



REPUBLIC OF SLOVENIA
COURT OF AUDIT

30
1994
2024
RS
RS

AUDIT REPORT

Providing and financing of universal postal service

Performance audit

Audit period: 1 January 2019 to 31 December 2021

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

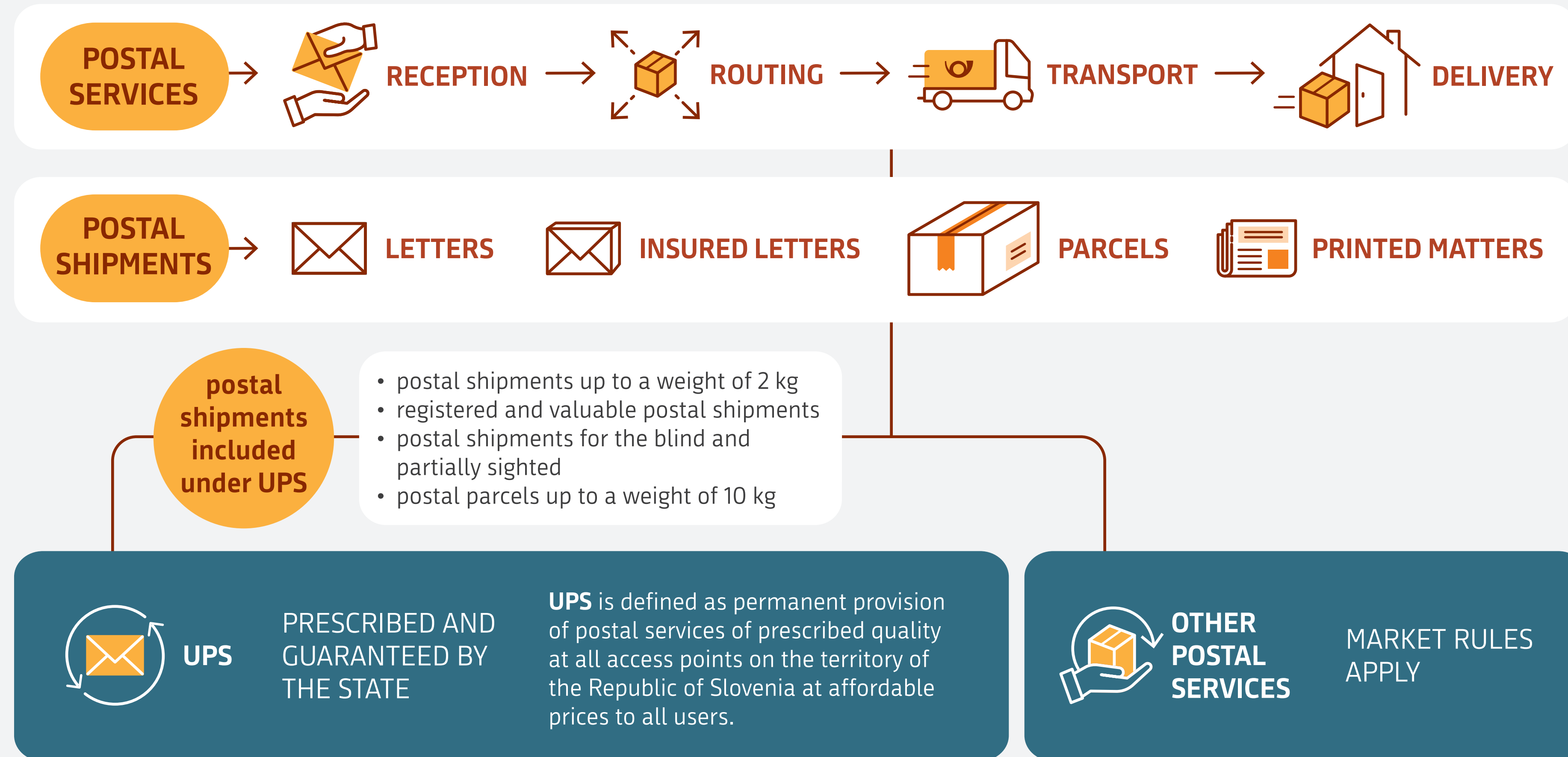


11 SUSTAINABLE CITIES
AND COMMUNITIES



SUSTAINABLE
DEVELOPMENT
GOALS

Providing and financing of universal postal service (UPS)



