



REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVA

**ZYRA KOMBËTARE E AUDITIMIT
NACIONALNA KANCELARIJA REVIZIJE
NATIONAL AUDIT OFFICE**

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AUDIT REPORT

**ON THE ANNUAL FINANCIAL REPORT OF MINISTRY OF
INFRASTRUCTURE FOR**

THE YEAR ENDED 31 DECEMBER 2016

Prishtina, June 2017

The National Audit Office of the Republic of Kosovo is the highest institution of economic and financial control which, according to the Constitution and domestic laws, enjoys functional, financial and operational independence. The National Audit Office undertakes regularity and performance audits and is accountable to the Assembly of Kosovo.

Our Mission is to contribute to sound financial management in the public administration. We perform audits in line with internationally recognized public sector auditing standards and good European practices.

The reports of the National Audit Office directly promote accountability of public institutions as they provide a base for holding managers' of individual budget organisations to account. We are thus building confidence in the spending of public funds and playing an active role in securing taxpayers' and other stakeholders' interests in enhancing public accountability.

The Auditor General has decided on the audit opinion on the Annual Financial Statements of Ministry of Infrastructure in consultation with the Assistant Auditor General, Valbon Bytyqi who supervised the audit.

The opinion and report issued are a result of the audit carried out by Ilir Abazi (Team Leader) with Mirlinda Beqiri and Hysen Boqolli (Team members) under the management of the Head of Audit Department Bujar Sejdiu.

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Executive Summary

Introduction

This report summarises the key issues arising from our audit of the 2016 Annual Financial Report of the Ministry, which determines the Opinion given by the Auditor General. The examination of the 2016 financial statements was undertaken in accordance with the International Standards on Supreme Audit Institutions. Our approach included such tests and procedures as we deemed necessary to arrive at an opinion on the financial statements. The applied audit approach is set out in our External Audit Plan¹ dated 19/10/2016.

Our audit focus (detailed in Annex 1) has been on:



The level of work undertaken by the National Audit Office to complete the 2016 audit is a direct reflection of the quality of internal controls implemented by the Management of the Ministry.

Opinion of the Auditor General

Unmodified Opinion with emphasis of matter

The Annual Financial Statements *present a true and fair view* in all material aspects.

We draw your attention to the fact that expenditures of €1,113,189 for goods and services were incorrectly budgeted and executed from capital investments; the final budget in the Annual Financial Statements was overstated; whilst the value of assets and accounts receivable was not accurate.

