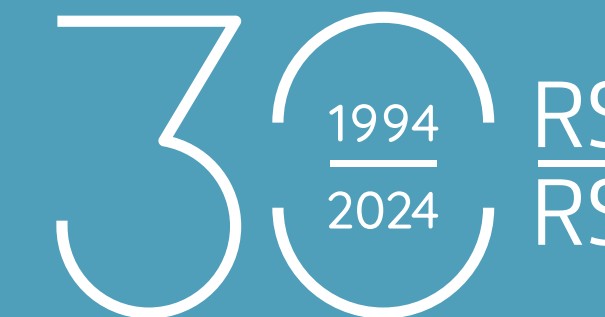




REPUBLIC OF SLOVENIA  
**COURT OF AUDIT**



## AUDIT REPORT

# **Regularity of a part of operations of the Municipality of Lendava – Lendva Község**

**Regularity audit**

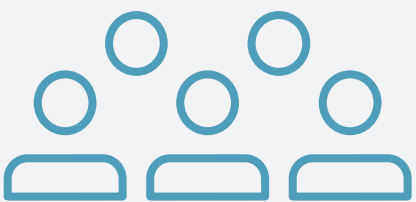
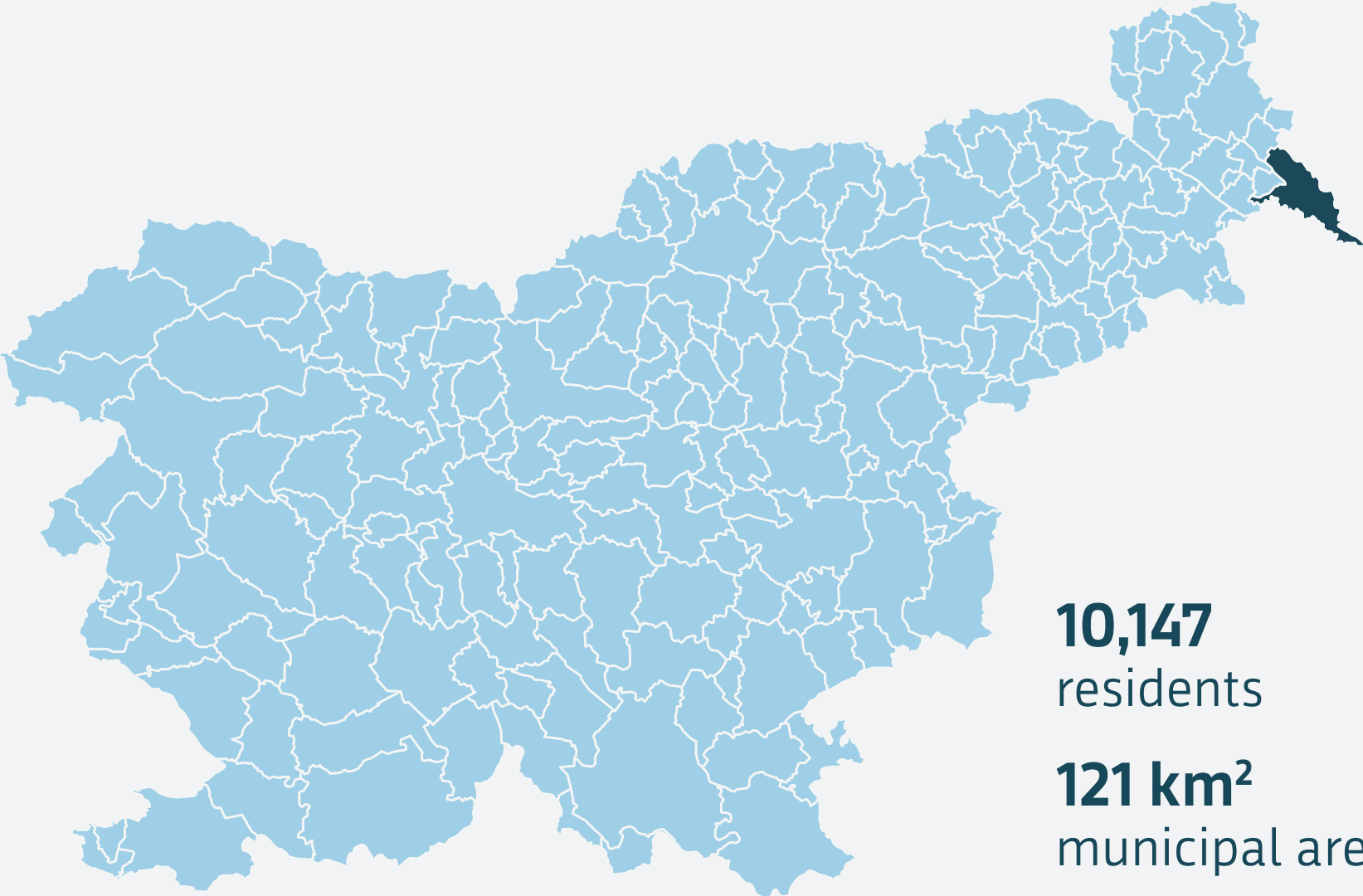
Audit period: 1 January to 31 December 2022