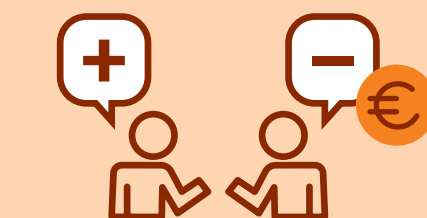
WHY THE AUDIT?



decrease in lettermail from 2011 to 2021 **by 30.7%**



reduction in the number of **postal outlets** from 2017 to 2021 **by 15%**



disagreements about entitlement to compensation for implementing UPS



Ministry of Economic Development and Tourism
 entity formulating proposals for Postal Services Act and strategic guidelines for the provision of UPS



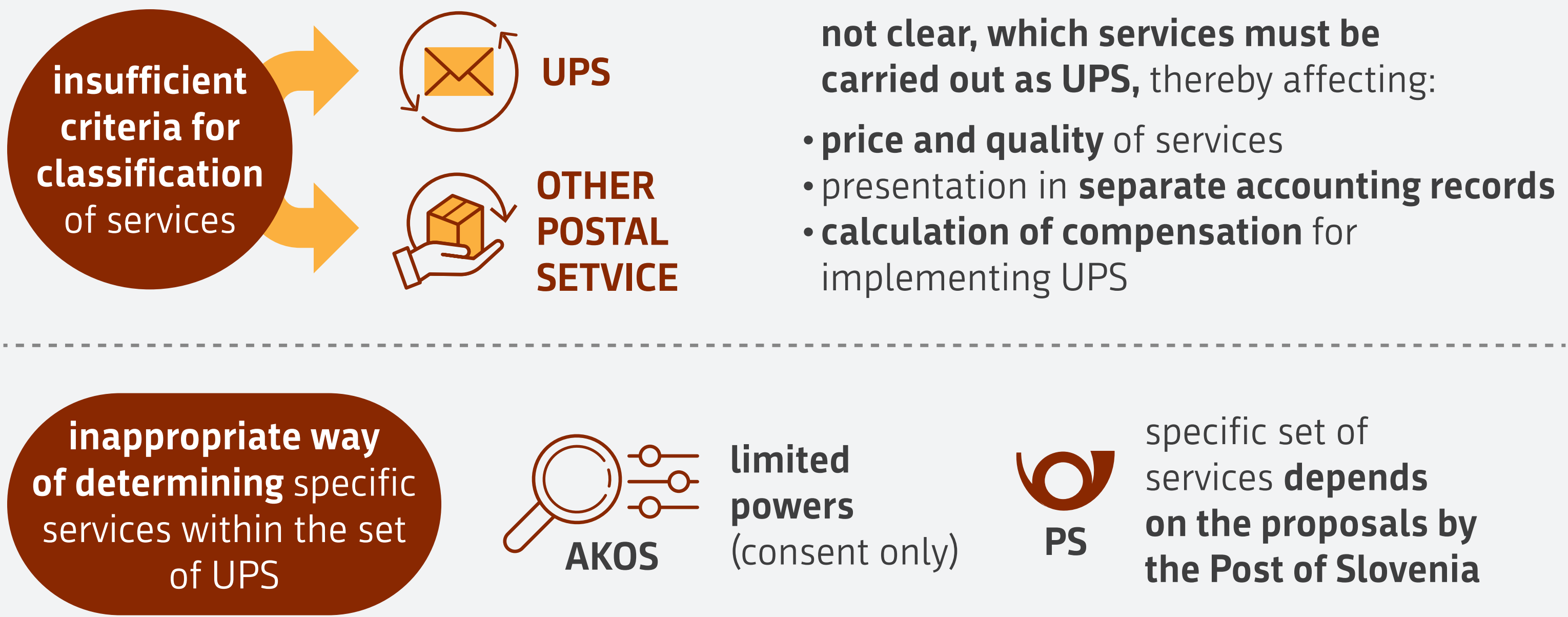
Agency for Communication Networks and Services of the Republic of Slovenia
 regulator and supervisor of postal services market



