



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

Audit of the Proposal of the annual financial statement of the budget of the Republic of Slovenia for the year 2020

Regularity audit

Audit period: year 2020



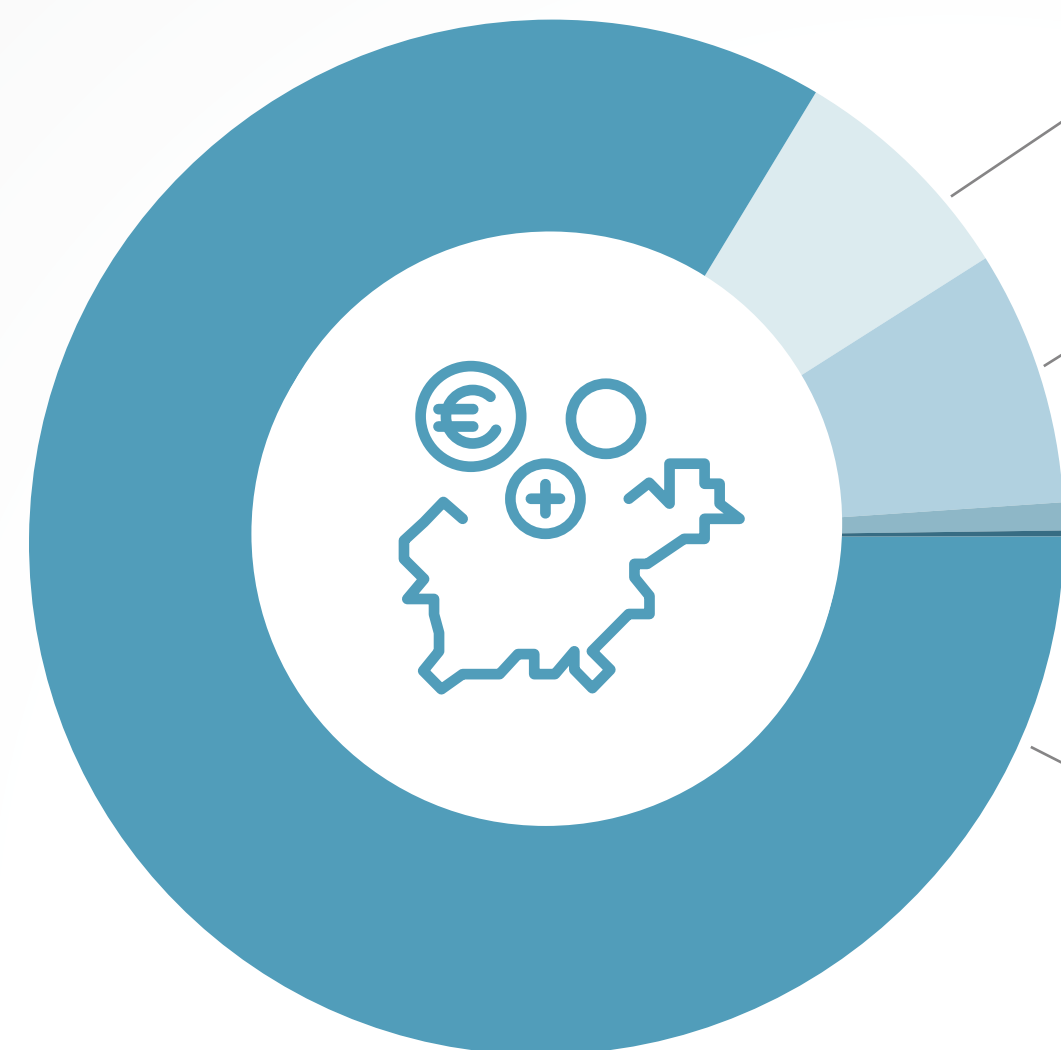
Implementation of the budget of the Republic of Slovenia 2020 (after the audit)

