



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

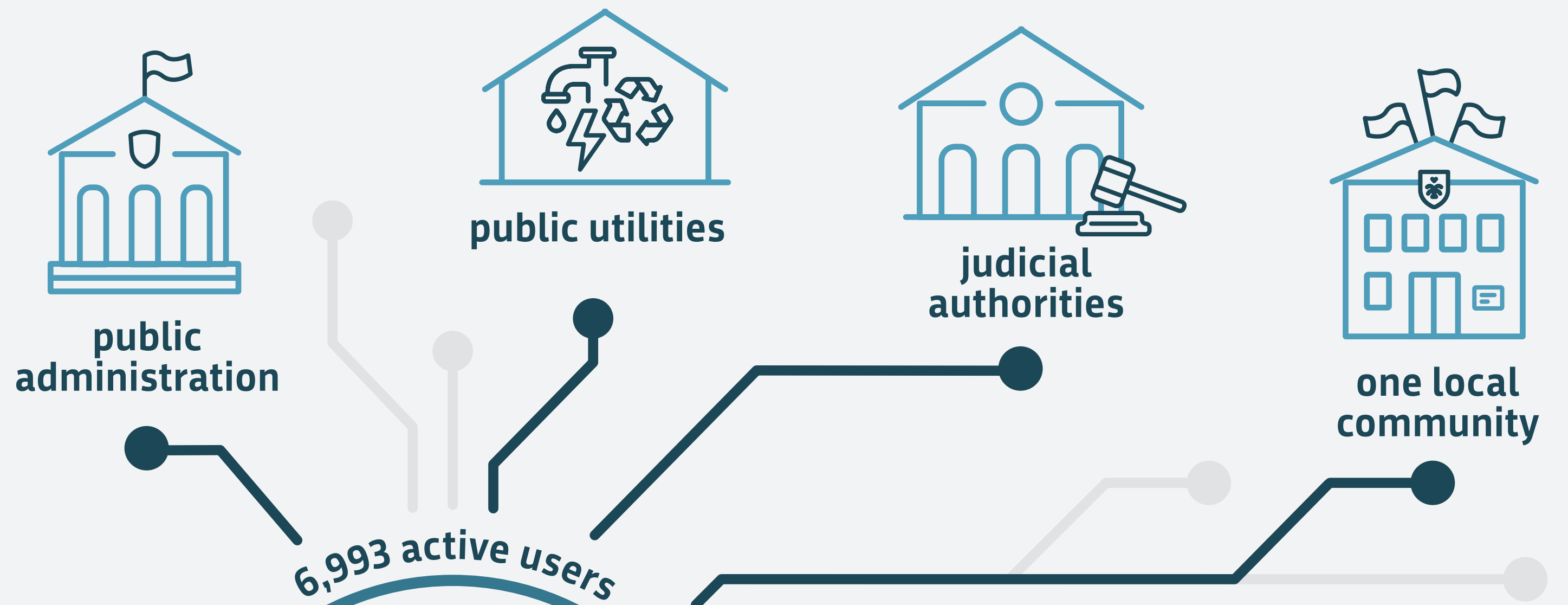
Efficiency of the Ministry of Finance in carrying out the project of upgrading the MFERAC information system

