



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

Regularity of a part of operations of the Municipality of Kuzma

Regularity audit

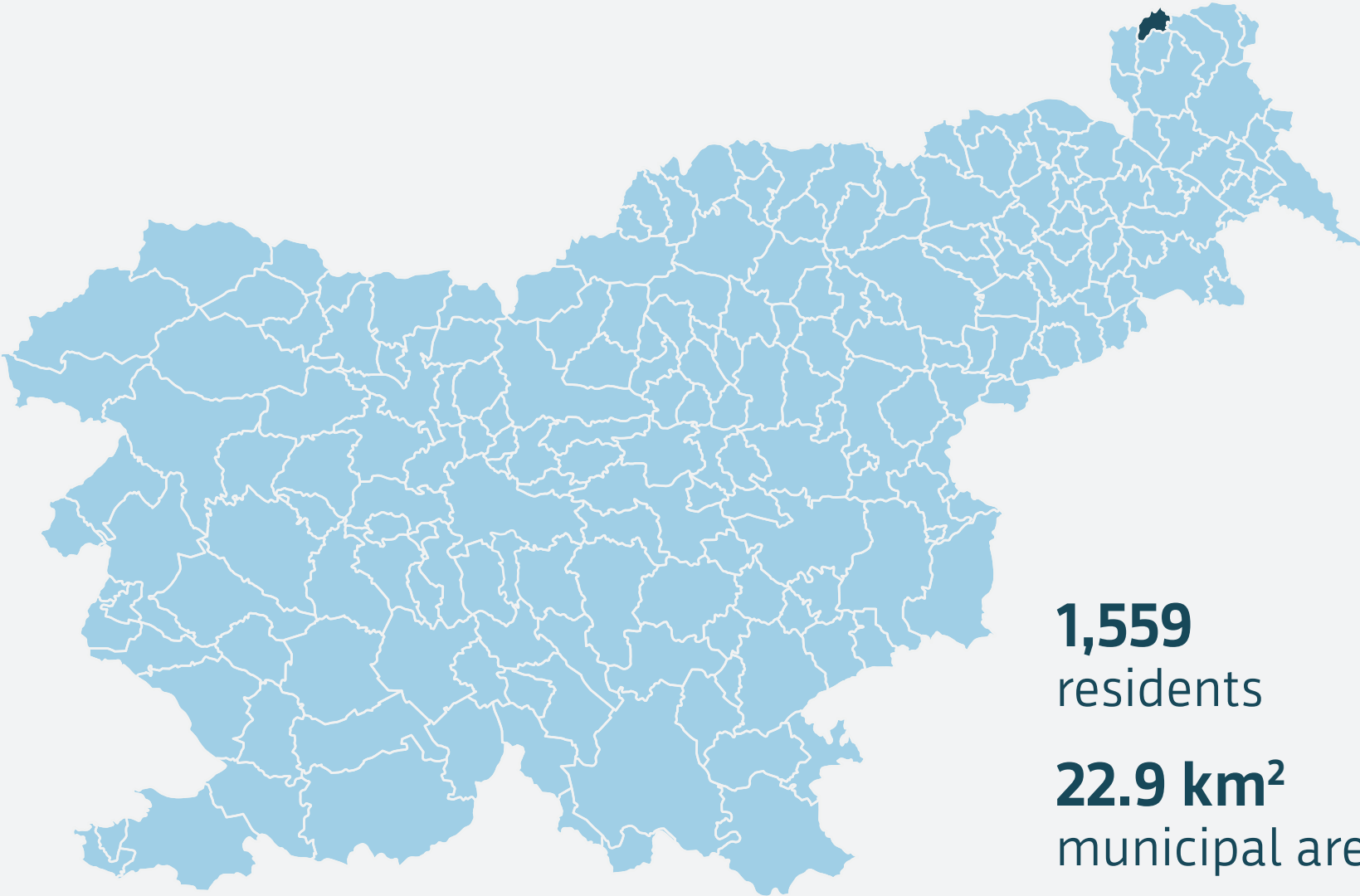
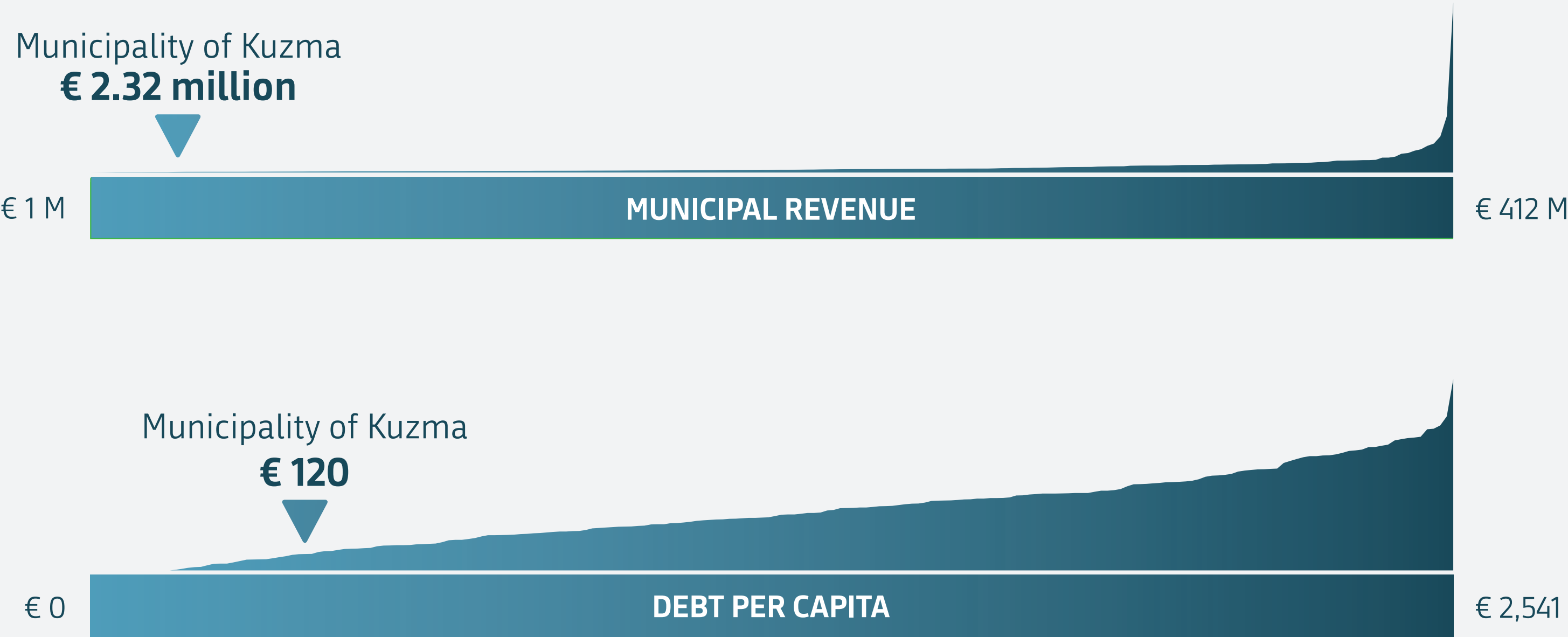
Audit period: 1 January to 31 December 2024

