



REPUBLIC OF SLOVENIA  
COURT OF AUDIT

AUDIT REPORT

**Regularity of a part of operations  
of the Municipality of Selnica ob Dravi**

**Regularity audit**

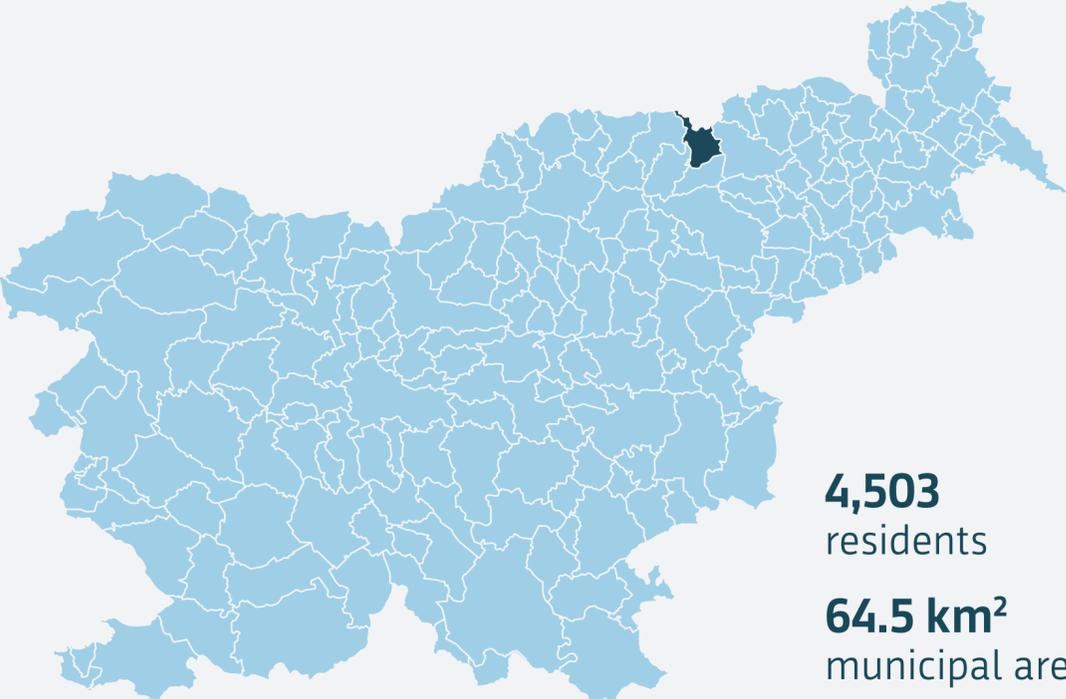
Audit period: 1 January to 31 December 2022

# Municipality of Selnica ob Dravi

## BASIC DATA

<b>REVENUE</b>	€ 4,868,372	<b>EXPENDITURE</b>	€ 5,537,053	<b>DEBT</b>	€ 2,849,882
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## COMPARISON WITH OTHER MUNICIPALITIES



- Municipal bodies**
- mayor
  - municipal council 15 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 Selnica ob Dravi: identified material irregularities

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



- **failed to establish a record** of future budgetary commitment
- the used funds of general budgetary provisioning were **not included in the municipal budget**

## Sale of immovable property and renting out premises



- immovable property subject to sale was included in the disposal plan **after the selling procedure; notice of intent** regarding a conclusion of a direct rental contract **was not published**; business premises were **rented out for a too long period of time**; contract administrator was **not appointed**
- renting out premises **without first providing a relevant price list**, the users were thus not charged a user fee

## Public procurement spending – investment expenditure



- when assuming liabilities **not enough funds were provided in the budget**
- public procurements were divided into lots in order **to avoid a public procurement procedure**
- a contract was concluded **after the commencement of work**
- obtained **inadequate financial collateral**

# Municipality of Selnica ob Dravi: identified material irregularities

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## Current transfers to non-profit bodies and organisations



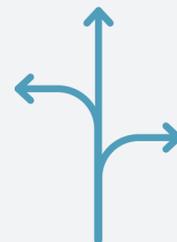
- **local culture programme not adopted**
- **irregularities in the funds allocation procedure** (failed to adopt decisions to initiate procedures; inadequate criteria were applied; the commission failed to examine the complete applications and thus allocated the available funds in line with the 2019 scoring)
- granting and allocation of funds **without a public call** or a public invitation

## 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



- in the period from 8 December 2022 until the end of 2022, **the vice mayor was not appointed**