Performance audit

Audit period: 1 January 2017 to 30 September 2025



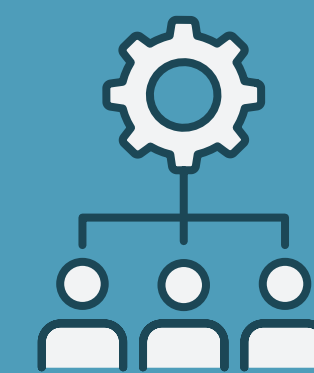
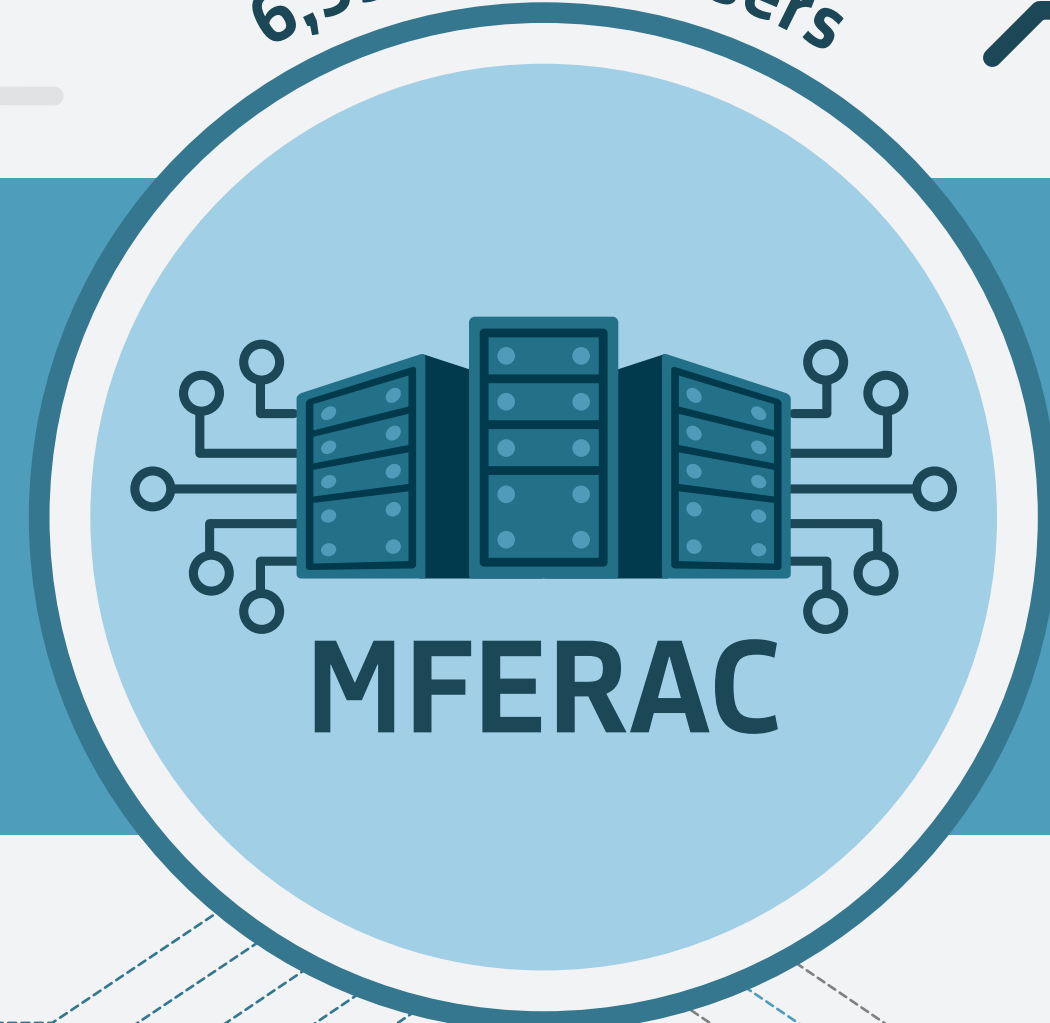
MFERAC information system represents the key information support to public finance in the Republic of Slovenia



