



ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА  
ENTI SHTETËROR I REVIZIONIT  
STATE AUDIT OFFICE

## Final Audit Report Abstract

### Key Entities Covered by the Audit Report

City of Skopje

### Audit Subject

Audit of financial statements together with compliance audit for 2021

### Audit Objective

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

### Key Shortcomings

- non-compliance of accounting with tax records and not updated real estate register;
- undetermined age structure of claims based on property taxes and utility fees, and lack of measures for timely collection;
- not realized revenues based on fees for maintaining public greenery and public cleanliness.

### Audit Opinion\*

We expressed adverse opinion on the reality and objectivity of financial statements (core budget account (630)) and adverse opinion on the compliance with the legal regulations and policies in place.

### Key Recommendations

- to update completely the real estate register and to adjust accounting with tax records;
- to determine the legal possibility to collect claims based on property taxes and utility fees;
- to determine and collect fees for maintenance of public greenery and public cleanliness.

### Key Systemic Weaknesses

Weaknesses in the Law on utility fees for tariff numbers 9 and 10, utility fee for using streets and roads and maintaining public lighting.  
Weaknesses in the Law on property taxes - it is necessary to harmonize the real estate register of the municipalities with the register of the Agency for real estate cadastre of RNM.

### Comments on Draft Audit Report

Comments on the Draft Audit Report no. 17-49/4 from 17 February 2022 were received by the Secretary of the City of Skopje.

### Response on Draft Audit Report Comments

The comments have been considered but not accepted because they did not provide additional evidence that would have affected the findings in the report.

\* unqualified qualified adverse disclaimer of opinion