



REPUBLIC OF SLOVENIA
COURT OF AUDIT

ANNUAL REPORT 2022



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.



REPUBLIC OF SLOVENIA
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ANNUAL REPORT 2022

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1. INTRODUCTION

1.1 Opening address by the President

The year 2022 was the year of changes for the Court of Audit, concerning its management as well as internal processes and organisation of its operation. On 1 July 2022, I was appointed President of the Court of Audit and took the oath before the National Assembly, thereby taking over the position of the former President Tomaž Vesel whose mandate terminated at the end of May. Also in 2022, the term of office of the First Deputy President mag. Jorg Kristijan Petrovič terminated and the National Assembly in February elected to that post former Supreme State Auditor mag. Maja Bilbija. The former President of the Court of Audit appointed three Supreme State Auditors in 2022. To the position previously occupied by mag. Bilbija he appointed mag. Aleksej Šinigoj who performed the function of the Supreme State Auditor for local self-government, while his work was taken over by new Supreme State Auditor mag. Simona Majer. Furthermore, he reappointed Supreme State Auditor Nataša Musar Mišeljič. In November, Supreme State Auditor dr. Miroslav Kranjc ended his career after 17 years of working for the Court of Audit, therefore I appointed Jerneja Vrabič.

I accepted the position of the President of the Court of Audit with pride and acknowledgement that I stand in front of a demanding mission. At the same time I realised that with the support of the colleagues who are working and developing innovative approaches at the Court of Audit I will be able to successfully implement the entrusted tasks. Furthermore, I will, together with associates, increase all the efforts to implement audits, thus holding a mirror to the society and highlight irregularities and inefficiencies in public spending.

When I look at the results of our work completed in 2022, I am delighted to say that the changes at the managerial level of our institution did not stop us. We followed our mission to watch over public money and to promote sustainable development also in 2022. The audits implemented in the past year addressed important fields, namely: state budget, local self-government, justice, state assets, health care, education, sports, culture, art, infrastructure, spatial planning, environment, information technology, political and social systems and science.

We issued 58 audit reports, 2 summary reports and 25 post-audit reports. The audit reports reviewed 94 auditees whose total balance sheet of expenditure amounted to EUR 25.5 billion.

After the audit implementation we presented 67 audit opinions. We expressed 29 descriptive opinions referred to performance audits, 38 opinions on the regularity of operations and financial statements, of which 12 unqualified, 19 qualified and 7 adverse. In 20 cases we demanded the submission of the response report, representing 37% of all issued reports. Pertaining to the audits for which audit reports were issued in 2022, the users of public funds implemented 516 out of 596 implemented corrective measures already during the audit procedure in order to remedy the established irregularities/inefficiencies respectively to improve their operations in the future. Most of the users of public funds presented in their response reports that appropriate corrective measures for the elimination of disclosed irregularities respectively inefficiency, ineffectiveness or uneconomical operations have been taken.

In 2022, we submitted to the Constitutional Court a request for constitutional and legal assessment and made several proposals to amend or supplement acts or implementing regulations respectively warned about certain risks due to lack of clarity or not harmonised provisions of particular regulations. In one case we started a procedure for legal protection by filing a demand for an audit at the National Review Commission.

All issued audit reports were submitted to the National Assembly. In 2022, the Commission for Public Finance Control discussed respectively took note of 8 reports of the Court of Audit, namely Annual Report 2021 and 6 audit reports and 1 post-audit report.

Our reports were also discussed by the National Council. The Commission for Economy, Crafts, Tourism and Finance at its plenary session addressed our Annual Report 2021 and discussed the regularity audit report of operations of the National Council of the Republic of Slovenia.

In the field of detecting and prosecuting possible criminal offences we cooperated with prosecution authorities by providing requested information and documentation. In 2022, we signed a new Agreement on Mutual Cooperation between the Court of Audit and the Ministry of the Interior, the Police.

An important role which was carried out in 2022 is providing advice to the users of public funds in the field of public finance issues. In 2022 we thus provided 100 written responses related to this field of our work. The members of the Court of Audit and the Supreme State Auditors gave advice to users of public funds, legal and natural persons governed by private law, political parties and organisers of election and referendum campaigns and local communities.