planning and managing public finance



managing public bookkeeping



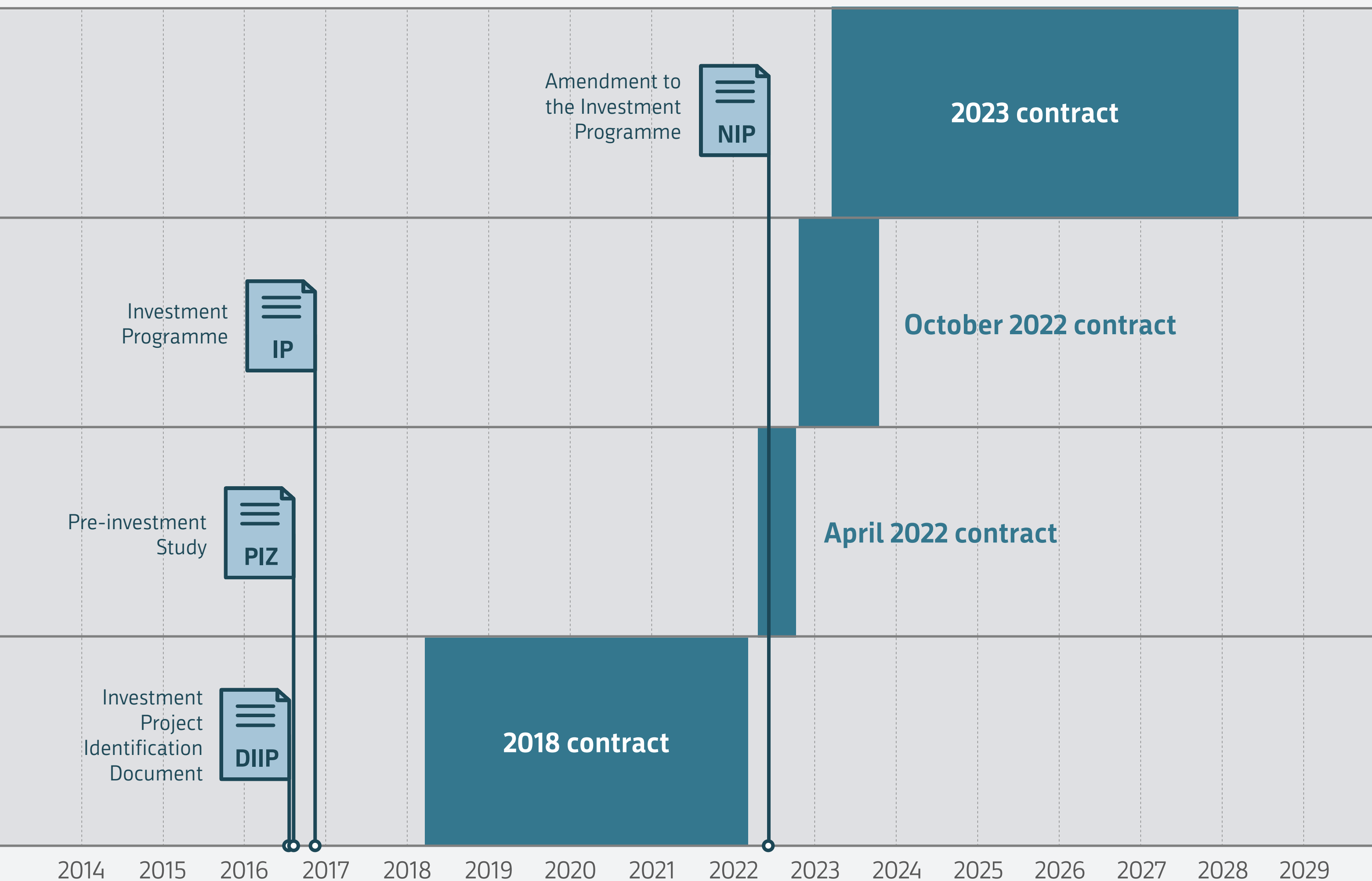
managing personnel



accounting of labour costs

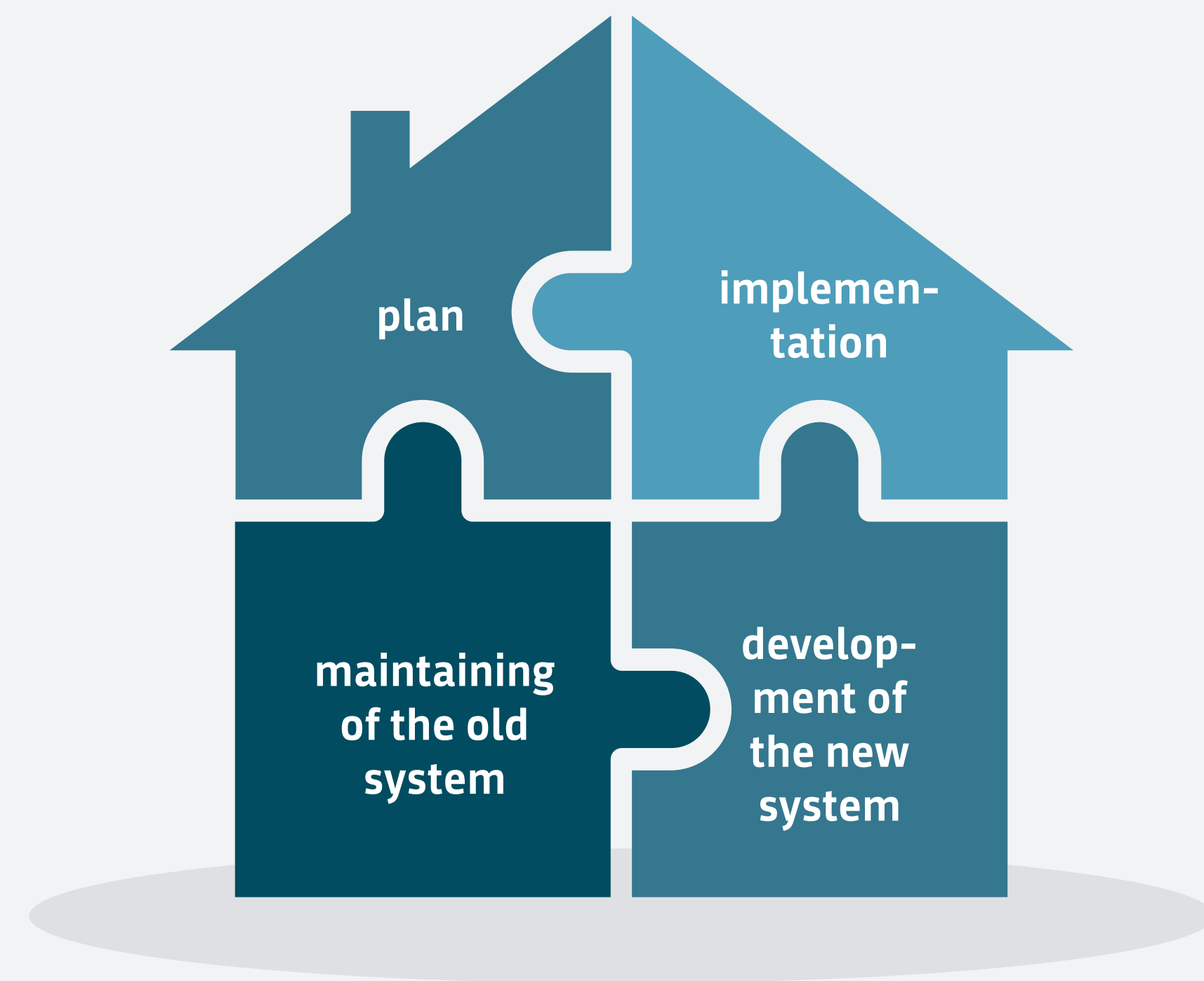


The ongoing project of upgrading the MFERAC information system since 2016

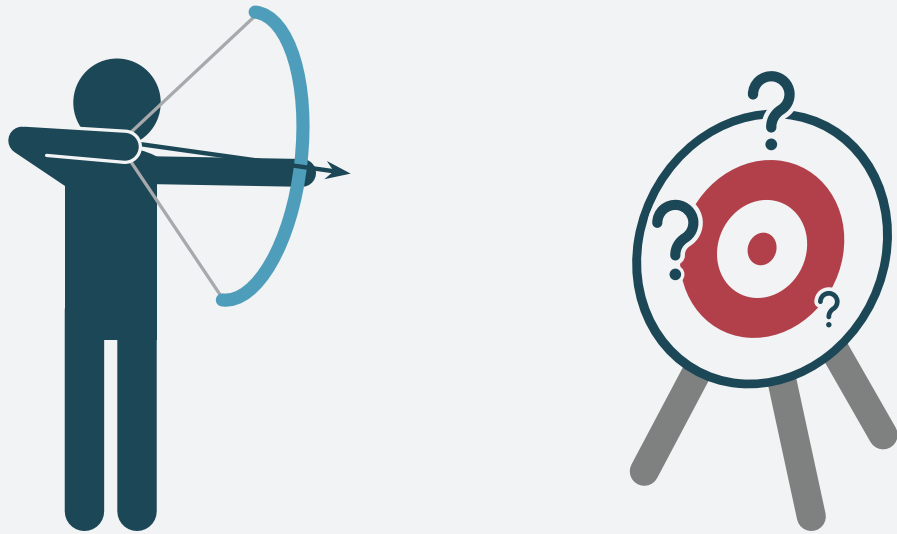


4 public calls for tenders >
4 contracts

€ 28 million



Project planning was not fully appropriate



✘ ministry **failed to define objectives** in measurable way



✘ ministry **selected an option** with more benefits compared to costs, but also **with more risks**, thus failing to define how to address the risks




