



ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА
ENTI SHËTETËROR I REVIZIONIT
STATE AUDIT OFFICE

Final Audit Report Abstract

Key Entities Covered by the Audit Report

Municipality of Studenicani

Audit Subject

Audit of financial statements together with compliance audit on the Core budget account (630) for 2020

Audit Objective

To obtain reasonable assurance about whether financial statements are free from material misstatement and whether reflected activities and financial transactions comply with legal regulations

Key Conditions Identified

- In the first half of the year, the realization of planned revenue in the budget was 30%, and with the budget rebalance it was increased by 20%, which increased the possibility of creating liabilities;
- The Annual Report does not contain all annexes and is not adopted by the Council;
- Interest is not calculated and collected on tax receivables that are not paid on time;
- No revenues were generated based on the fee for maintaining public cleanliness.

Key Recommendations

- to base budget planning on realistic assessment of own resources taking into account outstanding liabilities;
- to prepare complete Annual Report that will be adopted by the Council;
- to calculate and collect interest on receivables that are not paid on time
- to pay collected fee for maintaining public cleanliness from PCE Studenicani on monthly basis on the budget account

Comments on Draft Audit Report

No comments were received upon the Draft Audit Report.

Audit Opinion*

We expressed adverse opinion on the reality and objectivity of financial statements and the results of financial activities, and adverse opinion on the compliance of financial transactions with legal regulations, guidelines and policies in place for 2020.

Key Systemic Weaknesses

Weaknesses in the Law on Communal Fees in tariff numbers 9 and 10, the communal tax for use of streets and roads and maintenance of public lighting. Weaknesses in the Law on Property Taxes for harmonization of the real estate register of municipalities with the register kept by Agency for Real Estate Cadaster of RNM.

Response on Draft Audit Report Comments

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* unqualified qualified adverse disclaimer of opinion