Last year, we continued applying and developing various communication tools. In addition to data visualisations which were prepared and included in our audit and post-audit reports in cooperation with our auditors and graphic designers, we also designed infographics which helped us to present some audit reports in a clear, concise and understandable manner. We thus developed infographics when issuing 16 audit reports. Additionally, we developed a video which concerns an issued audit report, including visualisation of the key issues from the report.

Furthermore, we introduced two new tasks, namely we carried out a survey among all municipalities about citizens' problems in accessing the services of general interest and a survey on affordable public services in municipalities. The findings of both surveys were shown on our website by using interactive data presentation. The analysis and the presentation were based on the answers of municipalities and publicly accessible data. Both surveys shall serve us as a tool for identifying areas for auditing, obtained results can be useful for stakeholders at all levels of service providing as well as for the citizens who are the users of the services provided.

Our work was monitored also by the public. In 2022, we therefore responded in writing to 74 questions posed by journalists, communication with the media was carried out via telephone, and also as short or extended discussions at the Court of Audit based on the requests of journalist to be given explanations or statements.

The Court of Audit is one of the trustworthy supreme audit institutions, which is publicly recognised in the international community. In 2022, we attended 31 meetings with various foreign representatives, whereby 15 meetings were on-line (video conferences), 10 events took place abroad and 6 events were organised in Slovenia. It is especially noteworthy that we participated in the events with our own presentations.

At the Court of Audit we also aim to provide opportunities for trainings and professional development to facilitate further personal and professional growth of the employees. When developing and implementing annual programme of education and training for 2022, we therefore focused on topics related to amendments to legislation and relevant expertise of auditing as planned in 2022, thus providing opportunities for further education and professional development of the employees.

Last year, we recognised a possibility to optimize our internal processes and a chance to amend some regulations related to our work. We thus conducted a review of necessary amendments to legislation and internal regulations which shall increase our efficiency. We developed a new act regulating our organisation which came into force at the beginning of 2023. Within the process of digital transformation to promote sustainability of our operations, we introduced electronic signatures and delivery, thus avoiding unnecessary printing of many copies of our comprehensive reports. Thereby, not only the costs are reduced but also operations and management are simplified. The objective is to also introduce the optimization of other business processes in the remaining areas of our operations. Last year, we carried out an extensive renovation of the information system which helped us to set up a new Intranet with the objective to become an entry point of communication with the employees and a single spot to support the overall operations.

When I publicly presented my candidacy to the President of the Republic of Slovenia I announced more active role in cooperation with the ministries and thus at the beginning of my mandate I visited all ministries, governmental services and other state bodies and all deputy groups. Within the framework of those meetings, my team and I presented implemented audits from their field of operation and highlighted recommendations and measures which were proposed

during the auditing process, and in addition thereto we pointed out the proposals for amending the legislation.

In future, I wish to better cooperate with working bodies of the National Assembly since I believe such good relations are of key importance – namely in relation to the annual work programme which is developed by the Court of Audit considering initiatives of the National Assembly and also when carrying out in-depth discussions of the issued audit reports. I would like to highlight the latter as being particularly relevant.

Being appointed the President of the Court of Audit is a great honour and an immense responsibility. I can assure that I and my colleagues will continue to pursue the objective that the Court of Audit shall in future perform its work independently and professionally by auditing operations of the users of public funds, as well as through its advisory role and will thus contribute towards correct and efficient use of public funds. The guiding principle in all our future activities will be independence, objectivity and efficiency of the Court of Audit.

Jana Ahčin,

President of the Court of Audit

A handwritten signature in blue ink, reading 'Jana Ahčin', written in a cursive style.

