



REPUBLIC OF SLOVENIA  
COURT OF AUDIT

AUDIT REPORT

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

**Regularity audit**

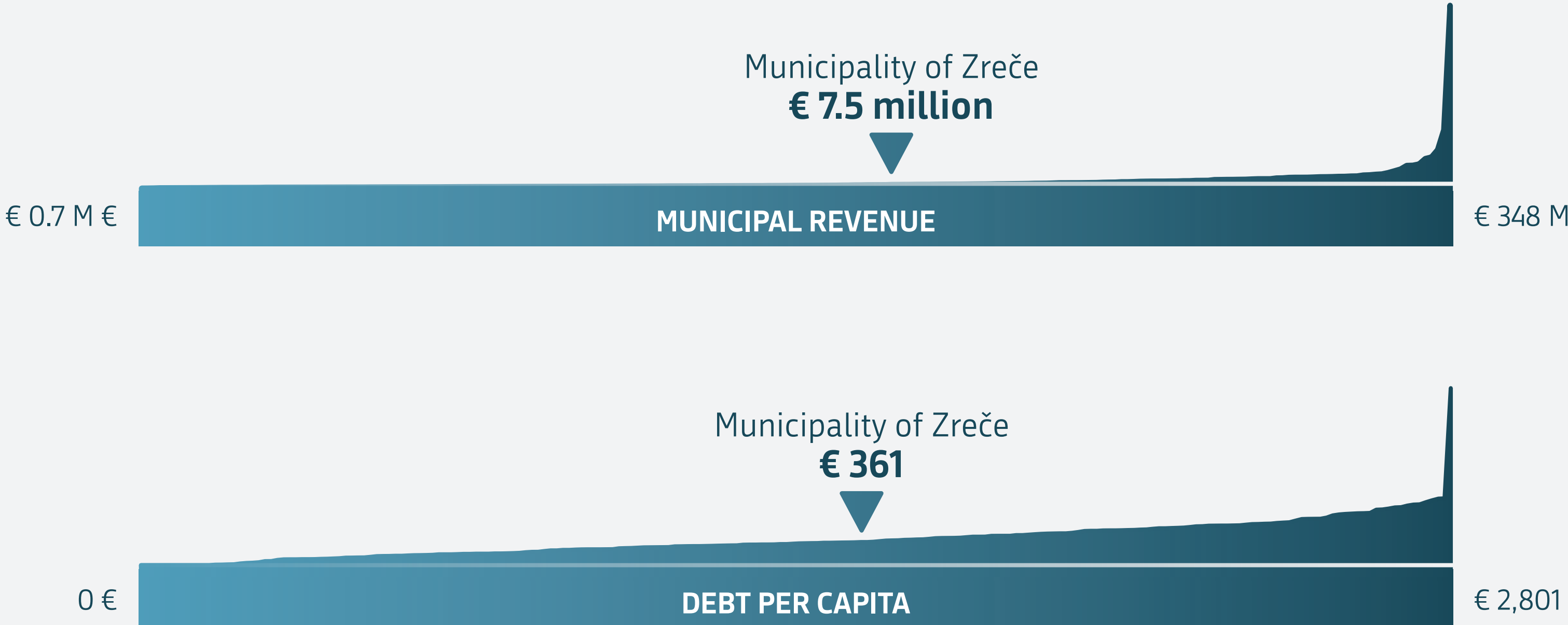
Audit period: 1 January to 31 December 2021

# Municipality of Zreče

## BASIC DATA

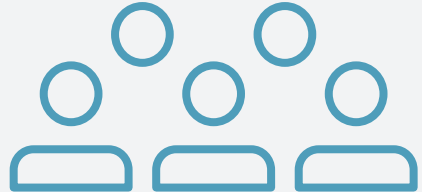
REVENUE	€ 7,506,925	EXPENDITURE	€ 6,473,222	DEBT	€ 2,340,008
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## COMPARISON WITH OTHER MUNICIPALITIES



**6,476**  
residents

**67 km<sup>2</sup>**  
municipal area



### Municipal bodies

- mayor • municipal council 16 members
- supervisory committee 7 members

### OPINION OF THE COURT OF AUDIT

- Adverse opinion**
- Appropriate measures implemented already during the audit
- Proposed were 5 recommendations

# Municipality of Zreče: identified material irregularities

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## Sale of immovable property and renting out premises



- **irregularities** in land exchange and renting out premises
- collection of revenue **incomplete and late**

## Public procurement spending – investment expenditure



- financial collateral **not obtained** respectively not obtained in due time
- when accepting and paying commitments the **funds were not provided in the budget**
- accepting and paying commitments without **valid contract**
- investment documentation **not prepared**

## Current transfers to non-profit bodies and organisations



- granting and allocating funds **without public call** or open call for tenders
- **irregularities** in procedures of granting the funds

# Municipality of Zreče: identified material irregularities

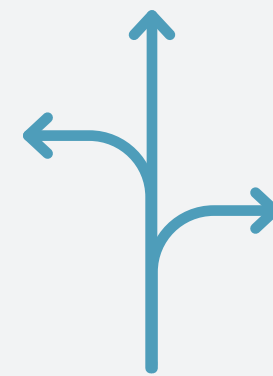
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## Indebtedness



- it took on a long-term debt **at the entity which is not specialised in granting loans**
- **it failed to control** incurring debts by legal entities of a public sector
- **it failed to report** to the Ministry of Finance on the **arrangement of instalment payments** of commitments

## Other fields



- it **failed to monitor** operations of local communities
- public procurement for managing a stadium **not awarded** in line with the prescribed procedure
- it lent money **without legal basis** in the public finance rules