

Audit, Zubin Potok Municipality

National Audit Office of Republic of Kosovo presents the highest institution of economic and finance control and directly responds to Kosovo Assembly. Mission of National Audit Office is to enforce taking responsibility in public management for efficient, effective and economic usage of national resources, through quality audits. Reports of National Audit Office are directly promoting taking responsibility of public institutions, because they provide sustainable basis for responsibility requests by the managers of each budgetary organization. That way National Audit Office increases trust, when spending of public funds is in question and playing the main role in securing interests of taxpayers and other sides of interest, as well as increase of public responsibility.

The audits were performed in all municipalities, as well as in Zubin Potok, everything in accordance with international standards for supreme audit institutions (ISSAI), as recognized audit standards in public sector, like in the best European practices. These standards are assuming that Audit complies with ethical requests and shows that performing audition is gaining security and assures that financial reports do not have wrong material presentations. Responsibility and basis of Audit mission is to present opinion about Annual Finance Report (AFR) for a given municipality, through written audition.

National Audit Office performed audit in Zubin Potok municipality for 2018 and delivered report about financial reports of Zubin Potok municipality for fiscal year ending with 31. December 2018 (document number 22.25.1-2018-6). A certain flaws are observed and mentioned in the report of General Auditor and some recommendations are given for increasing public accountability and efficiency of Department of budget and finance.

National Audit Office is the only institution that provides advisory support with purpose of increasing performance and implementation of Finance Law. Zubin Potok municipality assessed cooperation with this institution as high level. The work of Audit and performance of Main Administrative and Finance Officers, reflects detailed work undertaken to collect information about systems of incomes and expenses in budgetary organizations. Zubin Potok municipality was always open for cooperation, especially when respecting Law and work of Department for budget and finances is in question. That is why all these years we have cooperation on high level and it is the same with Commission reports.

Report of National Audit Office presents objective, realistic and truthful representation in all material aspects, and it is a result of testing procedures, necessary to reach the correct opinion regarding financial reports. Work of Audit is based on risk assessment and that also take influence to report. It includes review of internal control, accounting system, general municipality activities and realistic, trustful and quality report was made, based on all collected details.

As one of the assignments of National Audit Office is giving recommendations to municipalities for better functioning of departments and, what is more important, for effective implementation of Laws and procedures, managing in accordance with law requirements and clearing weaknesses in financial systems. Budget Department of Zubin Potok municipality is constantly trying to accept and implement received recommendations. However, on the municipality level, to be more precise, in some departments, there are some imperfections and those can be characterized as failure in realization of certain recommendations. However, that is easily solvable by repeated consultations and acceptance of responsibility, and what remains unfulfilled is assigned do some bigger problems on the level of many other municipalities in Kosovo. Some of the recommendations are directly addressed to Mayer, explaining his scope of work so that smooth flow of process could be provided and that recommendations from previous years are implemented actively. Within that, some of the recommendations for 2019 are in process of preparing annual financial report (AFR) that will include formal and effective managerial review. To perform detailed estimation of worrying areas emphasized in the previous report so that weakness can be fixed and previous years recommendations implemented efficiently.

Through all this, cooperation and taking responsibility for effective business of services in municipality pervades as most important, especially in finance department. I means that there is a space for improvement in this area, so that the next report of National Audit Office would be even better for Zubin Potok municipality. At this moment, some of the mentioned recommendations are in implementation process, in cooperation of finance department and Mayer of Zubin Potok municipality. In context of financial systems, improvements based on recommendations are reflected in expenses control improvements, especially in area of procurement that is pointed as very positive in the Audit's report. What is been worked on is improving of managing personnel, and that is also pointed as recommendation.

National Audit Office also received some suggestions from Finance Department, on Zubin Potok municipality level. In that case, except accepting suggestions, National Audit Office provides expert answers. That means a lot to municipal officers and tis professional approach helping them to improve their performance in finance management and strengthening municipal responsibility (budgeting organization). This is one more example of leading cooperation on high level between Zubin Potok municipality and National Audit Office.

One more law comes to respect in work and cooperation between Zubin Potok municipality and National Audit Office that is Law of languages. Sending report and following documentation on both official languages (Serbian and Albanian), one more time showed professionalism in performing duties. Those sent to Zubin Potok as representative of Audit's Office, speak both languages without problems. Bilingualism in official work is very important, although we know that in many segments, especially translation of laws, decisions and other professional literature, is not on appropriate level. Cooperation of Zubin Potok and National Audit Office, in regards to language issues, goes without interference and communication is on satisfactory level.

National Audit Office, as highest institution of economic and finance control that, according to Law and Constitution, performs audition on professional level, so that all sides in this process be satisfied, instructed in appropriate information and procedures for more efficient functionality, but so that they take criticism, if any, responsibly and according to rules make correction of irregularities in work. Zubin Potok municipality can boast of many years of successful collaboration with National Audit Office. The advisory role of auditor contributed to improvement of work, respect of procedures for many municipal departments while the recommendations made the greatest contribution to improvement and education of the finance department officers.

Review of internal controls and superseded substantial tests are necessary in every municipality as procedures for efficient performing of revision. It is the same in Zubin Potok municipality and, until now, Audit performed all that without any interference in this municipality and that will continue in the future. However, it needs to be emphasized that the results of the audit should not be considered as a comprehensive review of any weaknesses that may exist or of any improvements that can be made to the municipality's systems and procedures but emphasize the most important and necessary facts for compliance with the Law and smooth functioning of the municipality. Zubin Potok municipality considers that

current cooperation of the National Audit Office and Zubin Potok municipality has contributed creation of good institutional collaboration, interpersonal relations, and accordingly to the creation of true views in all aspects of the report. Therefore, there are no objections to the work of this institution by the finance department of Zubin Potok municipality neither any other department of this municipality. There is no institution that can replace the National Audit Office, so its existence and good business are essential for all municipalities in Kosovo.