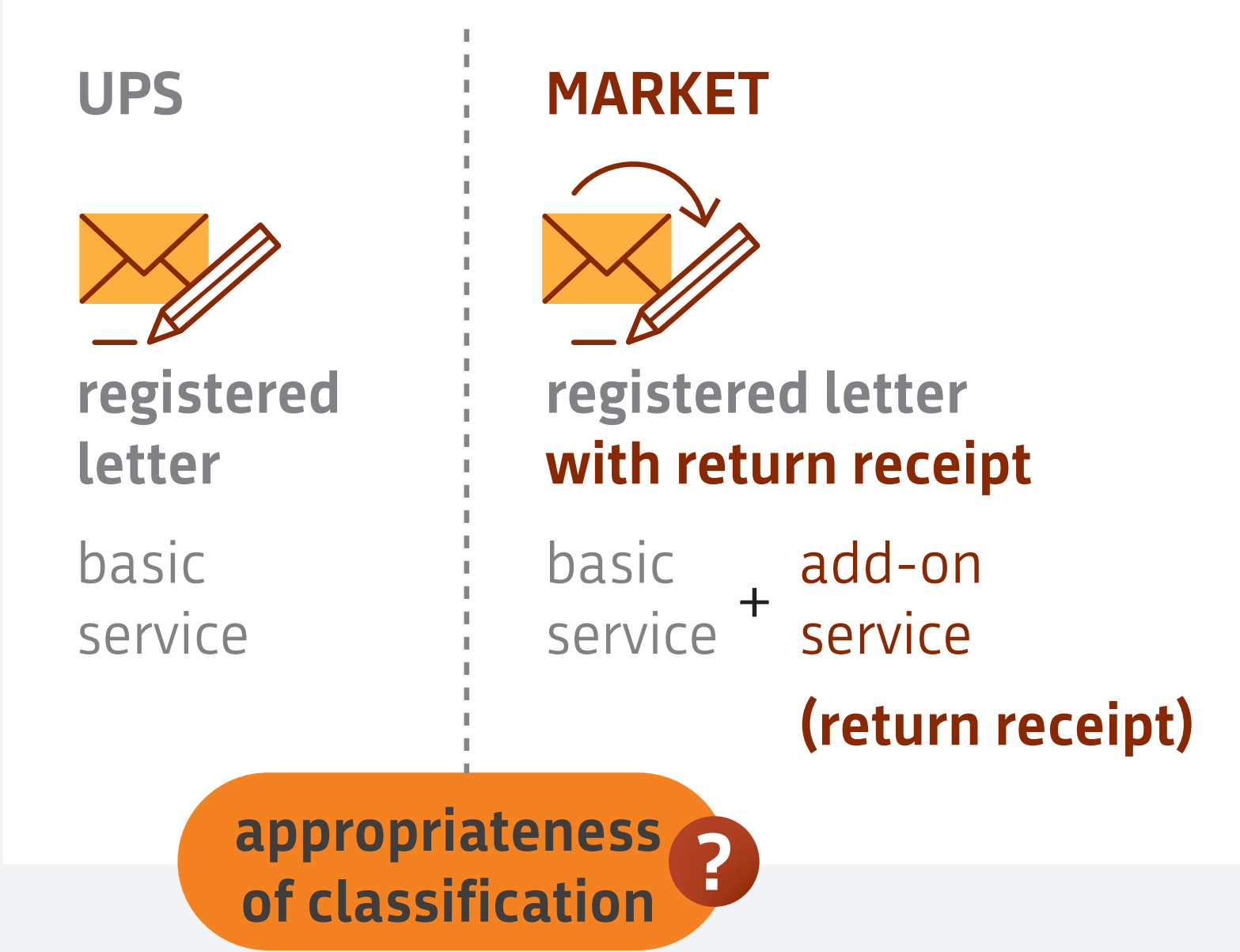
Pošta Slovenije d.o.o. (Post of Slovenia)
 UPS provider