# Municipality of Lendava – Lendva Község

## BASIC DATA

|         |              |             |              |      |             |
|---------|--------------|-------------|--------------|------|-------------|
| REVENUE | € 13,290,499 | EXPENDITURE | € 14,074,280 | DEBT | € 1,707,718 |
|---------|--------------|-------------|--------------|------|-------------|

## COMPARISON WITH OTHER MUNICIPALITIES



### Municipal bodies

- mayor
- municipal council 19 members
- supervisory committee 7 members

## OPINION OF THE COURT OF AUDIT

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

# Municipality of Lendava – Lendva Község: identified material irregularities

---

## Sale of immovable property and renting out premises



- sale of a land plot **without including it in the disposal plan**
- **the principle of equal treatment** of tenderers **was not considered** in the open invitation to tender
- **rent valuation was not made** prior to renting out premises
- **pre-emptive right was agreed** in a rental contract

## Public procurement spending – investment expenditure



- investment documentation **was not prepared** or was not prepared in due time
- when assuming liabilities, **not enough funds were provided** in the budget
- **annex** was concluded **after the completion of works**
- **tender documentation included** a stipulation about **a restriction of competition**

## Current transfers to non-profit bodies and organisations



- irregularities in the **funds allocation procedure** (decision about opening tender procedures in the field of sport and culture was not adopted; calls for public tender and tender documentation did not include all necessary elements ...)
- **funding** of an association **not based** on public finance rules
- public funds **invested in the renovation** of property **not owned by the municipality**
- allocating and paying funds **without a public call**

# Municipality of Lendava – Lendva Község: identified material irregularities

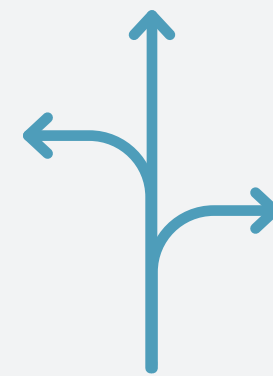
---

## Indebtedness



- public institutes were **granted funds** for the repayment of liabilities under financial lease contracts, **which in its substance has the same effect as the indebtedness of municipality**
- **not fully controlled borrowing** by legal entities of a public sector at municipal level
- **not comprehensively reported** on the debt level of legal entities of a public sector

## Other fields



- **failed to adopt a municipal ordinance** laying down in detail **the tasks of local communities** and the manner of their implementation and **failed to monitor the operations of local communities** regarding the allocation of current transfers to non-profit bodies and organisations
- direct lease contract for the implementation of management services on the Vinarium tower and Zipline Vinarium was concluded **contrary to public finance rules**