✘ ministry **planned finances and time according to past experiences** lacking the methodological approach

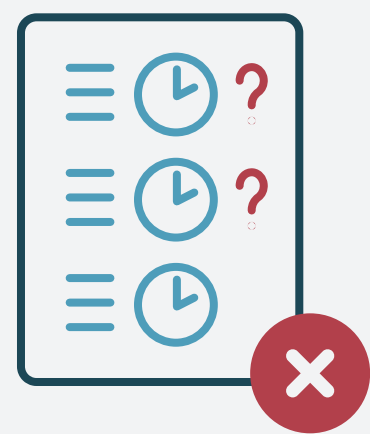
- ↳ resources for maintenance were undervalued
- ↳ systemic amendments were planned not until the last phase



Contractual relationship with the service provider did not represent appropriate risk management



Ministry ordered a certain amount of programming hours, but it failed to determine which tasks should be undertaken within this scope.



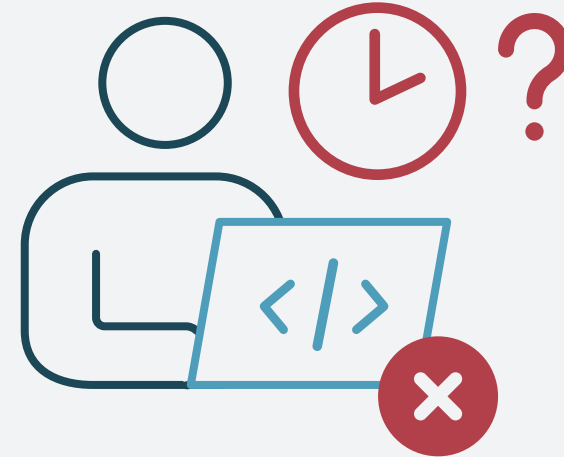
ministry **failed to agree** with external service provider **upon methodology** for defining the number of hours required



final price of the product was set only **during the project implementation**



negotiation options regarding the price were materially **reduced**



service provider as a rule **defined on its own the number of programming hours required**



ministry could **in case of disagreement only reject the implementation** of individual orders
↳ **in case of urgent orders this was not possible**

Project management was inadequate also due to:



- ✘ **responsibility** for orders from technical field **was not defined**



- ✘ ministry **failed to appropriately provide for achieving the objectives** of the project



- ✘ ministry **abandoned the introduction of tools** that could reduced time and financial resources consumption