Unclear distinction between UPS and commercial services

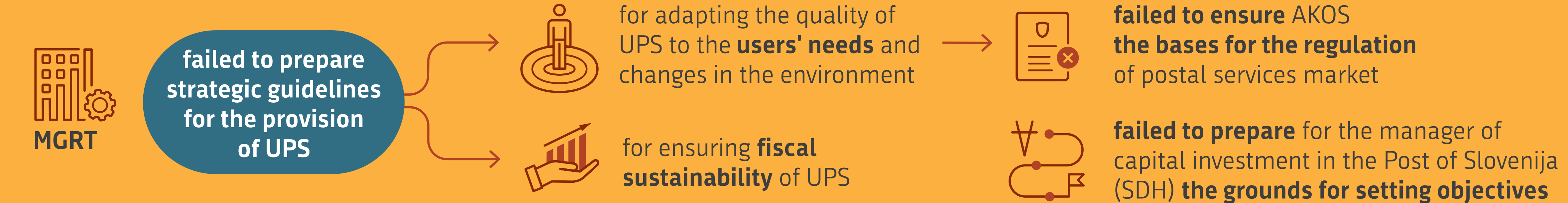
SHORTCOMINGS IN REGULATIONS



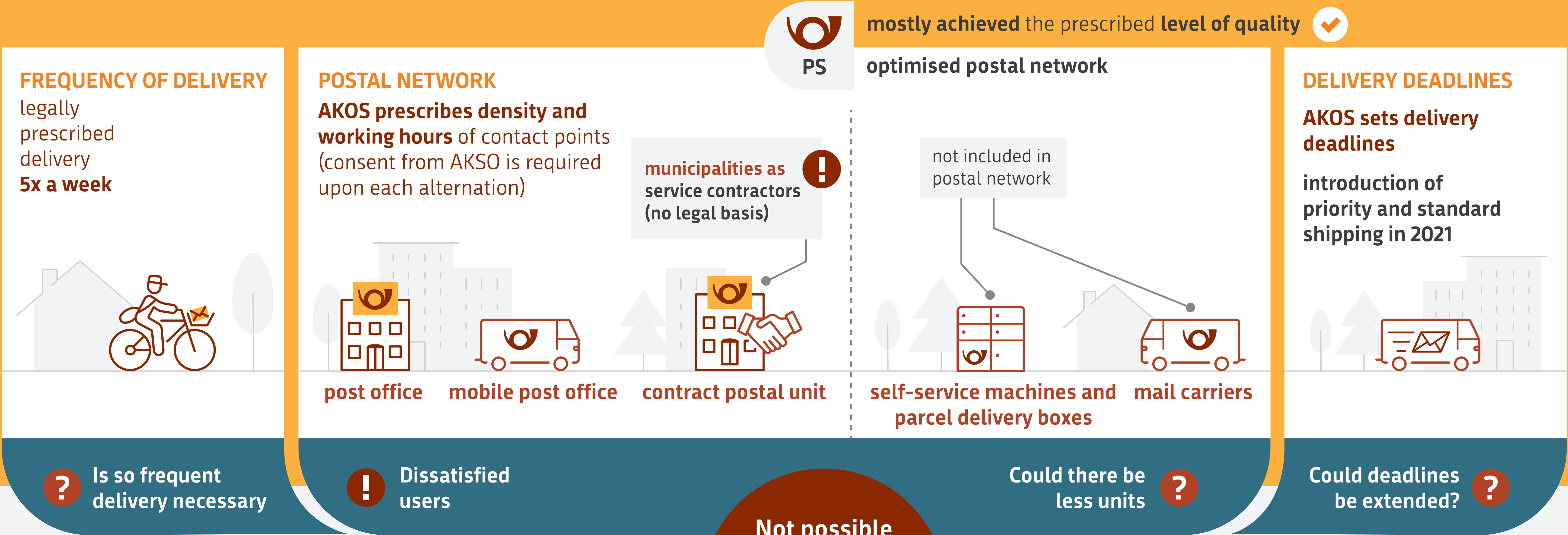
EXAMPLE



STRATEGIC GUIDELINES



Does prescribed quality of UPS reflect the users' needs?



