



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

**Regularity of a part of operations
of the Municipality of Divača**

Regularity audit

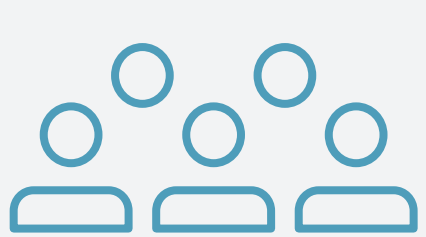
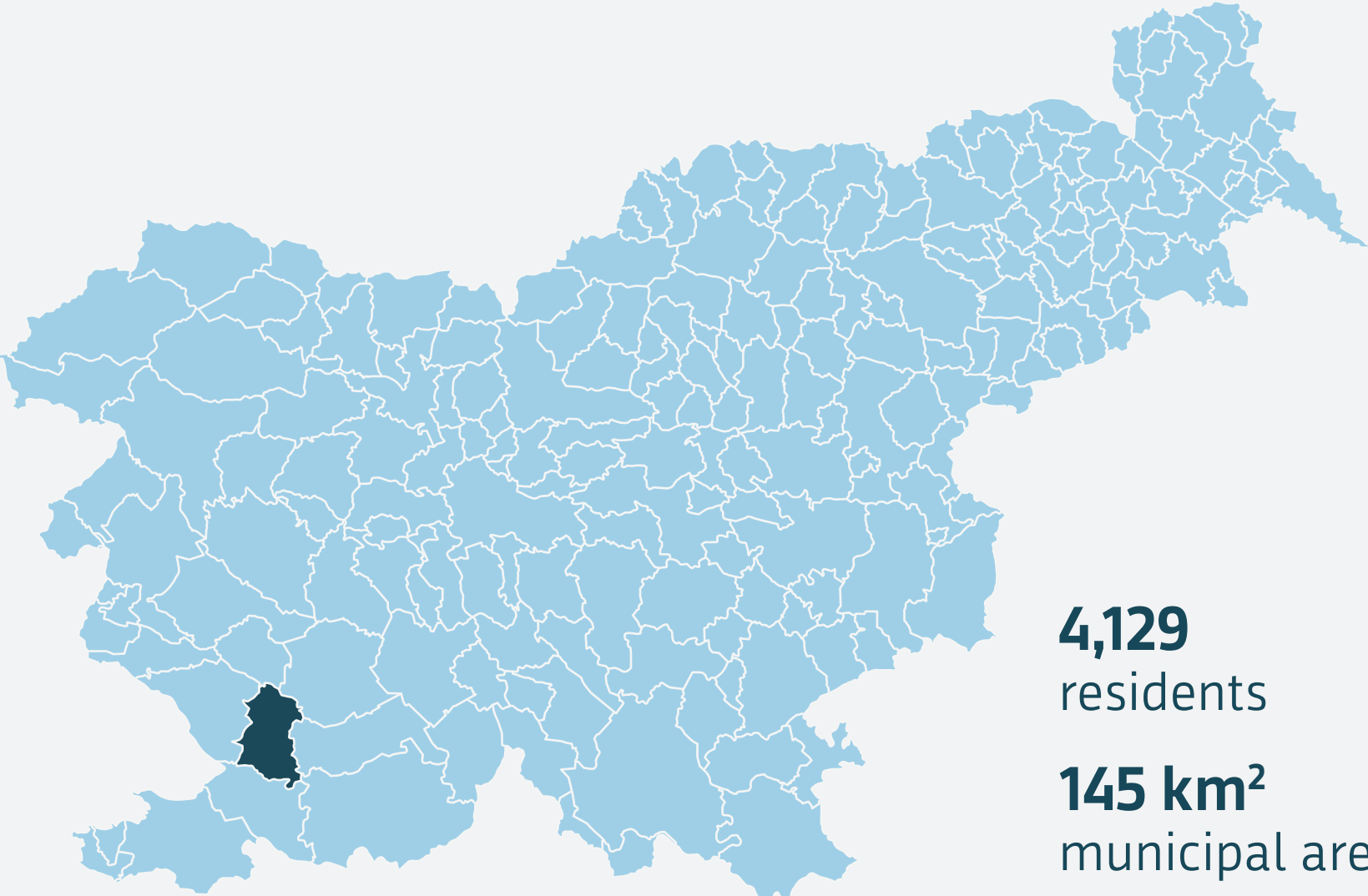
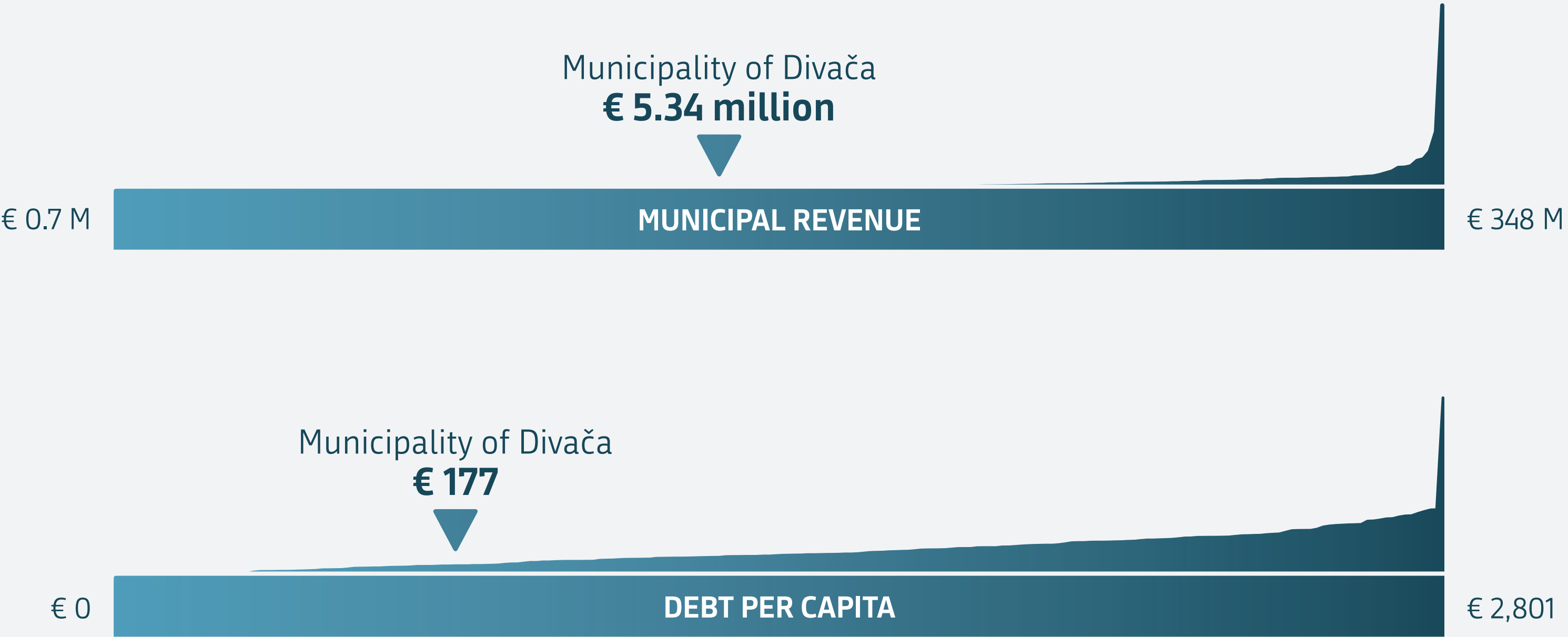
Audit period: 1 January to 31 December 2021