KEY RESULTS



58 + 2
audit reports joint audit reports



25
post audit reports



596
measures implemented during the audit or in the post-audit procedure



255
recommendations given to the users of public funds



307
received initiatives for auditing



94
audited users of public funds

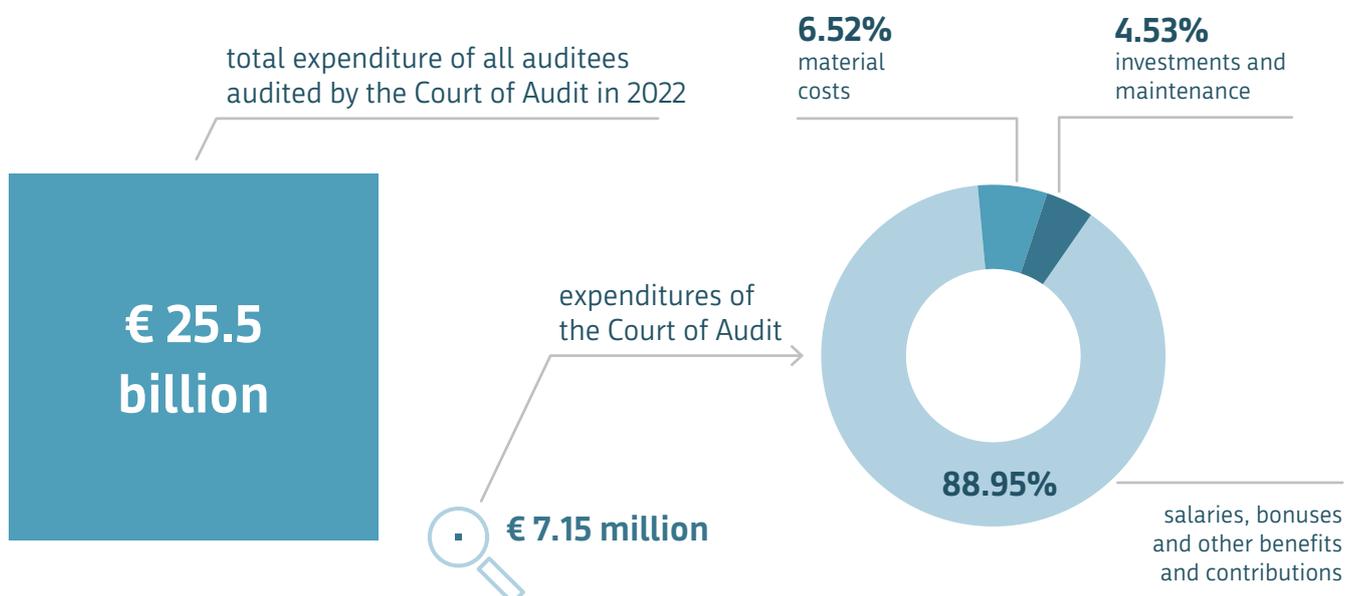


101
written responses to the questions posed by the users of public funds



11
discussions by the National Assembly and the National Council

TOTAL EXPENDITURE OF AUDITEES AND BUDGET OF THE COURT OF AUDIT

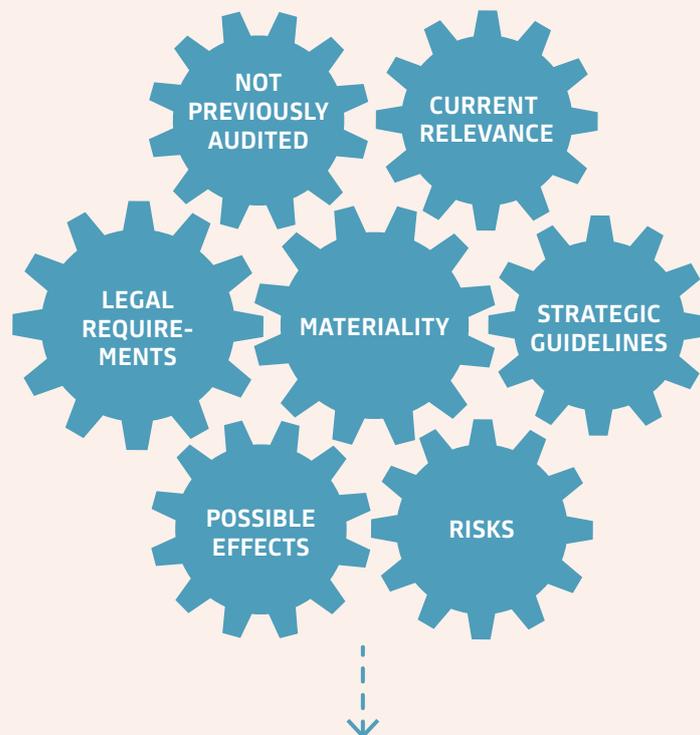


AUDIT PLANNING

RECEIVED INITIATIVES FOR AUDITING



SELECTION CRITERIA



PROGRAMME OF WORK FOR THE EXERCISE OF AUDITING POWERS

AUDIT REPORTS

TOPICS COVERED BY THE AUDITS



STATE
BUDGET



LOCAL
SELF-GOVERNMENT



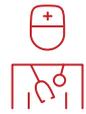
JURISDICTION



STATE
ASSETS



EU FUNDS



HEALTHCARE



EDUCATION
AND SPORT



CULTURE
AND ART



PUBLIC UTILITY
SERVICES



ENVIRONMENT



INFRASTRUCTURE
AND PLANNING



SUSTAINABLE
DEVELOPMENT



IT SYSTEM



POLITICAL
SYSTEM



SOCIAL SECURITY
SYSTEM



SCIENCE



DEFENCE



INTERNATIONAL
AFFAIRS

58
AUDIT
REPORTS

AUDIT OPINIONS
EXPRESSED

CORRECTIVE
MEASURES

PROPOSALS TO
THE AMENDMENTS
OF THE LEGISLATION

SAVINGS

RECOMMENDATIONS

