



ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА
ENTI SHËTETËROR I REVIZIONIT
STATE AUDIT OFFICE

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- Press release-

Skopje, 21 April 2021

Ministry of Culture spent 379 million denars for printing 599 000 books that are not distributed

With the audit in the Ministry of Culture, SAO ascertained that since 2009 the Ministry has started 11 capital projects for printing books, some of which are still ongoing. As of 2019, approximately 379 million denars were spent on 599086 books that are not distributed to end users and kept in stock.

In line with SAO 2020 Annual Work Programme, the State Audit Office performed audit on the financial statements and compliance audit for 2019 in the Ministry of Culture.

In the final audit report, the authorized state auditor ascertains the following state of affairs:

- capital transfers to local self-government units were not made in accordance with legal provisions, i.e. one municipality did not receive funds for a project even though the necessary documentation was submitted, while another municipality was paid funds without submitting necessary documentation for a project that reasonably cannot be completed by the end of the year;
- the Ministry has not adopted annual plan for realization of the national interest in culture, for determining general directions for realization of the national interest;
- the Ministry has paid 406 million denars for financing activities in the field of culture to users selected at the annual competition, without adopted internal acts with defined conditions and criteria on the manner of allocating funds for projects of national interest in the field of culture for 2019;

The audit report also points to some irregularities in the allocation of funds for projects of national interest in the field of culture as follows:

- special competition / application for cultural and artistic events is not foreseen and no criteria for evaluation of events is defined;
- large part of the costs for funded projects are paid as fees for the organizers of the events;
- some activities did not meet foreseen deadline for submission of report with project proposals for selection by commission formed by the Minister;

- funds were paid for projects with incomplete documentation without report on project realization, and payments were made in cash in amounts that exceed the legal limit.

The auditors found that the Ministry has not made an inventory of assets and sources of funds in accordance with laws and bylaws, and thus the accounting is not adjusted to the actual situation.

The Emphasis of Matter paragraph in the audit report discloses conditions that may have future financial implications, as follows:

- in December 2018, RNM Government passed a conclusion with instructions for the Ministry to proceed with amicable termination of the public procurement contract for construction works for Dramski Teatar Skopje, because this facility is not strategic priority of RNM Government and the necessary funds were not provided for it; and
- in 2015, the Ministry as an investor for construction of building with sculptural composition in Skopje, concluded public procurement contract for construction of the building in the amount of 342 million denars, with construction period of 18 months and another contract for expert supervision in amount of 528.000 denars. As of August 2017, all construction activities have been suspended by the contractor. In January 2019, RNM Government passed a conclusion that obliges the Ministry of Culture to conduct procedure for conversion of this facility and to announce public competition for design solution.

The Other Matters paragraph in the audit report highlights that salaries of employees in the field of culture were paid by increasing coefficients and changing the basis for salary payment, without making amendments to the Law on payment of salaries.

Link to the audit report: Final audit report on financial statements together with compliance audit of the Ministry of Culture

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