



REPUBLIC OF SLOVENIA  
COURT OF AUDIT

AUDIT REPORT

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

**Regularity audit**

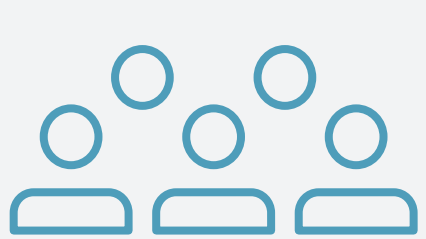
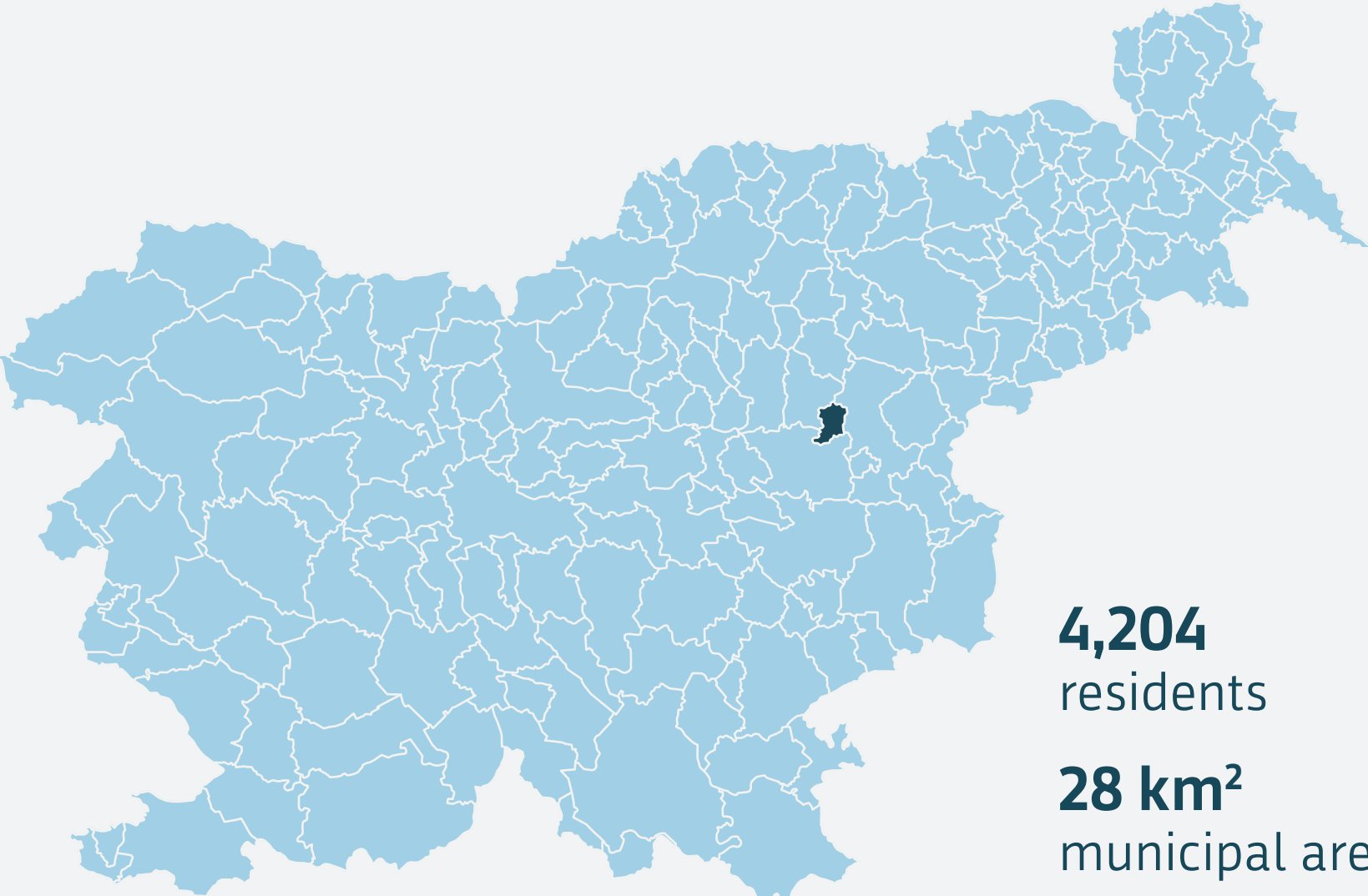
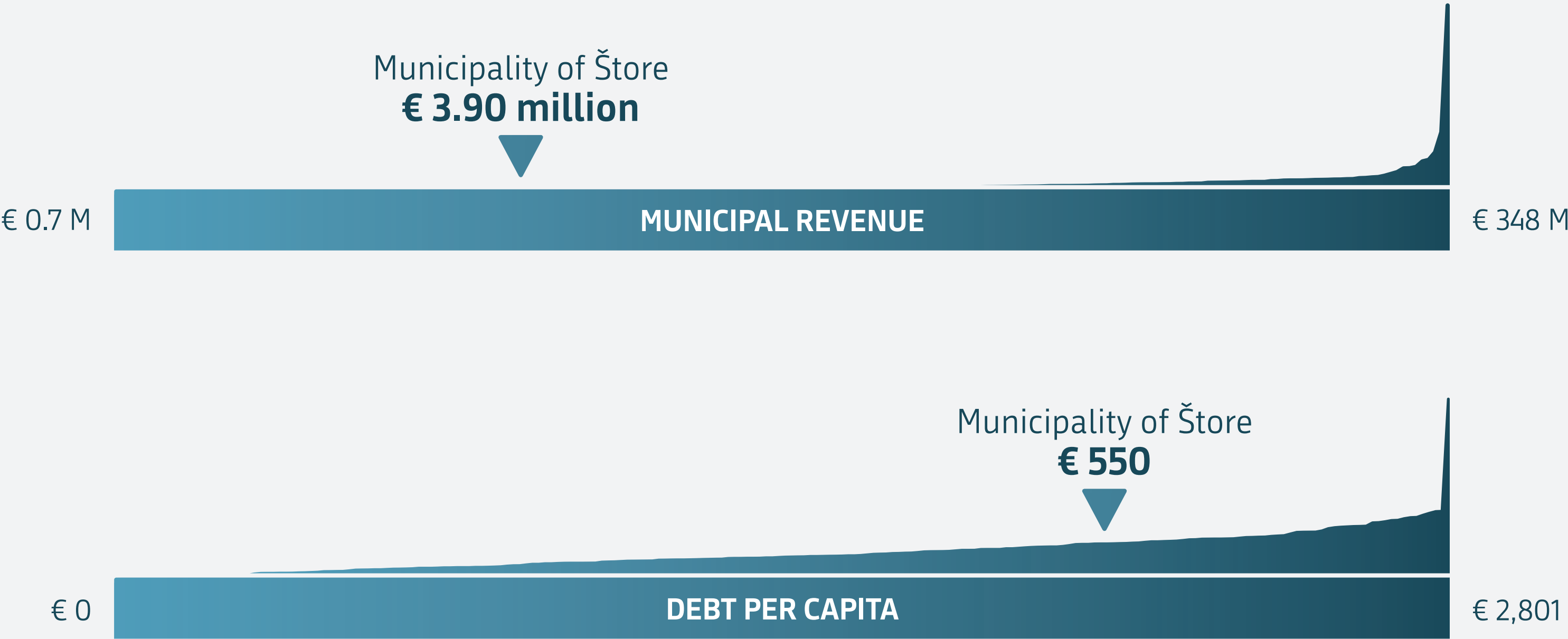
Audit period: 1 January to 31 December 2021

