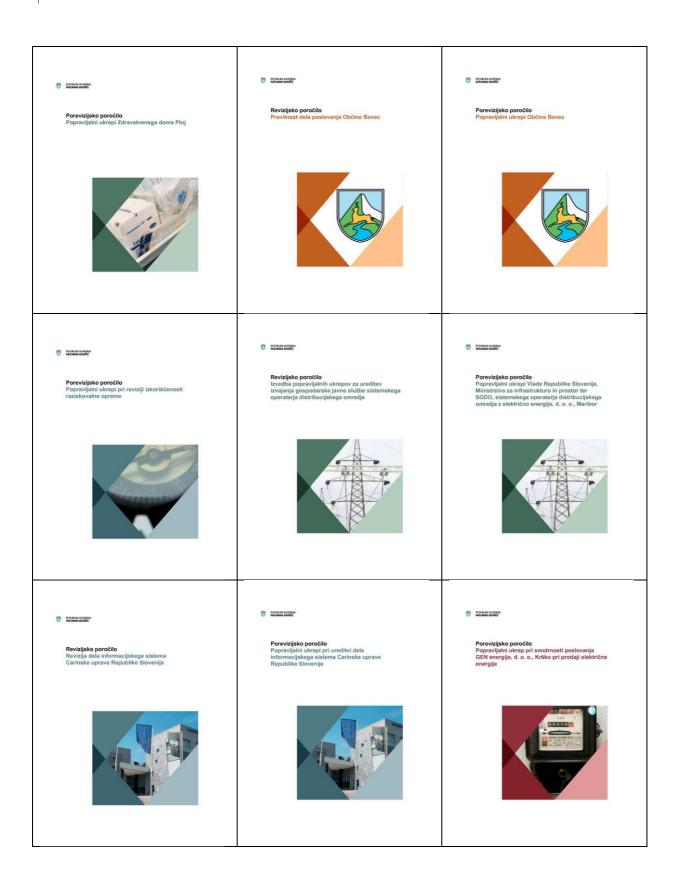
After the audit department B6 was terminated, 11 employees were reallocated to other audit departments to work posts of the same complexity of tasks. The demands of the work process caused reallocation of another two auditors to other audit department.

ATTACHMENT 1: Audit and post-audit reports issued in 2014

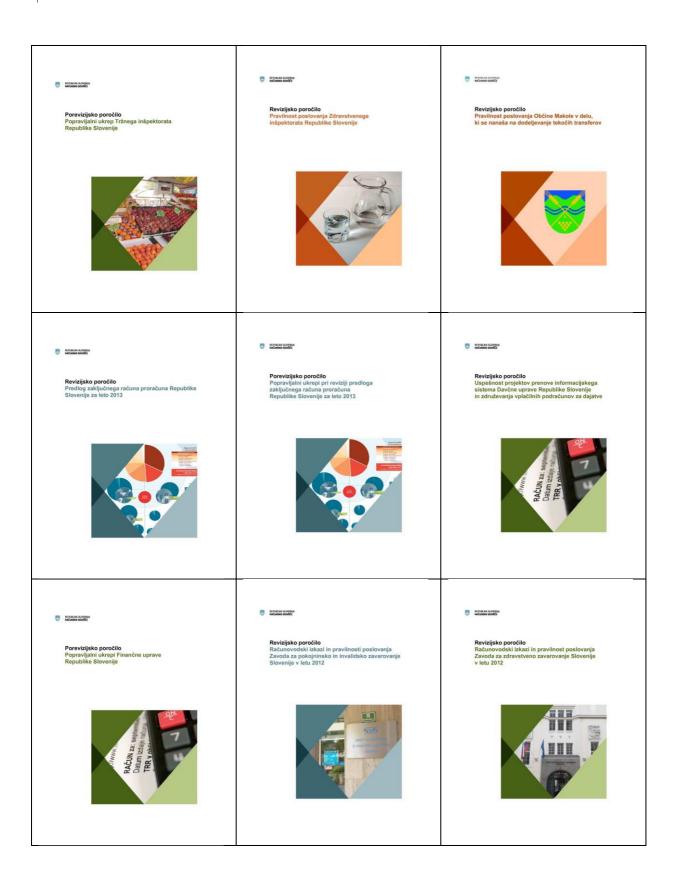




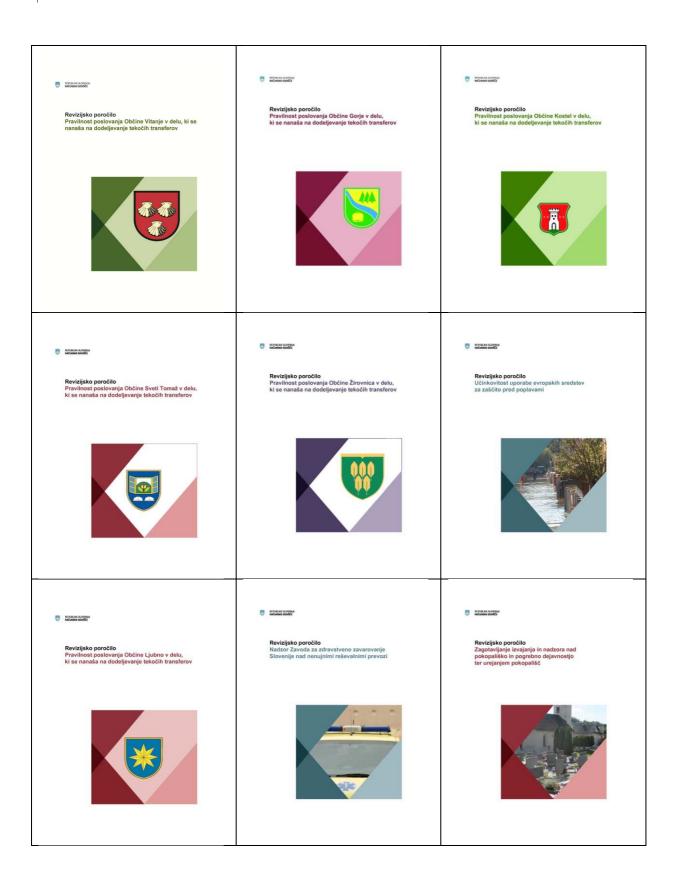




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Extension Revizijsko poročilo Uinkovitost ureditve področja zagotavljanja strokovne pomoči poslancem	Contraction of the second	the entropy of t	
Revizijsko poročilo Navidezni vpisi v programe višješolskega in visokošolskega izobraževanja		Revizijsko poročilo Pravlinost poslovanja Tržnega inšpektorata Republike Slovenije	



Revizijsko poročilo Gospodarnost poslovanja družbe Slovenske železnice, d. o. o., Lubijana pri izplačevanju plač in drugih prejemkov poslovodstvu	Porevizijsko poročilo Popravljalni ukrep družbe Slovenske železnice, d. o. o., Ljubljana	Revizijsko poročilo Pravilnost poslovanja Obćine Zavrč v delu, ki se nanaša na dodeljevanje tekoćih transferov
	series as a substrate series	
	Revizijsko poročilo	Revizijsko poročilo
Revizijsko poročilo Pravlinost poslovanja Občine Luče v delu, ki se nanaša na dodeljevanje tekočih transferov	Pravilnost poslovanja Občine Sveta Ana v delu, ki se nanaša na dodeljevanje tekočih transferov	Pravilnost poslovanja Instituta Jožef Stefan
	The second secon	Nutries and the second seco
Revizijsko poročilo Pravilnost poslovanja Občine Vuzenica v delu, ki se nanaša na dodeljevanje tekočih transferov	Revizijsko poročilo Pravilnost poslovanja Občine Bistrica ob Sotli v delu, ki se nanaša na dodeljevanje tekočih transferov	Revizijsko poročilo Uspešnost Mestne občine Kranj pri uveljavljanju k ciljem in rezultatom usmerjenega proračunskega procesa
		Least Gradu Voz Herobo