MGRT

failed to analyse effects of the Act

AKOS

- failed to comprehensively monitor market trends and did not prepare market development projections
- performed insufficient analyses of users' needs

Not possible to confirm that prescribed quality of UPS reflects the users' needs.

PS

warned about and proposed changes in quality

provision of UPS is financially unsustainable

AKOS changed quality in 2021
negligible financial effects

Prices of UPS did not cover all UPS costs

the
procedure
and bases
were not
appropriate



AKOS
does not have
competence for
proposing price
changes
(consent only)

failed to define
in advance the basis
for calculating the
prices of UPS

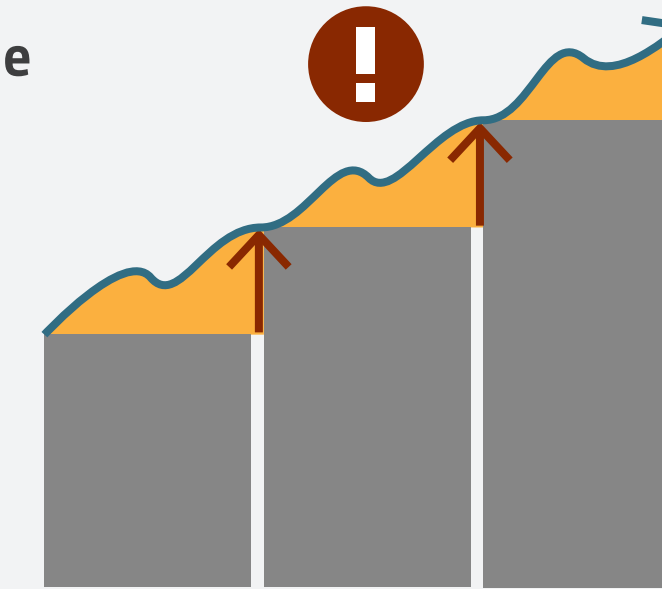
considered
irrelevant data
when granting
consents

↑ costs incurred to
Post of Slovenia due
to UPS provision

uncovered costs

↑ price rise

prices of UPS



proposals
to raise prices
of UPS were
insufficiently
substantiated by
the Post of
Slovenia

Does the system of financing UPS ensure long-term fiscal sustainability?

methodology
for the
calculation of
compensation
not clearly
defined

the relevant act and other
general acts by AKOS **do
not sufficiently define** the
procedure and elements for
calculating the compensation

large differences between
calculations by AKOS and
by the Post of Slovenia
(several million €)



PS

Post of Slovenia
started administrative
disputes



AKOS



payment
mechanism does not
ensure compensation
for disadvantage
arising from the
obligation to
provide UPS

compensation
fund

not established

UPS provider should
pay the largest share

contributions by the Post
of Slovenia and by the
providers of exchangeable
postal services were **not
provided**

do not know when and
how much should be paid

Opinion of the Court of Audit

– The system of providing and financing of universal postal service was **partially efficient.**

✓ The auditees already implemented some measures **after the period covered by the audit.**



DEMAND FOR
SUBMITTING
RESPONSE
REPORT

 Ministry of the Economy, Tourism and Sport must:

- perform **an analysis of effects of Postal Services Act**
- develop a plan of activities for drawing up **a proposal for amending Postal Services Act**
- draw up a plan of activities for adopting **a strategic decision** about **the scope of providing UPS** and the **mechanism for future financing of UPS**


 **AKOS** must:

- develop a plan of activities for amending general acts to ensure **unambiguous terminology for postal consignments** and to clearly define **the methodology for the calculation of compensation**
- draw up a plan of activities to comprehensively **verify the providers on the postal services market**

Court of Audit proposed several **RECOMMENDATIONS** regarding:

 Ministry of the Economy, Tourism and Sport

- **monitoring of market analyses and research of users' needs and the influence thereof on strategic guidelines** for providing UPS
- procedures and elements for **the calculation of compensation for implementing UPS**

 **AKOS**

- preparation of postal services **market development projections**
- conduct of comprehensive **research of postal services users' needs**