33 on the regularity of operations



8 unqualified



18 qualified



7 adverse

5 on the financial statements

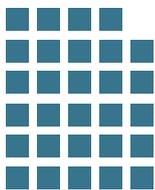


4 unqualified



1 qualified

29 on the performance of operations



29 descriptive

20 demands
to submit
response
reports

38 audit
reports
without
a demand

91 measures
in the
response
reports

60 adequate
19 partially adequate
12 inadequate

25
POST-AUDIT
REPORTS

13

DECISIONS ON VIOLATION
OF THE REQUIREMENT FOR
OPERATIONAL EFFICIENCY

2 CALLS FOR
REMEDIAL ACTION

COOPERATION WITH THE MEDIA AND THE PUBLIC



74
written responses
to questions posed
by journalists

26
news
published
online

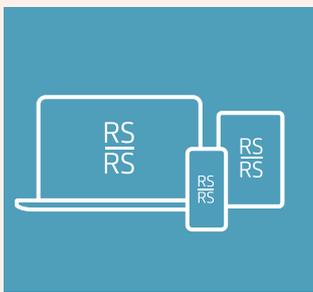


available phone
communication



using social media
for informing the public
about the work of
the Court of Audit

INFORMATION TECHNOLOGIES



electronic signature
and delivery



optimization of
business processes



extensive renovation
of information system

COUNSELLING

OPINIONS AND ANSWERS TO THE USERS OF PUBLIC FUNDS



101
written responses
to the questions
posed by the users
of public funds

MOSTLY

- to non-commercial and commercial public service providers
- to local communities
- to political parties and organisers of the election campaigns
- to ministries and their subordinate bodies