REVENUE

€ 9,078,098,374

-10.4%

lower in 2020
compared to 2019



non-tax revenue

▲ € 672,191,411

capital revenue

▼ € 78,939,414

transfer revenue

▲ € 1,008,928

tax revenue

▼ € 7,585,417,294

**funds received from
the EU and other states**

▼ € 724,818,049

received donations

▲ € 15,723,278

BUDGET DEFICIT

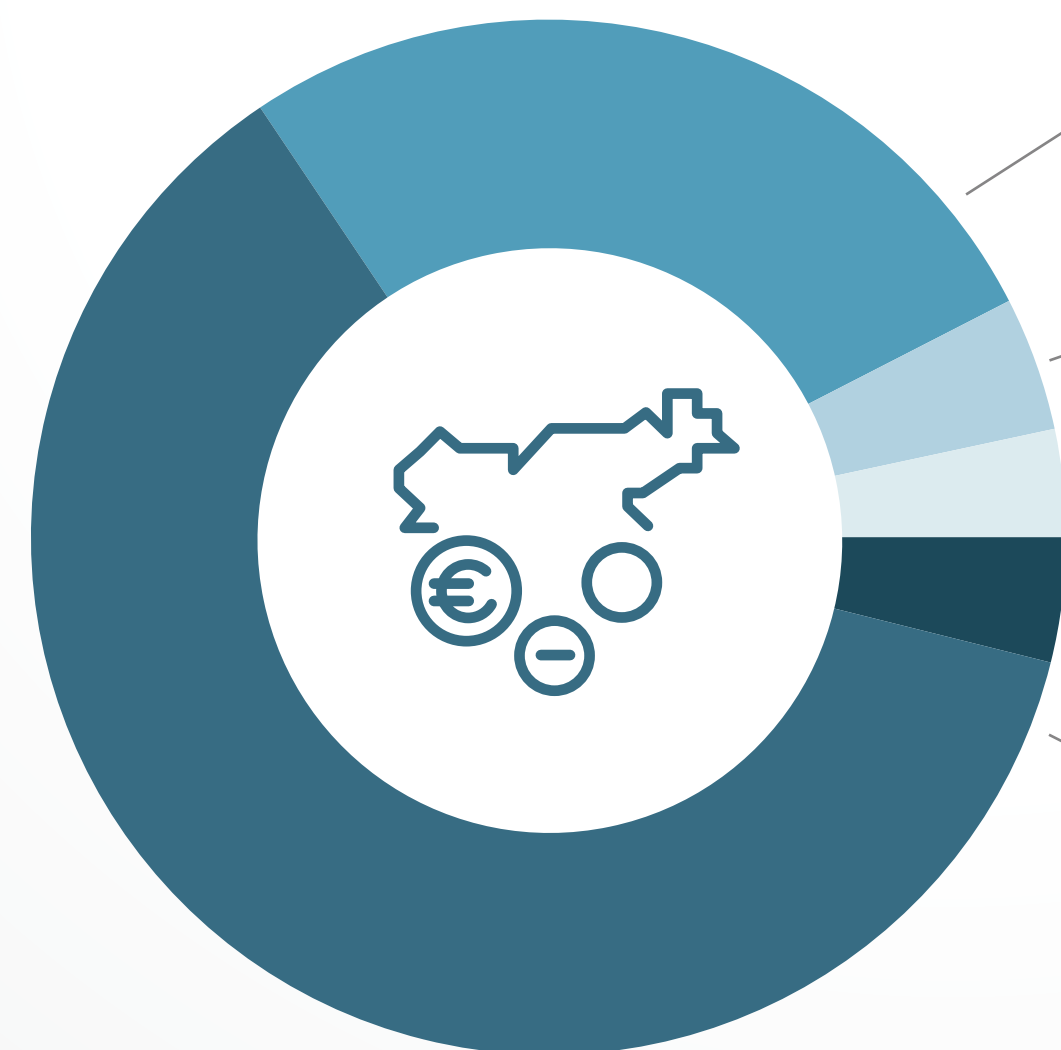
€ 3,486,194,123

EXPENDITURE

€ 12,564,292,497

+26.8%

higher in 2020
compared to 2019



current expenditure

▲ € 3,375,048,006

investment transfers

▲ € 422,218,005

current transfers

▲ € 7,751,840,430

**payments to
the EU budget**

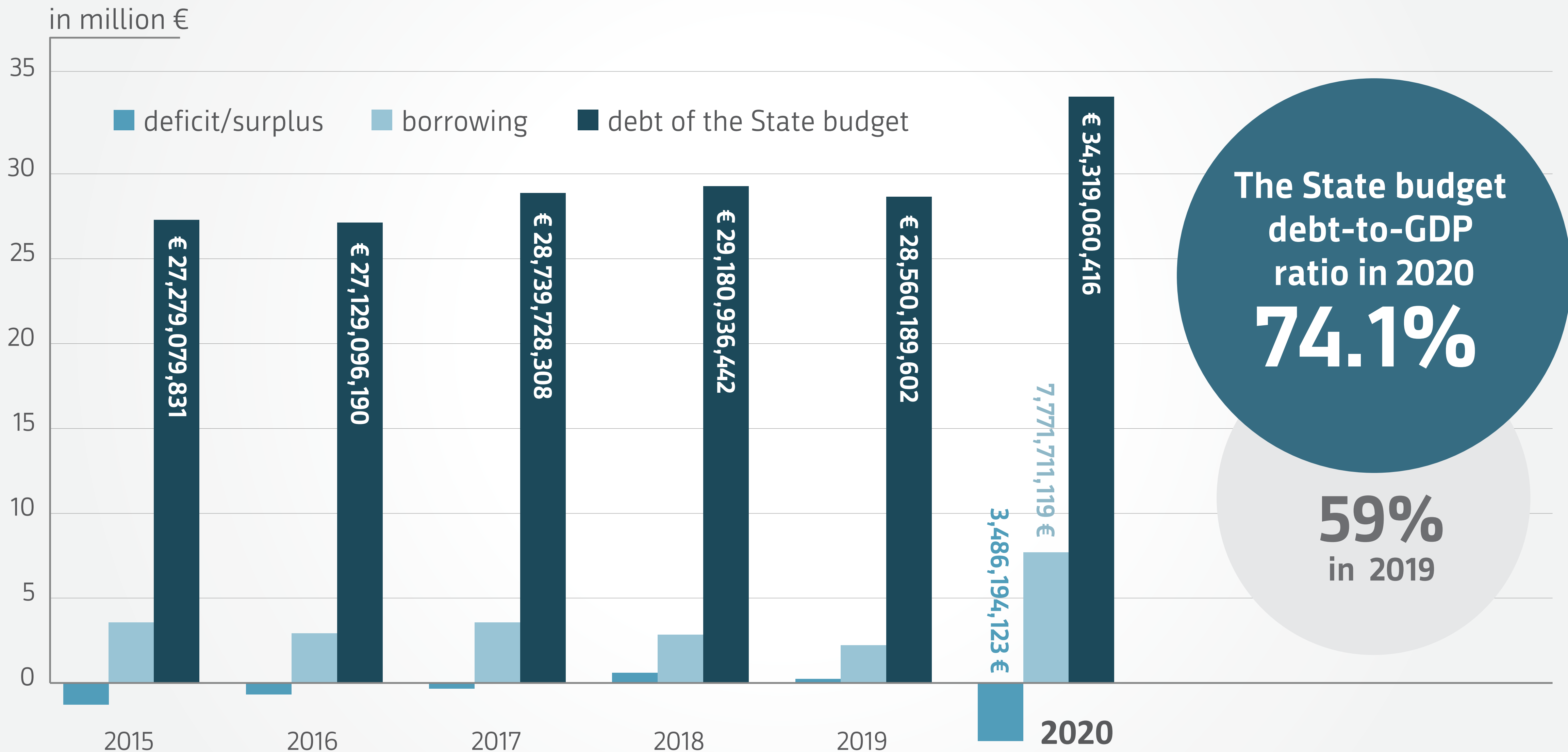
▲ € 526,034,433

