REPUBLIC OF SLOVENIA
COURT OF AUDIT

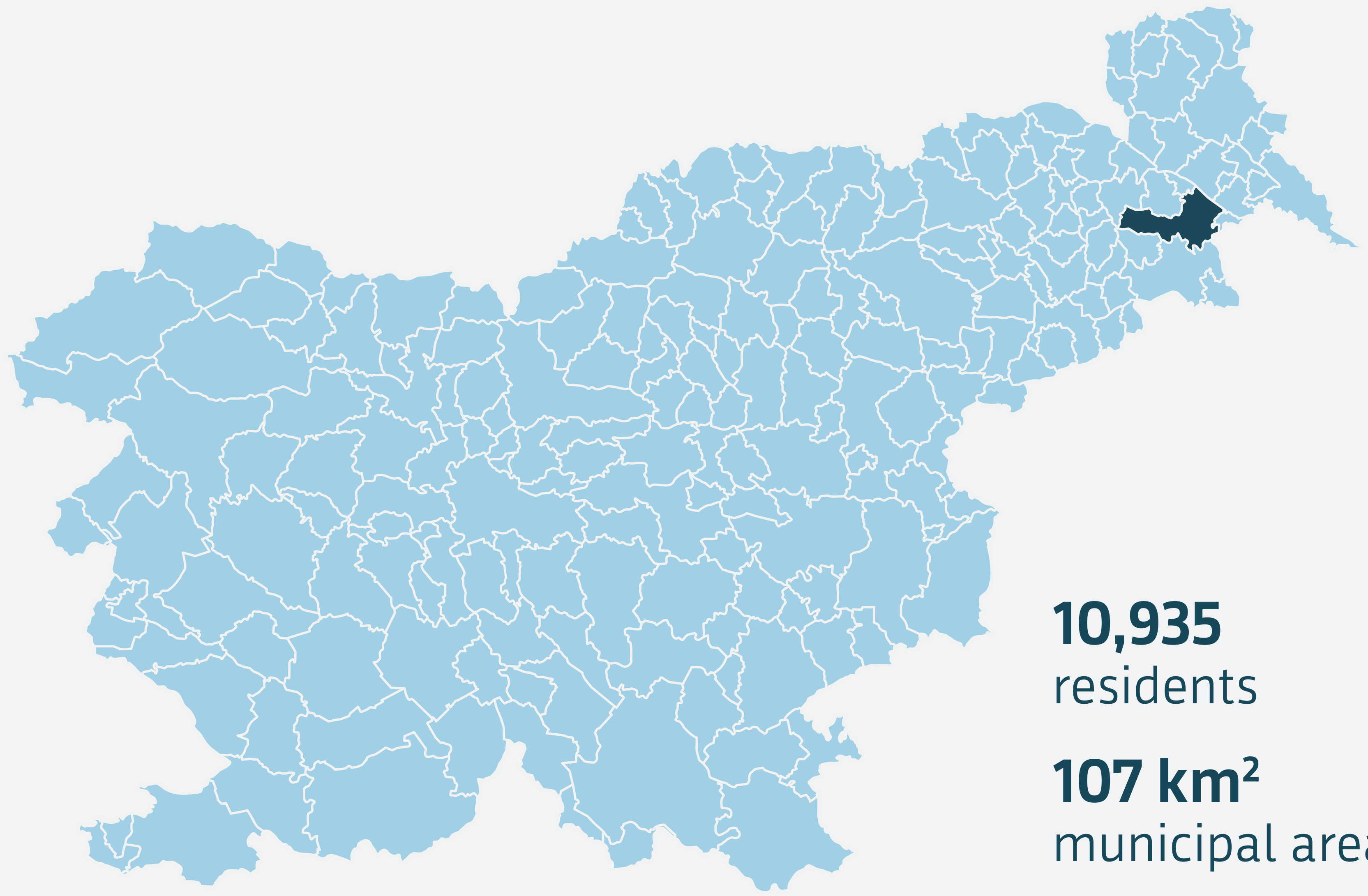
AUDIT REPORT
Regularity of a part of operations of the Municipality of Ljutomer