Γ		Γ
Contract tradition of the format o format o format of the format of the format of the format of	Extract and the second seco	Exercisive parcelle Parvilencat pociorungi obcine Kostanjevica na Krki v delu, ki se nanaša na dodeljevanje tekoćih transferov
 TORNELOW Revizijsko poročilo Pravilnost poslovanja Občine Dobje v delu, ki se nanaša na dodeljevanje tekočih transferov 	Evizijsko poročilo Pravlinost poslovanja Občine Žužemberk v delu, ki se nanaša na dodeljevanje tekočih transferov	Evizijsko poročilo Revizijsko poročilo Radiunovodski izkazi in pravilnost poslovanja Zdravstvenega doma Laško
 Konso solo, 	😇 Kalina kaliye	C Kanada Kalipa
Revizijsko poročilo Pravlinost poslovanja Pokrajinskega muzeja Ptuj - Ormož	Revizijsko poročilo Pravilnost poslovanja Občine Divača v delu, ki se nanaša na dodeljevanje tekočih transferov	Revizijsko poročilo Pravlinost poslovanja Občine Sodražica v delu, ki se nanaša na dodeljevanje tekočih transferov
	DIVAČA	



ATTACHMENT 2: Financial statements for the year 2014

MD5: 2f49182fcf69e71e895d548cff42776f

 IME UPORABNIKA:
 RAČUNSKO SODIŠČE REPUBLIKE SLOVENIJE
 ŠIFRA UPORABNIKA: * 13129

 SEDEŽ UPORABNIKA:
 Slovenska cesta 050, 1000 Ljubljana
 MATIČNA ŠTEVILKA: 5874742000

BILANCA STANJA na dan 31.12.2014

ČLENITEV SKUPINE KONTOV	NAZIV SKUPINE KONTOV	Oznaka za AOP	ZNESEK - Tekoče leto	ZNESEK - Predhodno leto
1	2	3	4	5
	A) DOLGOROČNA SREDSTVA IN SREDSTVA V UPRAVLJANJU (001 = 002 - 003 + 004 - 005 + 006 - 007 + 008 + 009 + 010 + 011)	001	3.010.022	3.153.10
00	NEOPREDMETENA SREDSTVA IN DOLGOROČNE AKTIVNE ČASOVNE RAZMEJITVE	002	528.293	519.38
01	POPRAVEK VREDNOSTI NEOPREDMETENIH SREDSTEV	003	441.973	396.97
02	NEPREMIČNINE	004	4.733.648	4.729.05
03	POPRAVEK VREDNOSTI NEPREMIČNIN	005	1.903.927	1.762.01
04	OPREMA IN DRUGA OPREDMETENA OSNOVNA SREDSTVA	006	935.315	992.13
05	POPRAVEK VREDNOSTI OPREME IN DRUGIH OPREDMETENIH OSNOVNIH SREDSTEV	007	841.334	928.49
06	DOLGOROČNE FINANČNE NALOŽBE	008	0	
07	DOLGOROČNO DANA POSOJILA IN DEPOZITI	009	0	
08	DOLGOROČNE TERJATVE IZ POSLOVANJA	010	0	
09	TERJATVE ZA SREDSTVA DANA V UPRAVLJANJE	011	0	
	B) KRATKOROČNA SREDSTVA; RAZEN ZALOG IN AKTIVNE ČASOVNE RAZMEJITVE (012 = 013 + 014 + 015 + 016 + 017 + 018 + 019 + 020 + 021 + 022)	012	439.718	448.25
10	DENARNA SREDSTVA V BLAGAJNI IN TAKOJ UNOVČLJIVE VREDNOSTNICE	013	0	
11	DOBROIMETJE PRI BANKAH IN DRUGIH FINANČNIH USTANOVAH	014	0	
12	KRATKOROČNE TERJATVE DO KUPCEV	015	0	1.00
13	DANI PREDUJMI IN VARŠČINE	016	0	
14	KRATKOROČNE TERJATVE DO UPORABNIKOV ENOTNEGA KONTNEGA NAČRTA	017	13	
15	KRATKOROČNE FINANČNE NALOŽBE	018	0	
16	KRATKOROČNE TERJATVE IZ FINANCIRANJA	019	0	
17	DRUGE KRATKOROČNE TERJATVE	020	20.447	14.70
18	NEPLAČANI ODHODKI	021	419.258	432.55
19	AKTIVNE ČASOVNE RAZMEJITVE	022	0	
	C) ZALOGE (023 = 024 + 025 + 026 + 027 + 028 + 029 + 030 + 031)	023	0	
30	OBRAČUN NABAVE MATERIALA	024	0	

31	ZALOGE MATERIALA	025	0	0
51				
32	ZALOGE DROBNEGA INVENTARJA IN EMBALAŻE	026	0	0
33	NEDOKONČANA PROIZVODNJA IN STORITVE	027	0	0
34	PROIZVODI	028	0	0
35	OBRAČUN NABAVE BLAGA	029	0	0
36	ZALOGE BLAGA	030	0	0
37	DRUGE ZALOGE	031	0	0
	I. AKTIVA SKUPAJ (032 = 001 + 012 + 023)	032	3.449,740	3.601.358
99	AKTIVNI KONTI IZVENBILANČNE EVIDENCE	033	66.956	61.726
	D) KRATKOROČNE OBVEZNOSTI IN PASIVNE ČASOVNE RAZMEJITVE (034 = 035 + 036 + 037 + 038 + 039 + 040 + 041 + 042 + 043)	034	439.718	481.119
20	KRATKOROČNE OBVEZNOSTI ZA PREJETE PREDUJME IN VARŠČINE	035	0	0
21	KRATKOROČNE OBVEZNOSTI DO ZAPOSLENIH	036	327.247	334.920
22	KRATKOROČNE OBVEZNOSTI DO DOBAVITELJEV	037	37.351	46.068
23	DRUGE KRATKOROČNE OBVEZNOSTI IZ POSLOVANJA	038	51.455	50.755
24	KRATKOROČNE OBVEZNOSTI DO UPORABNIKOV ENOTNEGA KONTNEGA NAČRTA	039	3.204	812
25	KRATKOROČNE OBVEZNOSTI DO FINANCERJEV	040	0	32.864
26	KRATKOROČNE OBVEZNOSTI IZ FINANCIRANJA	041	0	C
28	NEPLAČANI PRIHODKI	042	0	1.000
29	PASIVNE ČASOVNE RAZMEJITVE	043	20.461	14.700
	E) LASTNI VIRI IN DOLGOROČNE OBVEZNOSTI (044 = 045 + 046 + 047 + 048 + 049 + 050 + 051 + 052 - 053 + 054 + 055 + 056 + 057 + 058 - 059)	044	3.010.022	3.120.239
90	SPLOŠNI SKLAD	045	3.010.022	3.120.23
91	REZERVNI SKLAD	046	0	(
92	DOLGOROČNE PASIVNE ČASOVNE RAZMEJITVE	047	0	
93	DOLGOROČNE REZERVACIJE	048	0	(
940	SKLAD NAMENSKEGA PREMOŽENJA V JAVNIH SKLADIH	049	0	(
9410	SKLAD PREMOŽENJA V DRUGIH PRAVNIH OSEBAH JAVNEGA PRAVA, KI JE V NJIHOVI LASTI, ZA NEOPREDMETENA SREDSTVA IN OPREDMETENA OSNOVNA SREDSTVA	050	0	1
9411	SKLAD PREMOŽENJA V DRUGIH PRAVNIH OSEBAH JAVNEGA PRAVA, KI JE V NJIHOVI LASTI, ZA FINANČNE NALOŽBE	051	0	
9412	PRESEŽEK PRIHODKOV NAD ODHODKI	052	0	
9413	PRESEŽEK ODHODKOV NAD PRIHODKI	053	0	
96	DOLGOROČNE FINANČNE OBVEZNOSTI	054	0	