investment expenditure

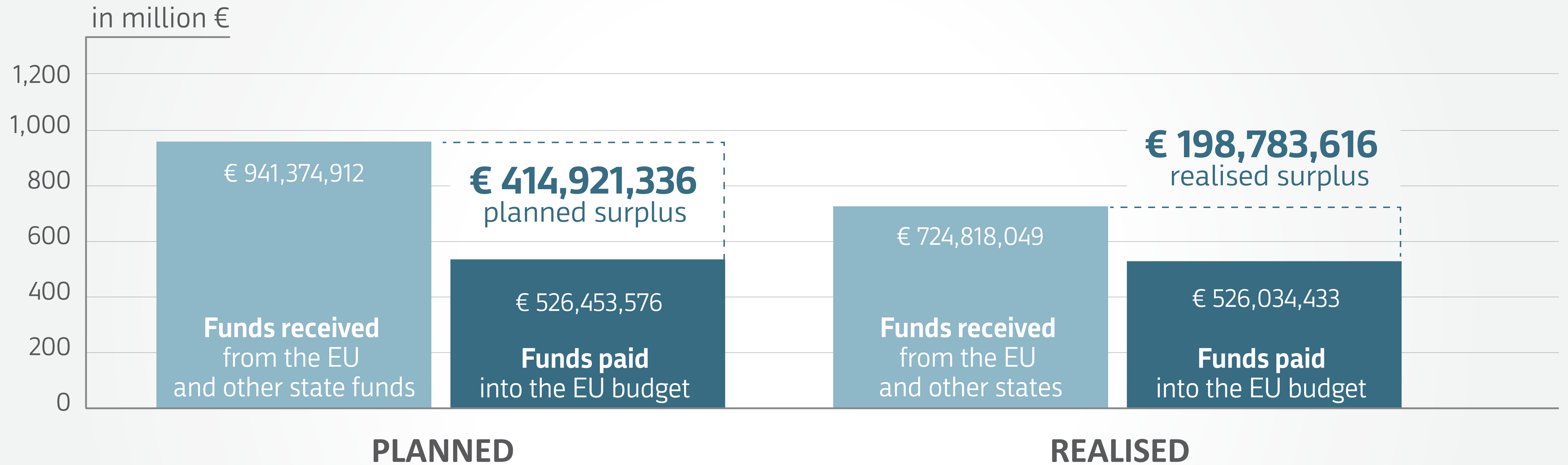
▼ € 489,151,623

higher ▲ or lower ▼ compared to 2019

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



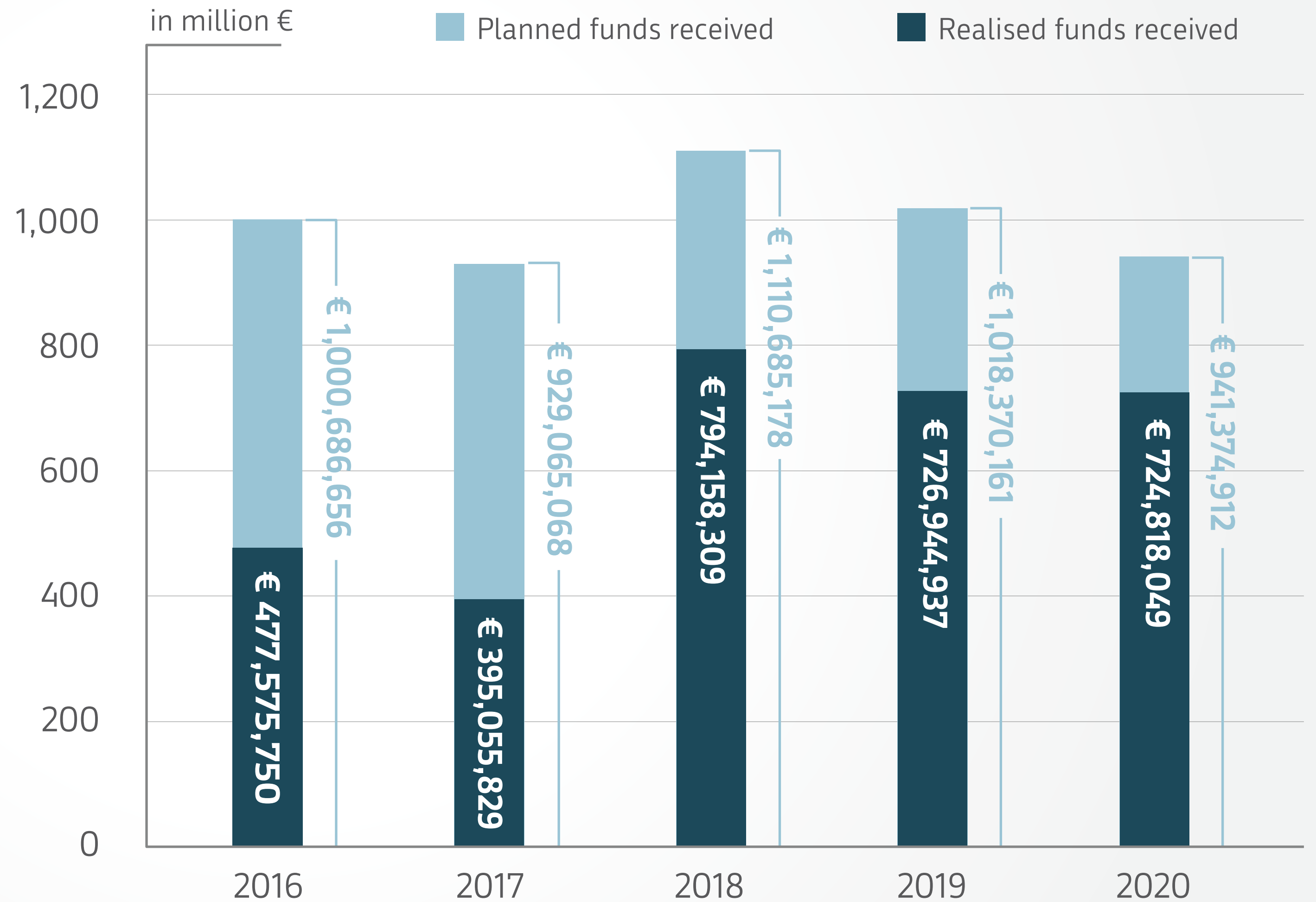
Funds received from the EU and other states – the difference between the planned and realised funds