11
events intended
for external users
of public funds
and other public

TARGET GROUPS



42
trainings for
domestic and
international
audience

PUBLICATIONS ON THE WEBSITE



database of audit
and post-audit reports



summaries and
infographics



audits in progress
and audit stages

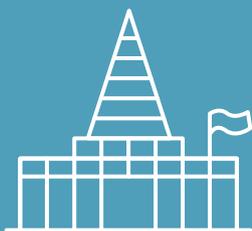


manuals and
auditing standards

COOPERATION WITH THE NATIONAL ASSEMBLY AND THE NATIONAL COUNCIL

11

discussions in the National Assembly and the National Council



8

discussions in the National Assembly

0

sessions of the National Assembly

8

discussions of the Commission for Public Finance Control

3

discussions in the National Council

2

readings at the session of the National Council

1

discussion of the Committee on Economy, Crafts, Tourism and Finance

INTERNATIONAL COOPERATION

31

international events



15

video conferences



10

meetings abroad



6

visits by foreign delegators



35

representatives of the Court of Audit at the events



20

Court's own presentations



2

articles in the international publications

COOPERATION IN INTERNATIONAL ORGANISATIONS

INTOSAI

EUROSAI

EURORAI

Contact committee

OECD

V4+2 Group

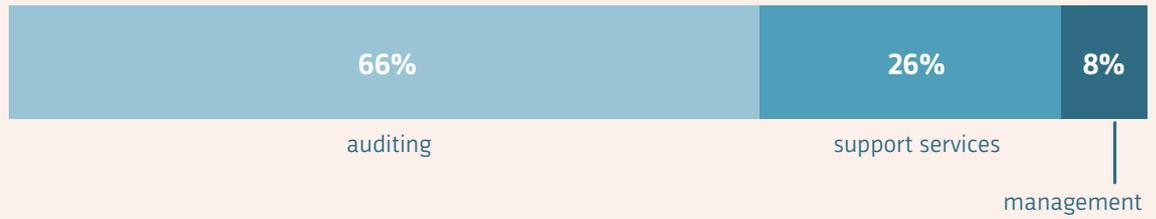
Bilateral cooperation

Other international organisations

EMPLOYEES

127
NUMBER OF
EMPLOYEES

Structure of employees by field of activities

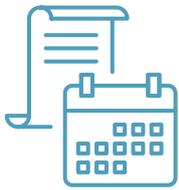


STAFF
TURNOVER
11%

Structure of employees by formal qualification



PROFESSIONAL DEVELOPMENT TRAININGS



DEVELOPMENT OF AN ANNUAL TRAINING PROGRAMME

- TOPICAL PROFESSIONAL ISSUES
- AMENDED LEGISLATION
- PROPOSALS BY EMPLOYEES

EVENTS FOR EXTERNAL USERS



11

events intended for external users of public funds and other public where the Court of Audit expressed its views and opinions

TRAININGS ORGANISED BY THE COURT OF AUDIT



13

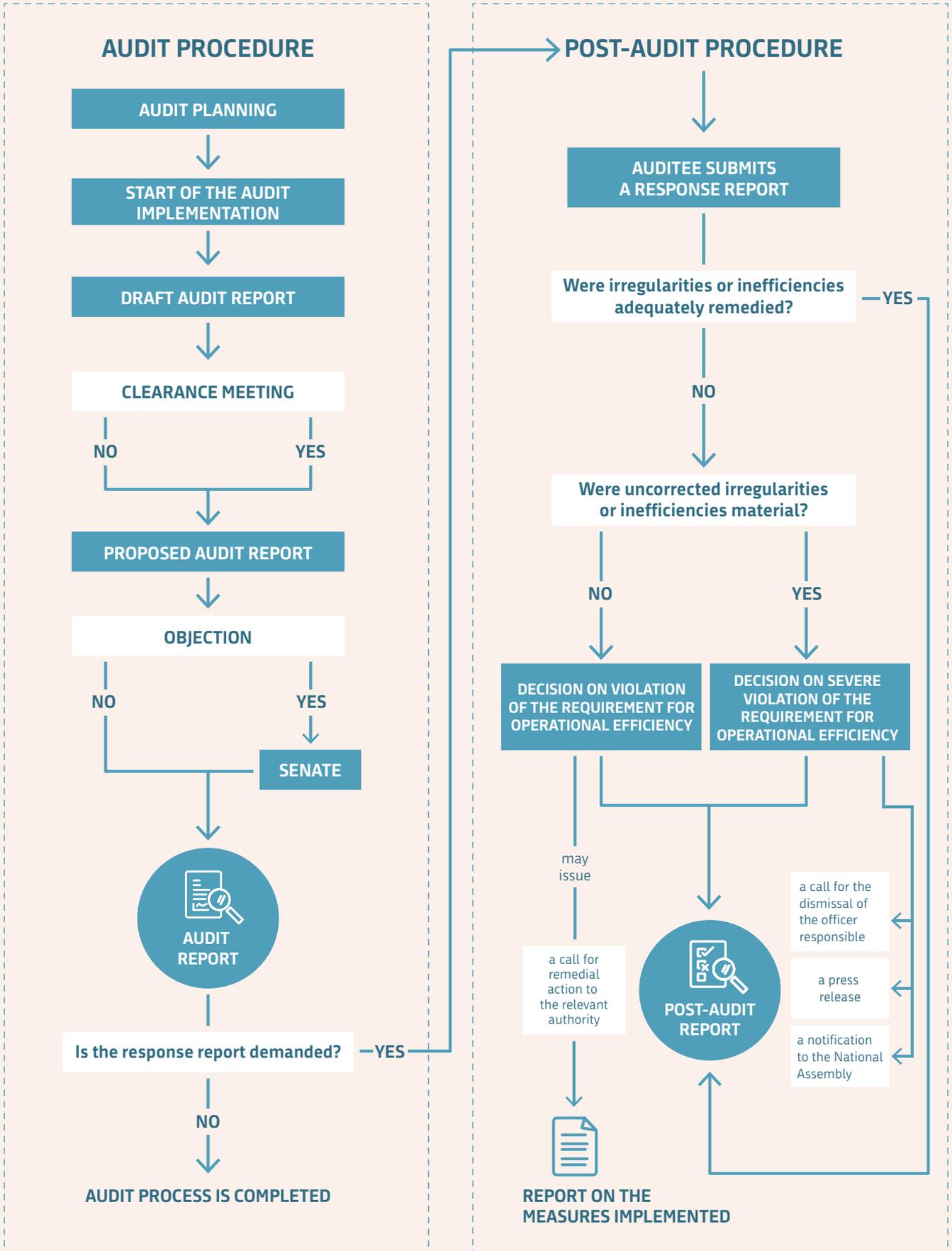
employees joined the training for obtaining the title state auditor