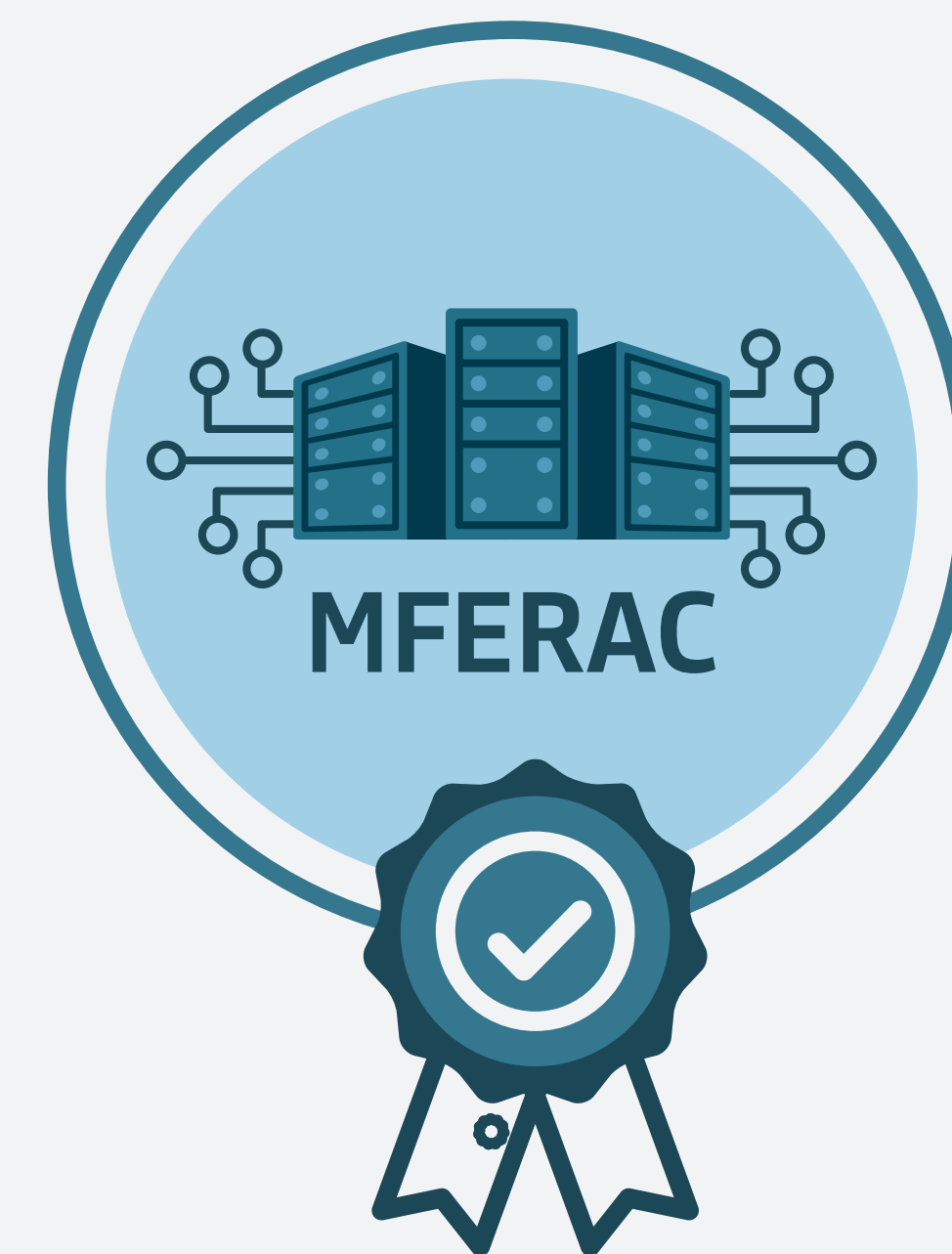
Ministry appropriately carried out administrative and quality control



