



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

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

Regularity audit

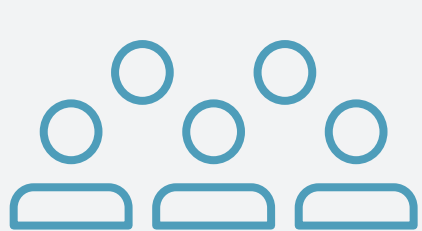
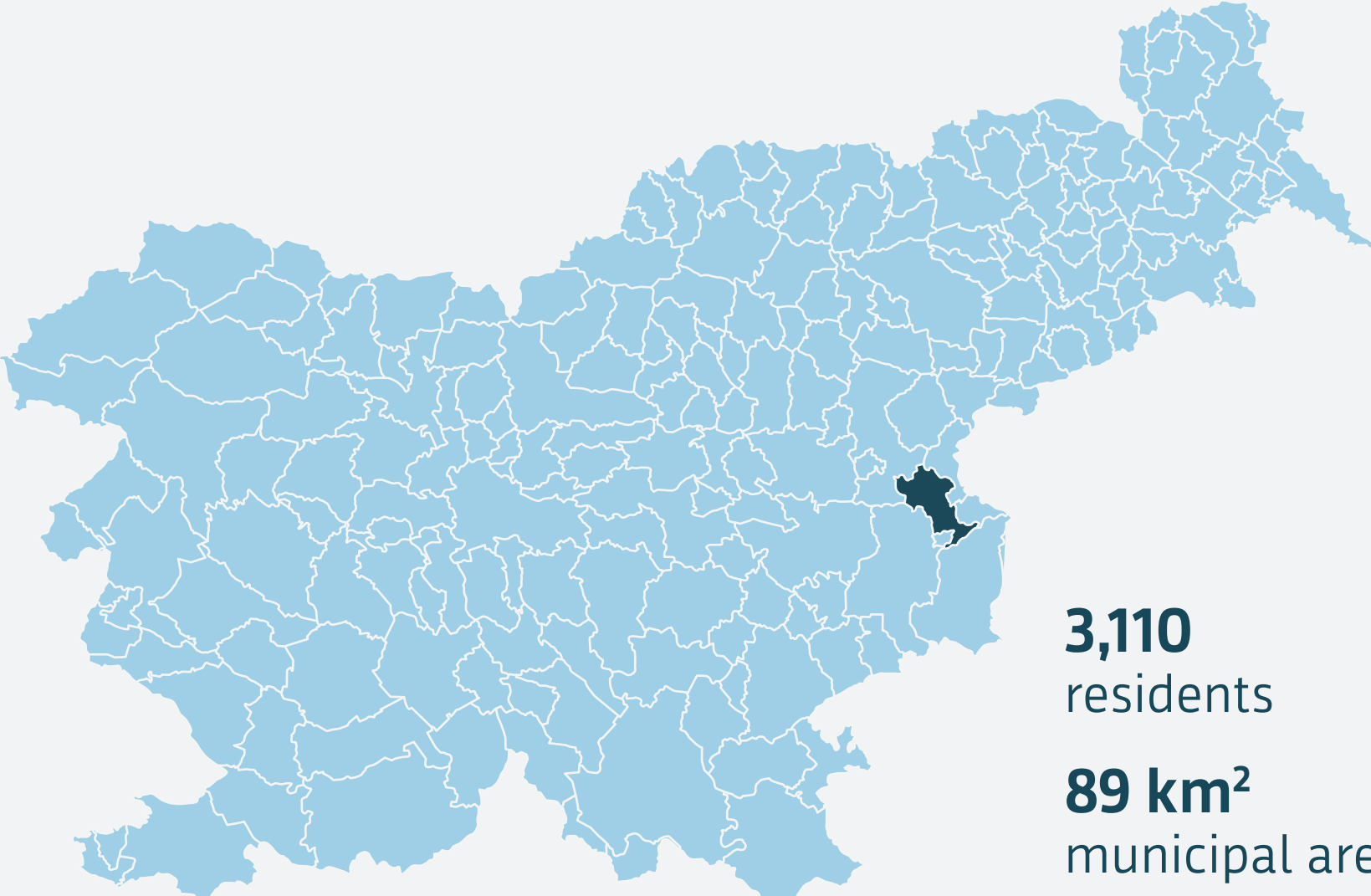
Audit period: 1 January to 31 December 2022

Municipality of Kozje

BASIC DATA

REVENUE	€ 5,222,330	EXPENDITURE	€ 4,807,970	DEBT	€ 1,061,813
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COMPARISON WITH OTHER MUNICIPALITIES



Municipal bodies

- mayor
- municipal council 9 members
- supervisory committee 3 members

OPINION OF THE COURT OF AUDIT

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

Municipality of Kozje: identified material irregularities

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



- **failed to** monthly **plan liquidity**
- **failed to ensure the implementation of an internal audit of operations** for the year 2022

Sale of immovable property and renting out premises



- irregularities **in the procedures of selling and renting out property** (appraisal of property for sale was older than 12 months, conditions for concluding a direct contract were not met, notice of intent regarding selling and renting out assets was not published, contract administrator was not appointed)
- **incomplete record** of immovable property
- a tenant was **not issued an invoice** for rental

Public procurement spending – investment expenditure



- when assuming liabilities **not enough funds were provided** in the budget
- the submitted **tender was not excluded as inadmissible** although it exceeded provided budgetary funds
- investment documentation **not prepared**
- **lacking or inadequate** financial collateral

Municipality of Kozje: identified material irregularities

Current transfers to non-profit bodies and organisations



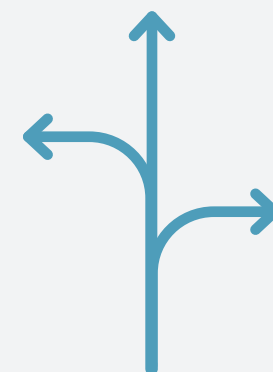
- irregularities **in the funds allocation procedure**
- **not all public procurement documents were made available** on the World Wide Web
- local culture programme **not adopted**

Indebtedness



- a volunteer fire department **was granted funds for repayment of liabilities** arising from a credit agreement, which in its substance represents indebtedness of a municipality
- **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



- **an institute** for carrying out activities on the market **was established without any legal basis in public finance rules**
- **the principle of economy was not followed when concluding a direct contract** for managing a public sports facility and sport grounds