I. PASIVA SKUPAJ (060 = 034 + 044) PASIVNI KONTI IZVENBILANČNE EVIDENCE	060	3.449.740 66.956	3.601.358
	060	3.449.740	3.601.358
PRESEŽEK ODHODKOV NAD PRIHODKI	059	0	0
PRESEŽEK PRIHODKOV NAD ODHODKI	058	0	0
OBVEZNOSTI ZA DOLGOROČNE FINANČNE NALOŽBE	057	0	0
OBVEZNOSTI ZA NEOPREDMETENA SREDSTVA IN OPREDMETENA OSNOVNA SREDSTVA	056	0	0
	OPREDMETENA OSNOVNA SREDSTVA OBVEZNOSTI ZA DOLGOROČNE FINANČNE NALOŽBE PRESEŽEK PRIHODKOV NAD ODHODKI	OPREDMETENA OSNOVNA SREDSTVA 056 OBVEZNOSTI ZA DOLGOROČNE FINANČNE NALOŽBE 057 PRESEŽEK PRIHODKOV NAD ODHODKI 058	OPREDMETENA OSNOVNA SREDSTVA 056 0 OBVEZNOSTI ZA DOLGOROČNE FINANČNE NALOŽBE 057 0 PRESEŽEK PRIHODKOV NAD ODHODKI 058 0

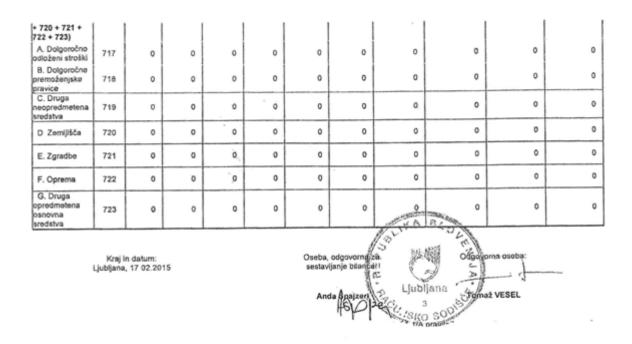
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Anda Špajzer	Ljubijang	Tomaž VESEL	
Flope	Sto sopie		

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IME UPORABNIKA: RAČUNSKO SODIŠČE REPUBLIKE SLOVENIJE ŠIFRA UPORABNIKA: * 13129 SEDEŽ UPORABNIKA: Slovenska cesta 050, 1000 Ljubljana MATIČNA ŠTEVILKA: 5874742000

STANJE IN GIBANJE NEOPREDMETENIH SREDSTEV IN **OPREDMETENIH OSNOVNIH SREDSTEV**

NAZIV	Oznaka za AOP		-Popravek	ZNESEK - Povečanje nabavne vrednosti	Povečanje popravka	Zmanjšanje	Zmanjšanje	ZNESEK - Amortizacija	ZNESEK - Neodpisana vrednost (31.12.)	ZNESEK - Prevrednotenje zaradi okrepitve	UR (brez centov ZNESEK - Prevrednotenj zaradi oslabitve
1	2	3	4	6 ,	6	7	8	9	10 (3-4+5-6-7+8-9)	11	12
I. Neopredmetena sredstva in osnovna sredstva v upravljanju (700 = 701 + 702 + 703 + 704 + 705 + 706 + 707)	700	0	0	0	0	0	0	0	0	O	0
A. Dolgoročno odloženi stroški	701	0	0	0	0	0	0	0	0	0	0
 B. Dolgoročne premoženjske pravice 	702	0	0	0	0	0	0	0	0	0	0
C. Druga neopredmetena sredstva	703	0	0	0	0	0	0	Ó	0	0	0
D. Zemljišča	704	0	0	0	0	0	0	0	0	0	0
E. Zgradbe	705	0	0	0	0	0	0	0	0	0	0
F. Oprema	706	0	0	0	D	0	0	0	0	0	0
G. Druga opredmetena osnovna sredstva	707	0	0	0	0	0	0	0	0	0	0
II. Neopredmetena sredstva in opredmetena osnovna sredstva v lasti (708 = 709 + 710 + 711 + 712 + 713 + 714 + 715)		6.240.573	3.087,470	85.371	228.255	128.688	128.491	0	3.010.022	o	0
A. Dolgoročno odloženi stroški	709	0	0	0	0	0	0	0	0	0	0
B. Dolgoročne premoženjske pravice	710	519,384	396.970	14.271	50.365	5.362	5.362	0	86.320	0	0
C. Druga neopredmetena sredstva	711	0	0	0	0	0	0	0	0	0	0
D. Zemljišča	712	0	0	0	0	0	0	0	0	0	0
E. Zgradbe	713	4.729.054	1.762.010	4.594	141.917	0	0	0	2.829.721	0	0
F. Oprema	714	992.135	928.490	66.506	35.973	123.326	123.129	0	93.981	0	0
G. Druga opredmetena osnovna sredstva	715	0	0	o	0	0	0	0	0	0	0
III. Neopredmetena sredstva in opredmetena osnovna sredstva v finančnem najemu (716 = 717 + 718 + 719	716	0	0	0	0	Ö	0	0	0	0	0



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IME UPORABNIKA: RAČUNSKO SODIŠČE REPUBLIKE SLOVENIJE ŠIFRA UPORABNIKA: * 13129 SEDEŽ UPORABNIKA: Slovenska cesta 050, 1000 Ljubljana

