

Audit Report - Zvečan

The National Audit Office ensures its objectivity and institutional independence by carrying out the mandate established by the Constitution and the Law, as well as in accordance with professional standards of audit and internal code of ethics and professional conduct. The Office of the Auditor General's reports directly promote accountability and provide a sustainable basis for requiring accountability from the heads of each budget organization. In this way, confidence in the way public funds are spent is increased and an active role is played in securing the interests of taxpayers and other stakeholders in connection with the increase of public accountability.

In the Municipality of Zvečan, the Office of the Auditor General conducted an audit report for 2018 and submitted the report on the financial statements of the Municipality of Zvečan for the fiscal year ended December 31, 2018 (document number 04/47/1007/2) on 13.06.2019. The Auditor General's report identified some weaknesses and made recommendations to increase public accountability and the effective operation of the Budget and Finance Department.

Following the recommendations received by the OAG, the Municipality of Zvečan prepared an Action Plan for the Implementation of Recommendations, which was prepared by the Finance Department and contains the most significant activities aimed at implementing the recommendations received from the Office of the Auditor General. The Municipality of Zvečan, based on 13 recommendations received from the Auditor General, envisaged a total of 22 activities that will be implemented in the next period in order to implement the action plan.

During the process of conducting external audit by the Office of the Auditor General, the Municipality of Zvečan evaluated that the cooperation between OAG and the Municipality of Zvečan was at a very high level, taking several aspects (business relationship, interpersonal relationship, professionalism, effectiveness and efficiency) in conducting audit control. OAG representatives suggest to the financial office of the Municipality activities/recommendations in order to increase the effectiveness and implementation of the Law, both in annual and daily activities. This is extremely important because the municipality of Zvečan does not yet have an internal audit officer. OAG is the only body that provides advisory support for better performance and implementation of the Law on Finance, and the OAG's cooperation is highly rated.

The OAG report was prepared in a very professional manner, the OAG team consisted of experts who addressed real recommendations to the Zvecan municipality in order to improve the implementation of financial reforms and implementation of the Law on Finance, and the OAG report was validated by the Zvecan municipality.

As the Law on the Official Languages in Kosovo exist, the OAG has so far complied with the Law, sending the report and all supporting documentation in both official languages (Serbian and Albanian). This is of the extreme importance having in mind that bilingualism in official work is important as the implementation of the Law on the Use of Official Languages. Teams, directed by the OAG, are representatives of the Office who speak both official languages in Kosovo. It can be concluded that cooperation with the municipality of Zvecan and OAG has not undergone any language barriers.

OAG, as a result of its work in cooperation with the Municipality of Zvecan, creates realistic reports, which reflect the real situation in finance department in the Municipality of Zvecan. Officials of the Zvecan Municipality from the Finance Department had the opportunity to comment based on the opinion of the Zvecan Municipality Finance Department, but the OAG did not include it in the Report.

The work of the financial service in 2019 can be judged more effective and efficient compared to 2018, given that the OAG's Action Plan for the Implementation of Recommendations is in place. In this regard, the Finance Department, in close cooperation with the Mayor, and other departments, provided for in the plan, coordinates in order to implement the recommendations and the Action Plan. Following the development of the Action Plan, activities in the field of registration of municipal property have been started and the completion of one of the recommendations is expected by the end of 2019.

Many years of experience of the officials of Zvecan Municipality, OAG and other parties involved in the audit process contributed to the creation of realistic reports, good institutional cooperation and interpersonal relations, which will continue every year. There are no objections to the work of the OAG by the Municipality of Zvecan, as cooperation is rated very high.

The Municipality of Zvecan claims excellent co-operation and emphasizes the OAG's most important advisory role at the local level, as an essential integrated approach that provides one fact-based view and one perspective focused on improving good

governance, creating a strong financial system, implementing processes and corrective action measure. Clear and concise recommendations in the audit reports are key elements that ensure the improvement of financial management of the Zvečan Municipality.