4,034 hours

of education of employees in 2022

AUDIT PROCESS





The Court of Audit
is independent,
objective and efficient.

2. COURT OF AUDIT OF THE REPUBLIC OF SLOVENIA

2.1 Activities

Article 150 of the Constitution of the Republic of Slovenia provides that the Court of Audit is the highest authority 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 constitutional mission, 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 performance of its duties.

The powers and duties of the Court of Audit are provided for in the Court of Audit Act, namely to audit operations of users of public funds and to provide advice to them. 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 more risky fields, it tries to promote regularity, efficiency, effectiveness and economy among users of public funds.

2.2 Mission

The Mission of the Court of Audit is to watch over public money and to promote sustainable development of the society. Therefore, it informs 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 serves 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 demands and providing recommendations for their remedy.

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

Use of public funds in future shall strongly depend on recognition and consideration of sustainable development principles. Development policies must be guided by objectives of sustainable development, the Agenda 2030 and the Slovenia's Development Strategy 2030, therefore the Court of Audit made a clear commitment thereto. The Court of Audit monitors implementation gaps related to sustainable objectives and considers them as one of key criteria for deciding where its auditing powers should be concentrated, furthermore it tries to point out areas where problems are expected.

In carrying out its mission the Court of Audit follows its vision which is twofold – on the one hand, it is to maintain the status of a highly reputable and respected institution, recognised for its independent, objective and efficient work, its sustainability-oriented audits and their outcomes, which all materially affect the society and strengthen modern forms of cooperation with other stakeholders, the public and international community. On the other hand it provides favourable in-house environment for the employees, good working conditions, equal treatment, possibilities for further education and training, as well as the sense of affiliation to the institution and motivation.



2.3 Strategy of the Court of Audit

The Court of Audit outlined its development and work progress in the Strategy of the Court of Audit of the Republic of Slovenia 2021–2024. Based on recommendations proposed in the 2020 INTOSAI Performance Measurement Framework – a tool ensuring compliance of the supreme audit institutions’ operations with international standards the Human Resource Strategy 2021–2024 and Communication Strategy 2021–2024 were adopted.