MATIĆNA ŠTEVILKA: 5874742000

STANJE IN GIBANJE DOLGOROČNIH FINANČNIH NALOŽB IN POSOJIL

VRSTA NALOŽB OZIROMA POSOJIL	Oznaka za AOP	Znesek naložb in danih posojil (1.1.)	Znesek popravkov naložb in danih posojil (1.1.)	Znesek povečanja naložb in danih posojil	Znesek povečanj popravkov naložb in danih posojil	Znesek zmanjšanja naložb in danih posojil	Znesek zmanjšanja popravkov naložb in danih posojil	danih posojii (31.12)	popravkov naložb in danih posojil (31.12.)	v EUR (b Knjigovodska vrednost naložb in danih posojil (31.12.)	Znesek odpisanih naložb in danih posojil
1	2	3	4	5	6	7	8	9 (3+5-7)	10 (4+6-8)	11 (9-10)	12
I. Dolgoročne finančne naložbe (800 = 801 + 806 + 813 + 814)	800	0	0	0	0	0	0	0	0	o	0
A. Naložbe v delnice (801=802+803+804+805)	801	0	0	0	٥	0	0	0	0	0	0
 Naložbe v delnice v javna podjetja 	802	0	0	0	0	0	0	0	0	0	0
 Naložbe v delnice v finančne institucije 	803	0	0	0	0	o	0	0	0	0	0
 Naložbe v delnice v privatna podjetja 	804	0	0	0	0	0	0	0	0	0	0
4. Naložbe v delnice v tujini	805	0	0	0	0	0	0	0	0	0	0
B. Naložbe v deleže (806= 807+808+809+810+811+812)	806	0	0	0	0	0	0	0	0	0	0
1. Naložbe v deleže v javna podjetja	807	0	0	0	0	0	0	0	0	0	0
 Naložbe v deleže v finančne institucije 	808	0	0	0	0	0	0	0	0	0	0
 Naložbé v deleže v privatna podjetja 	809	0	0	0	0	0	0	0	0	0	0
 Naložbe v deleže državnih družb, ki imajo obliko d.d. 	810	0	0	0	0	0	0	0	0	0	0
 Naložbe v deleže državnih družb, ki imajo obliko d.o.o. 	811	0	0	0	0	0	0	0	0	0	0
6. Naložbe v deleže v tujini	812	0	0	0	0	0	0	0	0	0	0
C. Naložbe v plemenite kovine, drage kamne, umetniška dela in podobno	813	0	o	0	0	0	0	0	0	0	0
D. Druge dolgoročne kapitalske naložbe (814 = 815 + 816 + 817 + 818)	814	0	0	0	0	0	0	0	0	0	0
 Namensko premoženje, preneseno javnim skladom 	815	0	0	0	0	0	0	0	0	0	0
 Premoženje, preneseno v last drugim pravnim osebam javnega prava, ki imajo premoženje v svoji lasti 	816	0	0	0	0	0	0	0	0	0	0
3. Druge dolgoročne kapitalske naložbe doma	817	0	0	0	D	0	0	0	0	0	0
 Druge dolgoročne kapitalske naložbe v tujini 	818	0	0	0	0	0	0	0	0	0	0
II. Dolgoročno dana posojila in depoziti (819 = 820 + 829 + 832 + 835)	819	0	0	0	0	0	0	0	0	0	0
A. Dolgoročno dana posojila (820 = 821 + 822 + 823 + 824 + 825 + 826 + 827 + 828)	820	0	0	0	0	0	0	0	0	0	0
1. Dolgoročno dana posojila posameznikom	821	0	0	0	0	0	0	0	0	0	0
 Dolgoročno dana posojila avnim skladom 	822	0	0	0	0	0	0	0	0	0	0
 Dolgoročno dana posojila javnim podjetjem 	823	0	0	0	0	0	0	0	0	0	0
 Dolgoročno dana posojila finančnim institucijam 	824	0	0	0	0	0	0	0	0	0	0

 Dolgoročno dana posojila privatnim podjetjem 	825	0	0	0	0	0	0	0	0	•	0
 Bolgoročno dana posojila drugim ravnem države 	826	0	0	0	0	0	0	0	0	0	0
 Dolgoročno dana posojila državnemu proračunu 	827	0	0	0	0	0	0	0	0	0	0
 B. Druga dolgoročno dana posojila v tujino 	828	0	0	0	0	0	0	0	0	0	0
B. Dolgoročno dana posojila z odkupom vrednostnih papirjev (829 = 830 + 831)	829	0	0	0	0	0	0	0	o	0	0
 Domačih vrednostnih papirjev 	830	0	0	0	0	0	0	0	0	0	0
2. Tujih vrednostnih papirjev	831	0	0	0	0	0	0	0	0	0	0
C. Dolgoročno dani depozitl (832 = 833 + 834)	832	0	0	0	0	0	0	0	0	0	0
 Dolgoročno dani depoziti poslovnim bankam 	833	0	0	0	0	0	0	0	0	0	0
 Drugi dolgoročno dani depoziti 	834	0	0	0	0	0	0	0	0	0	0
D. Druga dolgoročno dana posojila	835	0	0	0	D	0	0	0	0	0	0
III. Skupaj (836 = 800 + 819)	836	0	0	0	0	0	0	0	0	2	LIKA

Oseba, odgovorna za sestavljanje bilance:

Odgovorna oseb 4 Ljubijans 5 CULISITO SODIS Tomaž VESEL

Anda Špajzer Hê

MD5: cf7b867d9c24e73107fc958270f1b298 IME UPORABNIKA: RAČUNSKO SODIŠČE REPUBLIKE SLOVENIJE ŠIFRA UPORABNIKA: * 13129 SEDEŽ UPORABNIKA: Slovenska cesta 050, 1000 Ljubljana MATIČNA ŠTEVILKA: 5874742000

IZKAZ PRIHODKOV IN ODHODKOV – DRUGIH UPORABNIKOV

Od 01.01.2014 do 31.12.2014

ČLENITEV KONTOV	NAZIV KONTA	Oznaka za AOP	ZNESEK - Tekoče leto	JR (brez cento ZNESEK - Predhodno leto
1	2	3	4	5
	I. SKUPAJ PRIHODKI (101 = 102 + 153 + 166 + 176 + 192)	101	4.930.370	5.202.039
	TEKOČI PRIHODKI (102 = 103 + 140)	102	0	C
70	DAVČNI PRIHODKI (103 = 104 + 108 + 113 + 116 + 121 + 131 + 139)	103	0	(
700	DAVKI NA DOHODEK IN DOBIČEK (104 = 105 + 106 + 107)	104	0	(
7000	Dohodnina	105	0	(
7001	Davek od dohodka pravnih oseb	106	0	(
7002	Drugi davki na dohodek in dobiček	107	0	(
701	PRISPEVKI ZA SOCIALNO VARNOST (108 = 109 + 110 + 111 + 112)	108	0	(
7010	Prispevki zaposlenih	109	0	
7011	Prispevki delodajalcev	110	0	
7012	Prispevki samozaposlenih	111	0	
7013	Ostali prispevki za socialno varnost	112	0	
702	DAVKI NA PLAČILNO LISTO IN DELOVNO SILO (113 = 114 + 115)	113	0	(
7020	Davek na izplačane plače	114	0	
7021	Posebni davek na določene prejemke	115	σ	
703	DAVKI NA PREMOŽENJE (116 = 117 + 118 + 119 + 120)	116	0	
7030	Davki na nepremičnine	117	0	
7031	Davki na premičnine	118	0	
7032	Davki na dediščine in darila	119	0	
7033	Davki na promet nepremičnin in na finančno premoženje	120	0	
704	DOMAČI DAVKI NA BLAGO IN STORITVE (121 = 122 + 123 + 124 + 125 + 126 + 127 + 128 + 129 + 130)	121	0	
7040	Davek na dodano vrednost	122	0	
7041	Drugi davki na blago in storitve	123	0	