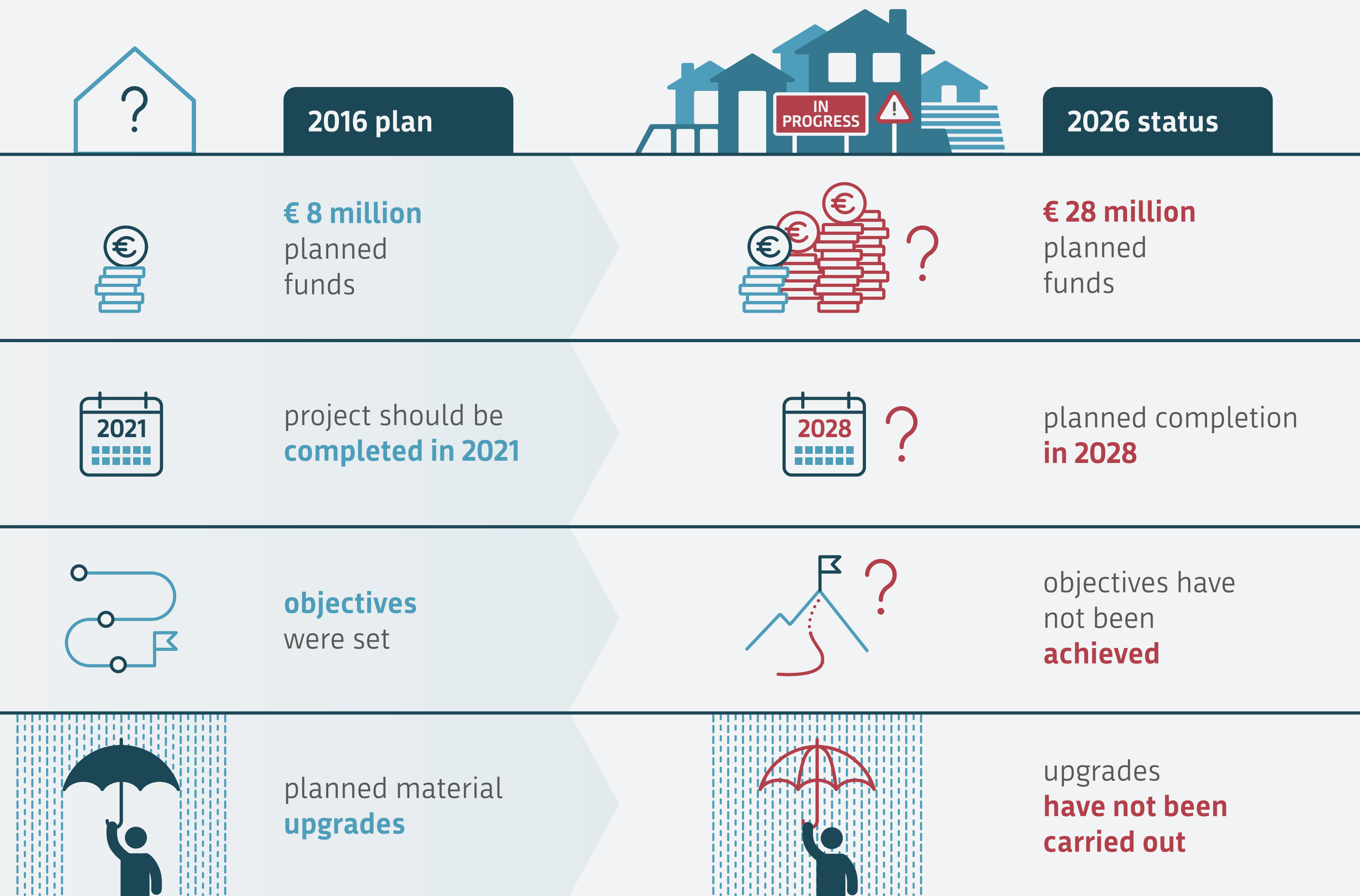
- ✔ ministry **appropriately carried out control over payments** made for implemented services



- ✔ ministry ensured by testing and other approaches that services provided **- programme solutions - were of the agreed quality**



The disclosed inefficiencies had a material impact on the costs increase and delays in project implementation



OPINION OF THE COURT OF AUDIT

- 
Ministry of Finance was partially efficient in carrying out the project of upgrading the MFERAC information system.

- 
 The Court of Audit proposed to the ministry several recommendations on the improvement of the operations.

- 
 Already during the audit procedure, the Ministry of Finance adopted appropriate measures to remedy inefficiencies.