Municipality of Divača

BASIC DATA

REVENUE	€ 5,343,918	EXPENDITURE	€ 5,113,656	DEBT	€ 732,028
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COMPARISON WITH OTHER MUNICIPALITIES



Municipal bodies

- mayor
- municipal council 11 members
- supervisory committee 3 members*

OPINION OF THE COURT OF AUDIT

- Adverse opinion**
- Appropriate measures implemented already during the audit
- Proposed were 4 recommendations

Municipality of Divača: identified material irregularities

Municipal budget and annual financial statement preparation and implementation of municipal budget



- **failed to report** on achieved objectives and results
- **failed to keep a record** of earmarked budgetary funds respectively **failed to establish a record** of future budgetary commitments

Sale of immovable property and renting out premises



- irregularities **in the procedures** of sale of land, renting out premises and letting of premises for use (sales contracts concluded too late, rent charged too high or too low ...)
- collection of revenue **incomplete and late**

Public procurement spending – investment expenditure



- investment documentation **not prepared**
- annex concluded **after the completion of works**
- financial collateral obtained **too late**
- when assuming liabilities **not enough funds were provided** in the budget
- **works were paid before** they were actually carried out

Municipality of Divača: identified material irregularities

Current transfers to non-profit bodies and organisations



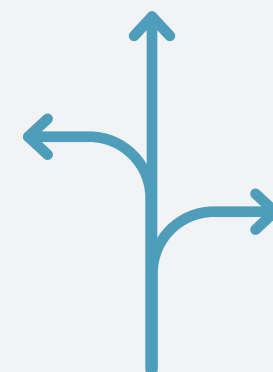
- public contract **was not awarded in line** with the public procurement rules
- services were paid **without a valid contract**
- **incomplete collection** of municipal revenue
- granting and allocation of funds **without a public call**

Indebtedness



- public institute **was granted funds for repayment of liabilities arising from a financial leasing contract**, which in its substance represents indebtedness of a municipality
- **data** on debt level were **not received** from all legal entities of a public sector at municipal level **or not received in due time**

Other fields



- vice mayor was **not appointed**