7042	Trošarine (akcize)	124	0	c
7043	Dobiček fiskalnih monopolov	125	0	c
7044	Davki na posebne storitve	126	0	C
7045	Dovoljenja za poslovanje in opravljanje dejavnosti	127	0	C
7046	Letna povračila za uporabo cest	128	0	c
7047	Drugi davki na uporabo blaga in storitev	129	0	(
7048	Davki na motorna vozila	130	0	(
705	DAVKI NA MEDNARODNO TRGOVINO IN TRANSAKCIJE (131 = 132 + 133 + 134 + 135 + 136 + 137 + 138)	131	0	(
7050	Carine	132	0	(
7051	Druge uvozne dajatve	133	0	(
7052	Izvozne dajatve	134	0	(
7053	Dobički izvoznih in uvoznih monopolov	135	0	(
7054	Dobički od menjave tujih valut	136	0	
7055	Davki na menjavo tujih valut	137	0	
7056	Drugi davki na mednarodno trgovino in transakcije	138	0	
706	DRUGI DAVKI	139	0	
71	NEDAVČNI PRIHODKI (140 = 141 + 145 + 148 + 149 + 150)	140	0	
710	UDELEŽBA NA DOBIČKU IN DOHODKI OD PREMOŽENJA (141 = 142 + 143 + 144)	141	0	
7100	Prihodki od udeležbe na dobičku in dividend ter presežkov prihodkov nad	142	0	
7102	odhodki Prihodki od obresti	143	0	
7103	Prihodki od premoženja	144	0	
711	UPRAVNE TAKSE IN PRISTOJBINE	145	0	
7110	(145 = 146 + 147) Sodne takse	146	0	
7111	Upravne takse in pristojbine	147	0	
712	GLOBE IN DRUGE DENARNE KAZNI	148	0	
713	PRIHODKI OD PRODAJE BLAGA IN STORITEV	149	0	
714	DRUGI NEDAVČNI PRIHODKI	150	0	
7140	(150 = 151 + 152) Drugi prostovoljni prispevki za socialno varnost	151	0	
7140	Drugi nedavčni prihodki	152	0	
	KAPITALSKI PRIHODKI	153	0	
72	(153 = 154 + 159 + 162) PRIHODKI OD PRODAJE OSNOVNIH SREDSTEV	154	0	
720	(154 = 155 + 156 + 157 + 158) Prihodki od prodaje zgradb in prostorov	155	0	

7201	Prihodki od prodaje prevoznih sredstev	156	0	C
7202	Prihodki od prodaje opreme	157	0	0
7203	Prihodki od prodaje drugih osnovnih sredstev	158	0	C
721	PRIHODKI OD PRODAJE ZALOG (159 = 160 + 161)	159	0	C
7210	Prihodki od prodaje blagovnih rezerv	160	0	c
7211	Prihodki od prodaje drugih zalog	161	0	C
722	PRIHODKI OD PRODAJE ZEMLJIŠČ IN NEOPREDMETENIH SREDSTEV (162 = 163 + 164 + 165)	162	0	C
7220	Prihodki od prodaje kmetijskih zemljišč in gozdov	163	0	ç
7221	Prihodki od prodaje stavbnih zemljišč	164	0	C
7222	Prihodki od prodaje premoženjskih pravlc in drugih neopredmetenih sredstev	165	0	c
73	PREJETE DONACIJE (166 = 167 + 170 + 175)	166	0	C
730	PREJETE DONACIJE IZ DOMAČIH VIROV (167 = 168 + 169)	167	0	(
7300	Prejete donacije in darila od domačih pravnih oseb	168	0	(
7301	Prejete donacije in darila od domačih fizičnih oseb	169	0	(
731	PREJETE DONACIJE IZ TUJINE (170 = 171 + 172 + 173 + 174)	170	0	(
7310 1	Prejete donacije in darila od tujih nevladnih organizacij in fundacij	171	0	(
7311	Prejete donacije in darila od tujih vlad in vladnih institucij	172	0	(
7312	Prejete donacije in darila od tujih pravnih oseb	173	0	(
7313	Prejete donacije in darila od tujih fizičnih oseb	174	0	(
732	DONACIJE ZA ODPRAVO POSLEDIC NARAVNIH NESREČ	175	0	(
74	TRANSFERNI PRIHODKI (176 = 177 + 183)	176	4.930.370	5.202.039
740	TRANSFERNI PRIHODKI IZ DRUGIH JAVNOFINANČNIH INSTITUCIJ (177 = 178 + 179 + 180 + 181 + 182)	177	4.930.370	5.202.03
7400	Prejeta sredstva iz državnega proračuna	178	4.930.370	5.202.039
7401	Prejeta sredstva iz občinskih proračunov	179	0	(
7402	Prejeta sredstva iz skladov socialnega zavarovanja	180	0	(
7403	Prejeta sredstva iz javnih skladov	181	0	(
7404	Prejeta sredstva iz javnih agencij	182	0	(
741	PREJETA SREDSTVA IZ DRŽAVNEGA PRORAČUNA IZ SREDSTEV PRORAČUNA EVROPSKE UNIJE (183 = 184 + 185 + 186 + 187 + 188 + 189 + 190 + 191)	183	0	(
7410	Prejeta sredstva iz državnega proračuna iz predpristopnih in popristopnih pomoči Evropske unije	184	0	(
7411	Prejeta sredstva iz državnega proračuna iz sredstev proračuna Evropske unije za izvajanje skupne kmetijske politike	185	0	(
7412	Prejeta sredstva iz državnega proračuna iz sredstev proračuna evropske unije iz strukturnih skladov	186	0	(

7413	Prejeta sredstva iz državnega proračuna iz sredstev proračuna evropske unije iz kohezijskega sklada	187	0	0
7414	Prejeta sredstva iz državnega proračuna iz sredstev proračuna evropske unije za izvajanje centraliziranih in drugih programov EU	188	0	0
7415	Prejeta sredstva iz državnega proračuna iz sredstev proračuna Evropske unije iz naslova pavšalnih povračil	189	0	0
7416	Druga prejeta sredstva iz državnega proračuna iz sredstev proračuna Evropske unije	190	0	0
7417	Prejeta sredstva iz državnega proračuna - iz sredstev drugih evropskih institucij	191	0	0
78	PREJETA SREDSTVA IZ EVROPSKE UNIJE (192 = 193 + 198 + 204 + 209 + 210 + 215 + 218 + 219 + 220)	192	0	0
780	PREDPRISTOPNA IN POPRISTOPNA SREDSTVA EVROPSKE UNIJE (193 = 194 + 195 + 196 + 197)	193	0	0
7800	Prejeta sredstva PHARE	194	0	0
7801	Prejeta sredstva ISPA	195	0	0
7802	Prejeta sredstva SAPARD	196	0	0
7803	Poprisłopna pomoč	197	0	0
781	PREJETA SREDSTVA IZ PRORAČUNA EU ZA IZVAJANJE SKUPNE KMETIJSKE IN RIBIŠKE POLITIKE (198 = 199 + 200 + 201 + 202 + 203)	198	0	0
7810	Prejeta sredstva iz proračuna EU iz naslova tržnih ukrepov v kmetijstvu iz Evropskega kmetijskega jamstvenega in usmerjevalnega sklada - Jamstveni del (EAGGF - Guarantee Fund) in Evropskega kmetijskega jamstvenega sklada (EKJS)	199	0	0
7811	Prejeta sredstva iz proračuna EU iz naslova neposrednih plačil v kmetijstvu iz Evropskega kmetijskega jamstvenega in usmerjevalnega sklada - Jamstveni del (EAGGF - Guarantee Fund) in Evropskega kmetijskega jamstvenega sklada (EKJS)	200	0	0
7812	Prejeta sredstva iz proračuna EU iz naslova programa razvoja podeželja iz Evropskega kmetijskega jamstvenega in usmerjevalnega sklada - Jamstveni del (EAGGF - Guarantee Fund) in Evropskega kmetijskega sklada za razvoj podeželja (EKSRP)	201	0	0
7813	Ostala prejeta sredstva iz proračuna EU za izvajanje skupne kmetijske politike	202	0	0
7814	Prejeta sredstva iz proračuna EU za izvajanje skupne ribiške politike	203	0	0
782	PREJETA SREDSTVA IZ PRORAČUNA EU IZ STRUKTURNIH SKLADOV (204 = 205 + 206 + 207 + 208)	204	0	0
7820	Prejeta sredstva iz proračuna EU iz Evropskega kmetijskega jamstvenega in usmerjevalnega sklada - Usmerjevalni del (EAGGF - Guidance Fund)	205	0	0
7821	Prejeta sredstva iz proračuna EU iz Evropskega sklada za regionalni razvoj (ERDF)	206	0	0
7822	Prejeta sredstva iz Evropskega socialnega sklada (ESF)	207	0	0
7823	Prejeta sredstva iz proračuna EU iz naslova Finančnega instrumenta za usmerjanje ribištva (FIFG)	208	0	0
783	PREJETA SREDSTVA IZ PRORAČUNA EU IZ KOHEZIJSKEGA SKLADA	209	0	0
/84	PREJETA SREDSTVA IZ PRORAČUNA EU ZA IZVAJANJE CENTRALIZIRANIH IN DRUGIH PROGRAMOV EU (210 = 211 + 212 + 213 + 214)	210	0	0
840	Prejeta sredstva iz proračuna EU za Schengensko mejo	211	0	0
841	Druga prejeta sredstva iz proračuna EU za izvajanje notranje politike	212	0	0
842	Prejeta sredstva iz proračuna EU iz naslova Konkurenčnost za rast in zaposlovanje	213	0	0
843	Prejeta sredstva iz proračuna EU iz naslova Državljanstvo, svoboda, varnost in pravica	214	0	0
85		215	0	0