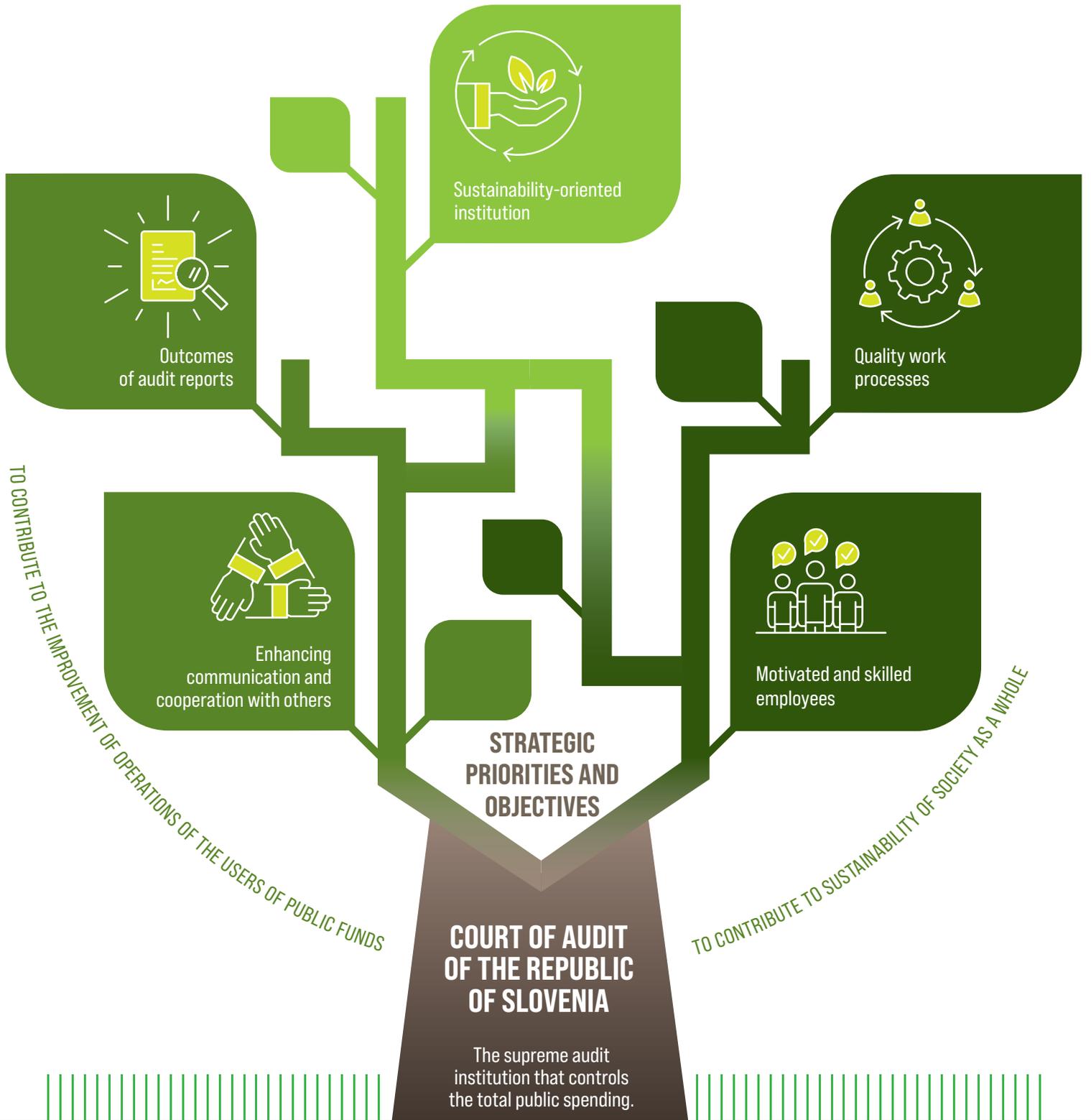
The principal strategic objective of the Court of Audit is to contribute to the improvement of operations of the users of public funds and to sustainability of society as a whole. It is to be achieved through careful preparation and realisation of annual programme of work for the exercise of audit powers which shall address an adequate scope of auditees included in the audit, by high-quality and relevant audit reports and well-considered and constructive corrective measures and recommendations. By implementing audits, our institution aims to achieve the greatest outcomes possible regarding the operations of the users of public funds and the efficient management of public assets, to warn about possible future risks, to ensure sustainability of public finances and to encourage users of public funds and citizens to act in a sustainable manner.

Based upon the key objective the Court of Audit set 5 specific strategic objectives which are dual – directed outwards and inwards. Besides maintaining the status of trustworthy and respected institution, which is publicly recognised by its independent, objective and efficient work and its users-targeted services and a significant impact on the society through its sustainability-oriented audits, we endeavour to provide a stimulative working environment to employees, who represent the greatest potential and the most important capacity for achieving the key objective and mission of the institution.

Specific strategic objectives are:

- **Objective 1:** Sustainability-oriented institution
- **Objective 2:** Outcomes of the audit reports
- **Objective 3:** Enhancing communication and cooperation with others
- **Objective 4:** Quality work processes
- **Objective 5:** Motivated and skilled employees

STRATEGY OF THE COURT OF AUDIT 2021-2024



VALUES

- Independence
- Objectivity
- Efficiency

MISSION

- Watching over public money.
- Promoting sustainable development of the society.

VISION

Highly reputable and respected institution, recognised for its independent, objective and efficient work, its sustainable impact on the society and its solid and strong cooperation with other stakeholders.

Dynamic internal organisation with highly skilled, competent and efficient employees, and quality work processes.



REPUBLIC OF SLOVENIA
COURT OF AUDIT

Watching over public money

Računsko sodišče Republike Slovenije
The Court of Audit of the Republic of Slovenia

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