Received from the EU and other states **23% less funds** than planned ←  ← Paid into the EU budget **0.1% less** than planned

Main reasons for the difference between planned and realised funds received from the EU and other states

- 
shortcomings in planning
- 
dilatory activities regarding public procurement procedures and public-private partnership processes
- 
lengthy procedures for gaining environmental approvals
- 
problems with functioning of the information system



Irregularities occurring in the accounts payable and accounts receivable



DUTIES OF WATER PERMIT HOLDERS

17 years after the legally prescribed time limit, the Government has still not adopted a regulatory or administrative provision to define detailed criteria laying down:

- **deadline, method and amount for the payment of a water right** (for the use of water as a public good)
- **criteria for the reduction in the payment or for the exemption** therefrom for the cases whereby the water right is granted on the basis of a water permit.



It was thus **not possible to calculate and charge the statutory defined duty** to the holders of water permits.



RENTS ON PHYSICAL ASSETS

The ministries (Ministry of Labour, Family, Social Affairs and Equal Opportunities, Ministry of Health, Ministry of Culture and Ministry of Education, Science and Sport) **acted contrary to Public Finance Act** because:

- **they failed to adequately supervise public institutes**
- they failed to ensure the **rents on physical assets** to represent the **state budget revenue**.

The **budget revenue** in 2020 was thus realised in the amount **€ 3.766.608 less**

€ 3,766,608

Occurrence of irregularities in budget implementation

Irregularities most commonly occurred in the field of

TRANSFERS



17%

EXPENDITURE



6%

SALARIES



4%

examined sampling units

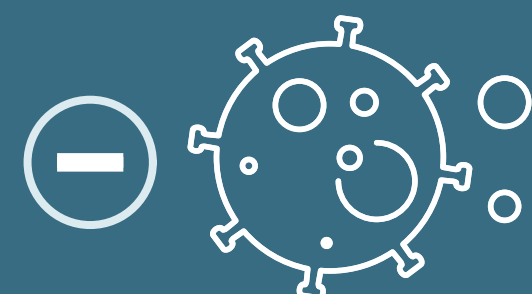
Irregularities in budget implementation – expenditure



TRANSFERS

- non-compliance with the provisions of the **Public Finance Act** and other public finance rules
- **insufficient control** of direct budget users over indirect budget users respectively **over the operations of legal entities**

- irregularities in the implementation of **public calls for tenders and public tenders**
- non-compliance with the provisions of the **agreements**



irregularities in payments pertaining to the field of intervention measures to contain the COVID-19 epidemic



EXPENDITURE

- non-compliance with the provisions of the **Public Finance Act**
- irregularities in the **public procurement procedures**
- non-compliance with the provisions of the **agreements**



SALARIES

- irregularities in the calculation and payment of **bonuses to salaries**
- non-compliance of **tariff classes**

OPINION OF THE COURT OF AUDIT

GENERAL PART OF THE FINANCIAL STATEMENT

Unqualified opinion

The Court of Audit expressed an opinion that audited general part of the financial statement of the Republic of Slovenia for 2020 **correctly**, in line with the regulations **presents receipts and expenditures of the budget for 2020**.

REGULARITY OF BUDGET IMPLEMENTATION

Qualified opinion

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

Some auditees already during the audit **remedied irregularities**.

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

- Ministry of the Interior
- Ministry of Labour, Family, Social Affairs and Equal Opportunities
- Ministry of Culture

The Court of Audit also proposed **recommendations to improve operations**.