	PREJETA SREDSTVA IZ PRORAČUNA EU IZ NASLOVA PAVŠALNIH POVRAČIL (215 = 216+217)			
7850	Prejeta sredstva iz proračuna EU iz naslova pavšalnih povračil za krepitev denarnega toka	216	0	0
7851	Prejeta sredstva iz proračuna EU iz naslova pavšalnih povračil za proračunsko izravnavo	217	0	0
786	OSTALA PREJETA SREDSTVA IZ PRORAČUNA EVROPSKE UNIJE	218	0	0
787	PREJETA SREDSTVA OD DRUGIH EVROPSKIH INSTITUCIJ	219	0	0
788	PREJETA VRAČILA SREDSTEV IZ PRORAČUNA EVROPSKE UNIJE	220	0	0
	II. SKUPAJ ODHODKI (221 = 222 + 266 + 295 + 907 + 921)	221	4.930.370	5.202.039
40	TEKOČI ODHODKI (222 = 223 + 231 + 237 + 248 + 254 + 260 + 932)	222	4.807.768	5.132.941
400	PLAČE IN DRUGI IZDATKI ZAPOSLENIM (223 = 224 + 225 + 226 + 227 + 228 + 229 + 230)	223	3.864.084	4.134.216
4000	Plače in dodatki	224	3.624.003	3.792.158
4001	Regres za letni dopust	225	18.679	89.144
4002	Povračila in nadomestila	226	182.429	179.954
4003	Sredstva za delovno uspešnost	227	932	21
4004	Sredstva za nadurno delo	228	43	249
4005	Plače za delo nerezidentov po pogodbi	229	0	0
4009 💚	Drugi izdatki zaposlenim	230	37.998	72.690
401	PRISPEVKI DELODAJALCEV ZA SOCIALNO VARNOST (231 = 232 + 233 + 234 + 235 + 236)	231	589.589	641.880
4010	Prispevek za pokojninsko in invalidsko zavarovanje	232	312.369	337.507
4011	Prispevek za zdravstveno zavarovanje	233	258.788	269.714
4012	Prispevek za zaposlovanje	234	2.565	2.283
4013	Prispevek za starševsko varstvo	235	3.650	3.804
4015	Premije kolektivnega dodatnega pokojninskega zavarovanja na podlagi ZKDPZJU	236	12.217	28.572
402	IZDATKI ZA BLAGO IN STORITVE (237 = 238 + 239 + 240 + 241 + 242 + 243 + 244 + 245 + 246 + 247)	237	354.095	356.845
4020	Pisarniški in splošni material in storitve	238	93.060	98.429
4021	Posebni material in storitve	239	27.552	16.030
4022	Energija, voda, komunalne storitve in komunikacije	240	54.190	58.599
4023	Prevozni stroški in storitve	241	35.101	33.209
4024	Izdatki za službena potovanja	242	24.208	21.879
4025	Tekoče vzdrževanje	243	39.773	38.922
4026	Poslovne najemnine in zakupnine	244	57.795	70.802
4027	Kazni in odškodnine	245	0	0

4028	Davek na izplačane plače	246	0	0
4029	Drugi operativni odhodki	247	22.416	18.975
403	PLAČILA DOMAČIH OBRESTI (248 = 249 + 250 + 251 + 252 + 253 + 931)	248	0	0
4030	Plačila obresti od kreditov - Banki Slovenije	249	0	0
4031	Plačila obresti od kreditov - poslovnim bankam	250	0	0
4032	Plačila obresti od kreditov - drugim finančnim institucijam	251	0	0
4033	Plačila obresti od kreditov - drugim domačim kreditodajalcem	252	0	0
4034	Plačila obresti od vrednostnih papirjev, izdanih na domačem trgu	253	0	0
4035	Plačila obresti subjektom vključenim v sistem EZR	931	0	0
404	PLAČILA TUJIH OBRESTI (254 = 255 + 256 + 257 + 258 + 259)	254	0	0
4040	Plačila obresti od kreditov - mednarodnim finančnim institucijam	255	0	0
4041	Plačila obresti od kreditov - tujim vladam	256	0	0
4042	Plačila obresti od kreditov - tujim poslovnim bankam in finančnim institucijam	257	0	0
4043	Plačila obresti od kreditov - drugim tujim kreditodajalcem	258	0	0
4044	Plačila obresti od vrednostnih papirjev, izdanih na tujih trgih	259	0	0
405	Prenos proračnu pripadajočega dela rezultata poslovanja sistema EZR preteklega leta	932	0	0
409	REZERVE (260 = 261 + 262 + 263 + 264 + 265)	260	0	0
4090	Splošna proračunska rezervacija	261	0	0
4091	Proračunska rezerva	262	0	0
4092	Druge rezerve	263	0	0
4093	Sredstva za posebne namene	264	0	C
4098	Rezervacije za kreditna tveganja v javnih skladih	265	0	0
41	TEKOČI TRANSFERI (266 = 267 + 271 + 281 + 282 + 290)	266	0	0
410	SUBVENCIJE (267 = 268 + 269 + 270)	267	0	0
4100	Subvencije javnim podjetjem	268	0	0
4101	Subvencije finančnim institucijam	269	0	0
4102	Subvencije privatnim podjetjem in zasebnikom	270	0	0
411	TRANSFERI POSAMEZNIKOM IN GOSPODINJSTVOM (271 = 272 + 273 + 274 + 275 + 276 + 277 + 278 + 279 + 280)	271	0	0
4110	Transferi nezaposlenim	272	0	0
4111	Družinski prejemki in starševska nadomestila	273	0	0
4112	Transferi za zagotavljanje socialne varnosti	274	0	0
4113	Transferi vojnim invalidom, veteranom in žrtvam vojnega nasilja	275	0	0