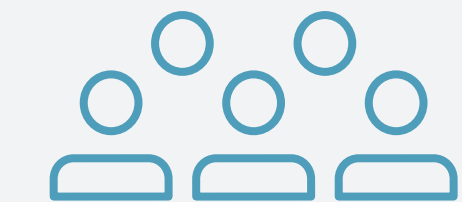
Municipality of Kuzma

BASIC DATA

REVENUE	€ 2,315,157	EXPENDITURE	€ 2,331,616	DEBT	€ 187,133
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COMPARISON WITH OTHER MUNICIPALITIES



 **Municipal bodies**

- mayor • 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 Kuzma: identified material irregularities

Salaries and other payments to staff



- 2 public servants **were not promoted to a title with a decree**, with 1 public servant **an annex to employment contract was not concluded**, 1 public servant **was ranked for 3 pay grades too low** when promoted to a higher title
- **decisions on the increased workload were issued for the entire period of 2023 and 2024**
- 5 public servants were accounted **seniority bonus** in the amount too high and 1 public servant in the amount too low
- **part of the salary** for performance-related pay **was not determined on the basis of appropriate criteria**

Maintenance of municipal roads



- **it did not prepare and the municipal council did thus not adopt** a decree or other document specifying a manner of regular maintenance of municipal roads
- public utility service of municipal roads maintenance **was not provided in a form envisaged** by municipal decree or Public Utilities Act
- **it failed to prepare** road development and maintenance plan
- it **did not obtain and verify** winter service implementation programme

Municipality of Kuzma: identified material irregularities

Public procurement spending – investment expenditure



- in 2 cases it **assumed and paid liabilities although funds were not available in the municipal budget**, in 1 case it **assumed more funds** than available in the development programme plan, and in 1 case it **assumed and paid liabilities that were not agreed upon by a contract**
- **advance payment was agreed upon** by a contract **although the relevant conditions were not complied with**
- **the tender exceeding available funds** was **not excluded** as inadmissible
- **it divided public procurement contract** into separate lots, thus avoiding the application of Public Procurement Act
- in 1 case **financial collateral was not obtained**
- in 10 cases **investment documentation was not prepared**

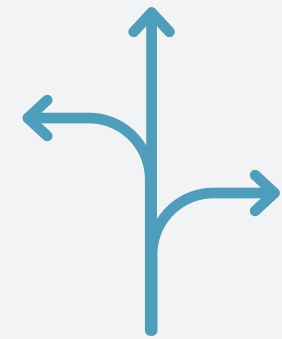
Current transfers to non-profit bodies and organisations



- **irregularities in the process of allocating the funds** (failed to adopt a decision on the commencement of the procedure, the president of the committee and its members did not sign a statement of non-conflict of interest, tender documentation did not include all necessary elements)
- 1 provider of sport programmes **was allocated and paid funds prior to or after public call was published**, but before adopting a decision on the selection of contractors and prior to concluding a contract on funds allocation
- in 11 cases the beneficiaries in various fields of operation were allocated and paid funds **without previously carrying out a public invitation to tenders**, and in 21 cases **without first concluding contracts with the beneficiaries**

Municipality of Kuzma: identified material irregularities

Other fields



- **the notice of intent** on renting out physical assets **was not published**
 - tenants **were not issued monthly invoices** for operating costs
 - **internal audit was not provided**
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