# Municipality of Štore

## BASIC DATA

<b>REVENUE</b>	€ 3,909,577	<b>EXPENDITURE</b>	€ 4,580,708	<b>DEBT</b>	€ 2,314,267
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## COMPARISON WITH OTHER MUNICIPALITIES



- Municipal bodies**
- mayor
  - municipal council 13 members
  - supervisory committee 5 members

**OPINION OF THE COURT OF AUDIT**

- Adverse opinion**
- Appropriate measures implemented already during the audit
- Proposed were 3 recommendations

# Municipality of Štore: identified material irregularities

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



- **failed to keep a record of earmarked budgetary funds** respectively **failed to establish a record** of future budgetary commitments
- **failed to comply with legal payment terms**

## Sale of immovable property and renting out premises



- **irregularities in the procedures** of sale of business premises, renting out premises and letting of premises for occasional use (sales or rental contracts concluded too late, agreed was longer deadline for the payment of a part of purchase price than imposed by the law ...)
- **the principle of economy was not followed** when renting out premises
- **earmarking** of revenues from rents **not demonstrated**

## Public procurement spending – investment expenditure



- when assuming liabilities **not enough funds** were **provided** in the budget
- investment documentation **not prepared**
- contract **was not awarded in line with a framework agreement**
- financial collateral **not obtained respectively obtained too late**
- **annex** concluded **after the completion of works**
- a bid was **not excluded as inadmissible**

# Municipality of Štore: identified material irregularities

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## Current transfers



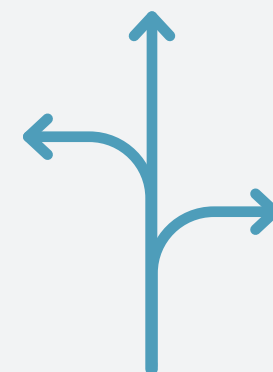
- services were paid **without a valid contract**
- **irregularities in the funds allocation procedure** (allocation and disbursement of funds as advance payment before concluding a contract, ways of applying criteria not laid down in a public call)
- free-of-charge use of land **without a public call**

## Indebtedness



- **not fully controlled** borrowing by legal entities of a public sector at municipal level
- **data** on debt level were **not received** from all legal entities of a public sector at municipal level

## Other fields



- **secretary of a municipality was not appointed**