4114	Pokojnine	276	0	0
4115	Nadomestila plač	277	0	0
4116	Boleznine	278	0	0
4117	Štipendije	279	0	0
4119	Drugi transferi posameznikom	280	0	0
412	TRANSFERI NEPRIDOBITNIM ORGANIZACIJAM IN USTANOVAM	281	0	0
413	DRUGI TEKOČI DOMAČI TRANSFERI (282 = 283 + 284 + 285 + 286 + 287 + 288 + 289)	282	0	0
4130	Tekoči transferi občinam	283	0	0
4131	Tekoči transferi v sklade socialnega zavarovanja	284	0	0
4132	Tekoči transferi v javne sklade	285	0	0
4133	Tekoči transferi v javne zavode	286	0	0
4134	Tekoči transferi v državni proračun	287	0	0
4135	Tekoča plačila drugim izvajalcem javnih služb, ki niso posredni proračunski uporabniki	288	0	0
4136	Tekoči transferi v javne agencije	289	0	0
414	TEKOČI TRANSFERI V TUJINO (290 = 291 + 292 + 293 + 294)	290	0	0
4140 🧳	Tekoči transferi mednarodnim institucijam	291	0	0
4141	Tekoči transferi tujim vladam in vladnim institucijam	292	0	0
4142	Tekoči transferi neprofitnim organizacijam v tujini	293	0	0
4143	Drugi tekoči transferi v tujino	294	0	0
42	INVESTICIJSKI ODHODKI (295 = 296)	295	122.602	69.098
420	NAKUP IN GRADNJA OSNOVNIH SREDSTEV (296 = 297 + 298 + 299 + 900 + 901 + 902 + 903 + 904 + 905 + 906)	296	122.602	69.098
4200	Nakup zgradb in prostorov	297	0	0
4201	Nakup prevoznih sredstev	298	43.915	0
4202	Nakup opreme	299	26.980	26.519
4203	Nakup drugih osnovnih sredstev	900	0	0
4204	Novogradnje, rekonstrukcije in adaptacije	901	0	0
4205	Investicijsko vzdrževanje in obnove	902	4.593	0
4206	Nakup zemljišč in naravnih bogatstev	903	0	0
4207	Nakup nematerialnega premoženja	904	47.114	42.579
4208	Študije o izvedljivosti projektov, projektna dokumentacija, nadzor in investicijski inženiring	905	0	0
4209	Nakup blagovnih rezerv in intervencijskih zalog	906	0	0

	INVESTICIJSKI TRANSFERI (907 = 908 + 916)			
431	INVESTICIJSKI TRANSFERI PRAVNIM IN FIZIČNIM OSEBAM, KI NISO PRORAČUNSKI UPORABNIKI (908 = 909 + 910 + 911 + 912 + 913 + 914 + 915)	908	0	0
4310	Investicijski transferi nepridobitnim organizacijam in ustanovam	909	0	0
4311	Investicijski transferi javnim podjetjem in družbam, ki so v lasti države ali občin	910	0	0
4312	Investicijski transferi finančnim institucijam	911	0	0
4313	Investicijski transferi privatnim podjetjem	912	0	0
4314	Investicijski transferi posameznikom in zasebnikom	913	0	0
4315	Investicijski transferi drugim izvajalcem javnih služb, ki niso posredni proračunski uporabniki	914	0	0
4316	Investicijski transferi v tujino	915	0	0
432	INVESTICIJSKI TRANSFERI PRORAČUNSKIM UPORABNIKOM (916 = 917 + 918 + 919 + 920)	916	0	0
4320	Investicijski transferi občinam	917	0	0
4321	Investicijski transferi javnim skladom in agencijam	918	0	0
4322	Investicijski transferi v državni proračun	919	0	0
4323	Investicijski transferi javnim zavodom	920	0	0
450	PLAČILA SREDSTEV V PRORAČUN EVROPSKE UNIJE (921 = 922 + 923 + 924 + 925 + 926)	921	0	0
4500	Plačila tradicionalnih lastnih sredstev v proračun Evropske unije	922	0	0
4501	Plačila sredstev v proračun EU iz naslova davka na dodano vrednost	923	0	0
4502	Plačila sredstev v proračun EU iz naslova bruto nacionalnega dohodka	924	0	0
4503	Plačila sredstev v proračun EU iz naslova popravka v korist Združenega kraljestva	925	0	0
4504	Plačila sredstev v proračun EU iz naslova popravkov BND v korist Kraljevin Nizozemske in Švedske	926	0	0
	III/1 PRESEŽEK PRIHODKOV NAD ODHODKI (927 = 101 - 221)	927	0	0
	III/2 PRESEŽEK ODHODKOV NAD PRIHODKI (928 = 221 - 101)	928	0	0
	Povprečno število zaposlenih na podlagi delovnih ur v obračunskem obdobju (celo število)	929	113	116
	Število mesecev poslovanja	93Q	12	12

Oseba, odgovorna za uj sestavljanje bilance:

Anda Špajžer

open

Odgovorna oseba: Ljubljana Prouisko sopi Tomaž VESEL

MD5: eef918148b365c3f6c72596c8b7140a1 IME UPORABNIKA: RAČUNSKO SODIŠČE REPUBLIKE SLOVENIJE ŠIFRA UPORABNIKA: * 13129 SEDEŽ UPORABNIKA: Slovenska cesta 050, 1000 Ljubljana MATIČNA ŠTEVILKA: 5874742000

IZKAZ RAČUNA FINANČNIH TERJATEV IN NALOŽB

Od 01.01.2014 do 31.12.2014

ČLENITEV KONTOV	NAZIV KONTA	Oznaka za AOP	ZNESEK - Tekoče leto	ZNESEK - Predhodno leto
1	2	3	4	5
75	IV. PREJETA VRAČILA DANIH POSOJIL IN PRODAJA KAPITALSKIH DELEŽEV (301=302+313+319+320)	301	0	C
750	PREJETA VRAČILA DANIH POSOJIL (302=303+304+305+306+307+308+309+310+311+312)	302	0	C
7500	Prejeta vračila danih posojil od posameznikov in zasebnikov	303	0	C
7501	Prejeta vračila danih posojil od javnih skladov	304	0	c
7502	Prejeta vračila danih posojil od javnih podjetij in družb, ki so v lasti države ali občin	305	0	c
7503	Prejeta vračila danih posojil od finančnih institucij	306	0	C
7504	Prejeta vračila danih posojil od privatnih podjetij	307	0	C
7505 🖓	Prejeta vračila danih posojil od občin	308	0	(
7506	Prejeta vračila danih posojil iz tujine	309	0	(
7507	Prejeta vračila danih posojil državnemu proračunu	310	0	(
7508	Prejeta vračila danih posojil od javnih agencij	311	0	(
7509	Prejeta vračila plačanih poroštev	312	0	(
751	PRODAJA KAPITALSKIH DELEŽEV (313=314+315+316+317+318)	313	0	(
7510	Sredstva, pridobljena s prodajo kapitalskih deležev v javnih podjetjih in družbah, ki so v lasti države ali občin	314	0	(
7511	Sredstva, pridobljena s prodajo kapitalskih deležev v finančnih institucijah	315	0	(
7512	Sredstva, pridobljena s prodajo kapitalskih deležev v privatnih podjetjih	316	0	(
7513	Sredstva, pridobljena s prodajo drugih kapitalskih deležev	317	0	(
7514	Prejeta vračila namenskega premoženja	318	0	(
752	KUPNINE IZ NASLOVA PRIVATIZACIJE	319	0	(
753	PREJETA VRAČILA DANIH POSOJIL SUBJEKTOM, VKLJUČENIM V ENOTNO UPRAVLJANJE SREDSTEV SISTEMA EZR	320	0	(
44	V. DANA POSOJILA IN POVEČANJE KAPITALSKIH DELEŽEV (321 = 322 + 333 + 340 + 344 + 347)	321	0	C
440	DANA POSOJILA (322 = 323 + 324 + 325 + 326 + 327 + 328 + 329 + 330 + 331 + 332)	322	0	(
4400	Dana posojila posameznikom in zasebnikom	323	0	(
4401	Dana posojila javnim skladom	324	0	(