Regularity audit
Audit period: 1 January to 31 December 2024

Municipality of Ljutomer

BASIC DATA

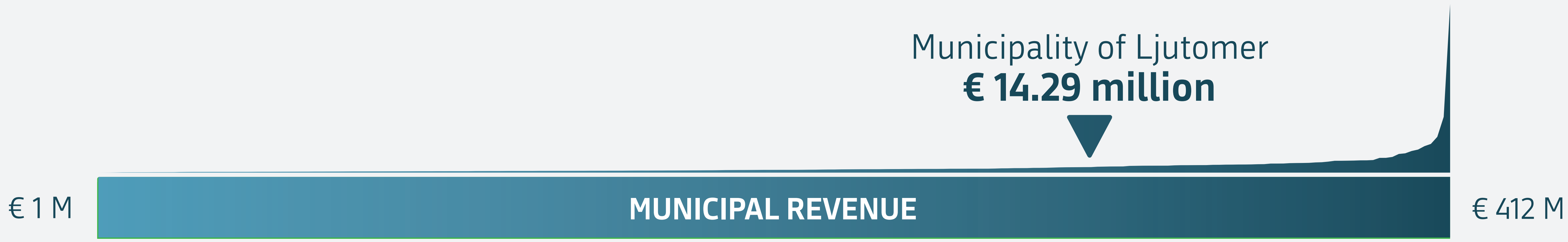
REVENUE	EXPENDITURE	DEBT
€ 14,292,407	€ 13,504,621	€ 5,265,796

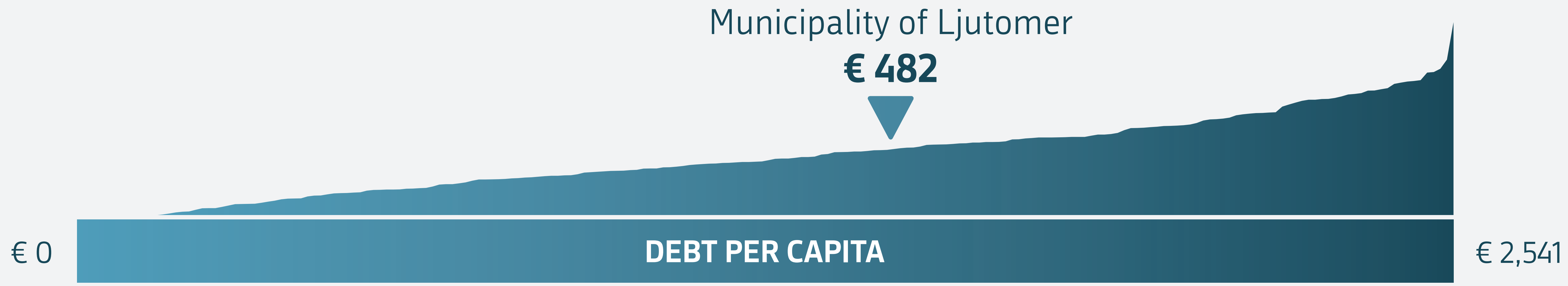


10,935
residents

107 km²
municipal area

COMPARISON WITH OTHER MUNICIPALITIES





Municipal bodies
- mayor • council 21 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 Ljutomer: identified material irregularities

Salaries and other payments to staff

- upon the employment, it **failed to set appropriate basic salary** for 1 public servant
- when employing 5 public servants, their **appointments to higher payment grades compared to the basic ones were not explained**
- 1 public servant's **promotion** by 2 pay grades was **delayed**
- part of the salary for **performance-related pay** was **not determined** on the basis of **appropriate criteria**

Maintenance of municipal roads

- competitive dialogue procedure was **not concluded as unsuccessful** despite failing to meet the minimum requirement of 3 candidates
- amount of **a bank guarantee** for proper implementation of contractual obligations stated in the contact **was lower than in the draft contract** from the tender documentation

Public procurement spending – investment expenditure

- in 1 case it **assumed and paid liabilities for unforeseen works** in the amount higher than agreed by the contract
- in 1 case by concluding a contract, **it incurred more liabilities than available for that purpose** in the development programme plan
- in 2 cases **the tender exceeding available funds** was **not excluded** as inadmissible
- in 1 case **annex for additional works was concluded only after the completion of works**
- when paying budgetary commitments, **legally set payment deadlines** were not respected

Municipality of Ljutomer: identified material irregularities

Current transfers to non-profit bodies and organisations

- **a decree** specifying conditions and criteria for co-financing sport programmes and a 4-year **local programme for culture** was **not adopted**
- in 22 cases the beneficiaries in various fields of operation were allocated and paid funds **without previously carrying out a public invitation to tenders,** and in 23 cases **without first concluding contracts with the beneficiaries**
- in 1 case the beneficiary was allocated and paid funds for co-financing renovation of premises **whose owner was not the municipality**
- **irregularities in the processes of allocating the funds** (in 2 cases, public invitation notice and co-financing contracts did not include all necessary elements)

Other fields

- in 1 case the beneficiary **was granted funds for the repayment of liabilities** under financial lease and under credit contract which in their substance have the same effect as the indebtedness of municipality
- funds were disbursed on the basis of travel forms, which were not regarded as **authentic bookkeeping documents**