	1			
4402	Dana posojila javnim podjetjem in družbam, ki so v lasti države ali občin	325	0	0
4403	Dana posojila finančnim institucijam	326	0	0
4404	Dana posojila privatnim podjetjem	327	0	0
4405	Dana posojila občinam	328	0	0
4406	Dana posojila v tujino	329	0	0
4407	Dana posojila državnemu proračunu	330	0	0
4408	Dana posojila javnim agencijam 🕫	331	0	0
4409	Plačila zapadlih poroštev	332	0	0
441	POVEČANJE KAPITALSKIH DELEŽEV IN NALOŽB (333 = 334 + 335 + 336 + 337 + 338 + 339)	333	0	0
4410	Povečanje kapitalskih deležev v javnih podjetjih in družbah, ki so v lasti države ali občin	334	0	0
4411	Povečanje kapitalskih deležev v finančnih institucijah	335	0	0
4412	Povečanje kapitalskih deležev v privatnih podjetjih	336	0	0
4413	Skupna vlaganja (joint ventures)	337	0	0
4414	Povečanje kapitalskih deležev v tujino	338	0	0
4415	Povečanje drugih finančnih naložb	339	0	0
442 🧳	PORABA SREDSTEV KUPNIN IZ NASLOVA PRIVATIZACIJE (340 = 341 + 342 + 343)	340	0	0
4420	Dana posojila iz sredstev kupnin	341	0	0
4421	Sredstva kupnin, razporejena v javne sklade in agencije	342	0	0
4422	Povečanje kapitalskih deležev države iz sredstev kupnin	343	0	0
443	POVEČANJE NAMENSKEGA PREMOŽENJA V JAVNIH SKLADIH IN DRUGIH PRAVNIH OSEBAH JAVNEGA PRAVA, KI IMAJO PREMOŽENJE V SVOJI LASTI (344 = 345 + 346)	344	0	0
4430	Povečanje namenskega premoženja v javnih skladih	345	0	0
4431	Povečanje premoženja v drugih pravnih osebah javnega prava, ki je v njihovi lasti	346	0	0
444	DANA POSOJILA SUBJEKTOM VKLJUČENIM V ENOTNO UPRAVLJANJE SREDSTEV SISTEMA EZR	347	0	0
	VI/I PREJETA MINUS DANA POSOJILA IN SPREMEMBA KAPITALSKIH DELEŽEV (348 = 301 - 321)	348	0	0
	VI/2 DANA MINUS PREJETA POSOJILA IN SPREMEMBA KAPITALSKIH DELEŽEV (349 = 321 - 301)	349	o	0

SLO 0, 5 Odgovorna oseba: Oseba, odgovorna za sestavljanje bilance: Q 5 G Tomaž VESEL Anda Špajzo

MD5: 5b19445b70b493c78f3bc06eb7962315

 IME UPORABNIKA:
 RAČUNSKO SODIŠČE REPUBLIKE SLOVENIJE
 ŠIFRA UPORABNIKA:
 13129

 SEDEŽ UPORABNIKA:
 Slovenska cesta 050, 1000 Ljubljana
 MATIČNA ŠTEVILKA:
 5874742000

IZKAZ RAČUNA FINANCIRANJA

Od 01.01.2014 do 31.12.2014

ČLENITEV KONTOV	NAZIV KONTA	Oznaka za AOP	ZNESEK - Tekoče leto	ZNESEK - Predhodno leto
1	2	3	4	5
50	VII. ZADOLŽEVANJE (351 = 352+358)	351	0	0
500	DOMAČE ZADOLŽEVANJE (352=353+354+355+356+357)	352	0	0
5000	Najeti krediti pri Banki Slovenije	353	0	O
5001	Najeti krediti pri poslovnih bankah	354	0	C
5002	Najeti krediti pri drugih finančnih institucijah	355	0	C
5003	Najeti krediti pri drugih domačih kreditodajalcih	356	0	C
5004	Sredstva, pridobljena z izdajo vrednostnih papirjev na domačem trgu	357	0	C
501	ZADOLŽEVANJE V TUJINI (358=359+360+361+362+363)	358	0	c
5010	Najeti krediti pri mednarodnih finančnih institucijah	359	0	c
5011	Najeti krediti pri tujih vladah	360	0	(
5012	Najeti krediti pri tujih poslovnih bankah in finančnih institucijah	361	0	(
5013	Najeti krediti pri drugih tujih kreditodajalcih	362	0	(
5014	Sredstva, pridobljena z izdajo vrednostnih papirjev	363	0	(
55	VIII. ODPLAČILA DOLGA (364=365+371)	364	0	(
550	ODPLAČILA DOMAČEGA DOLGA (365=366+367+368+369+370)	365	0	(
5500	Odplačila kreditov Banki Slovenije	366	0	(
5501	Odplačila kreditov poslovnim bankam	367	0	(
5502	Odplačila kreditov drugim finančnim institucijam	368	0	(
5503	Odplačila kreditov drugim domačim kreditodajalcem	369	0	(
5504	Odplačila glavnice vrednostnih papirjev, izdanih na domačem trgu	370	0	
551	ODPLAČILA DOLGA V TUJINO (371=372+373+374+375+376)	371	0	(
5510	Odplačila dolga mednarodnim finančnim institucijam	372	0	(
5511	Odplačila dolga tujim vladam	373	0	
5512	Odplačila dolga tujim poslovnim bankam in finančnim Institucijam	374	. 0	

5513	Odplačila dolga drugim tujim kreditodajalcem	375	0	0
5514	Odplačila glavnice vrednostnih papirjev, izdanih na tujih trgih	376	0	0
	IX/1 NETO ZADOLŽEVANJE (377=351-364)	377	0	0
	IX/2 NETO ODPLAČILO DOLGA (378=364-351)	378	0	0
	X/1 POVEĆANJE SREDSTEV NA RAČUNIH (379=(927+348+377)-(928+349+378))	379	0	0
	X/2 ZMANJŠANJE SREDSTEV NA RAČUNIH (380=(928+349+378)-(927+348+377))	380	0	0

BLIKA BLOL ENIJA Oseba, odgovornaj sestavljanje bilano Qdgovorna oseba: 制總 Ľ, 19 0. DP. Ljubljana Tomaž VESEL Anda Špajzer CUNSKO SODI kg.

Watching over public money

Računsko sodišče Republike Slovenije The Court of Audit of the Republic of Slovenia Slovenska cesta 50, 1000 Ljubljana, Slovenija tel.: +386 (0) 1 478 58 00 fax: +386 (0) 1 478 58 91 sloaud@rs-rs.si www.rs-rs.si