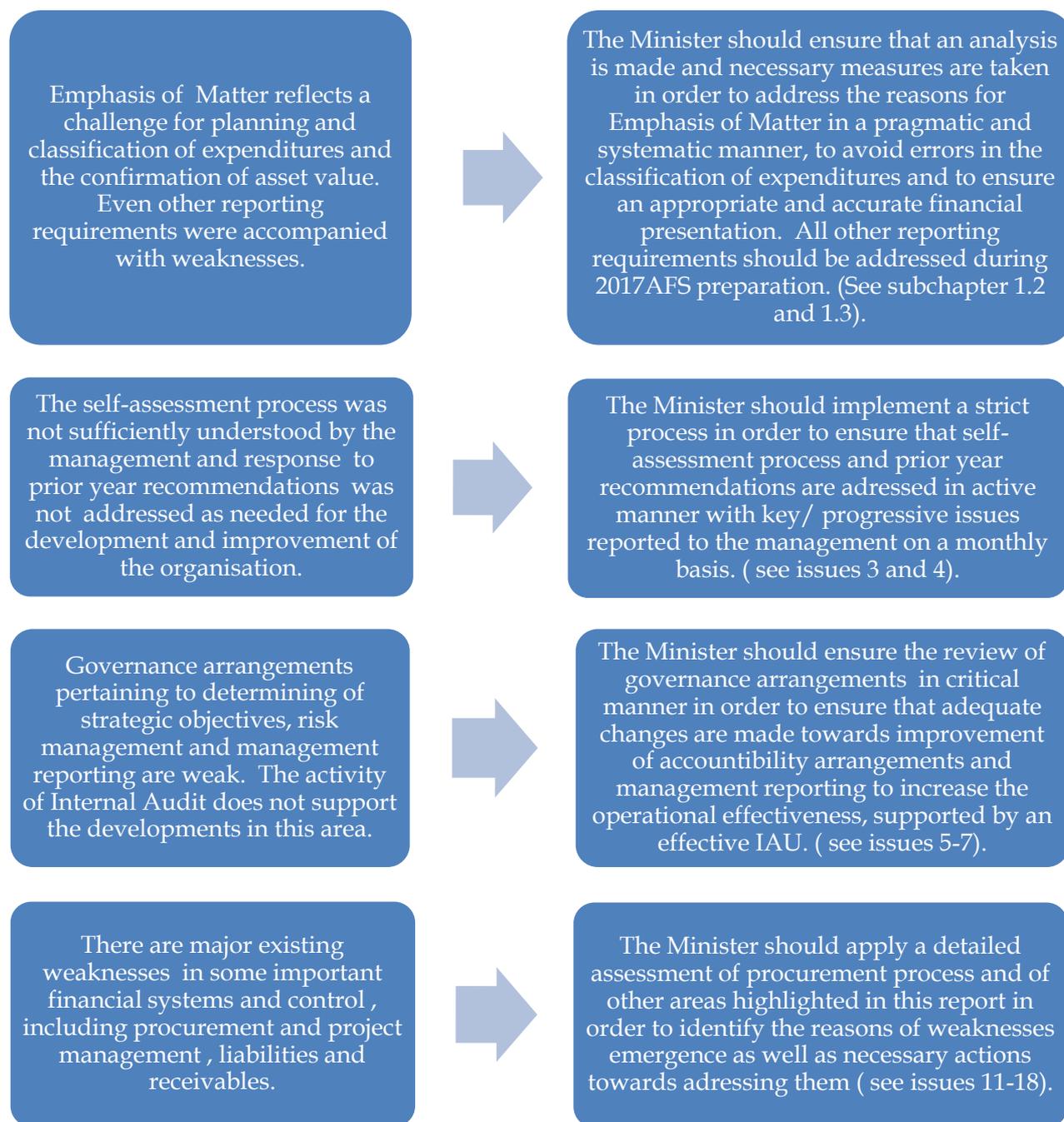
For more, please refer to Section 1.2 of this report.

Annex II explains the different types of Opinions applied by the National Audit Office.

We would like to thank the Secretary General and his team for the cooperation during the audit process.

¹ The term External Audit Plan replaces the term Audit Planning Memorandum

Key Conclusions and Recommendations



Minister's response – audit 2016

The Minister has considered and agreed on detailed audit findings and conclusions and committed to address the recommendations given.

1 Annual Financial Statements and other External Reporting Obligations

Introduction

Our review of the Annual Financial Statements (AFS) considers both compliance with the reporting framework and the quality and accuracy of information recorded in the AFS. We also consider the Declaration made by the Chief Executive Officer and Chief Financial Officer when the draft AFS are submitted to the Ministry of Finance.

The declaration regarding presentation of the AFS incorporates a number of assertions relating to compliance with the reporting framework and the quality of information within the AFS. These declarations are intended to provide the Government with the assurance that all relevant information has been provided to ensure that a comprehensive audit can be undertaken.

1.1 Audit Opinion

Unmodified Opinion with emphasis of matter

We have audited the AFS of the Ministry of Infrastructure for the year ended on 31st of December 2016 which comprise of the Statement of Cash Receipts and Payments, Budget Execution Statement and the Explanatory Notes of the Financial Statements.

In our opinion, the Annual Financial Statements for the year ended on 31st of December 2016 present a true and fair view in all material respects in accordance with International Public Sector Accounting Standards (cash based Accounting), Law no.03/L-048 on Public Finance Management and Accountability (as amended and supplemented) and Regulation no.01/2017 on Annual Financial Reporting of Budget Organisations d by the Ministry of Finance.

Basis for the opinion

We conducted the audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the AFS section of our report. We believe that the obtained audit evidence is sufficient and appropriate to provide a basis for the opinion.

Emphasis of Matter

We draw your attention to the fact that AFS contain misstatements of expenditures, errors in the final budget and inaccuracies in the value of assets and accounts receivable , which are mentioned in the following manner:

- Expenditures of €1,113,189 for goods and services were incorrectly budgeted and executed from the category of capital investments. This was as a result of inadequate planning of expenditures in MI budget, which is partly influenced by budget drafting at MoF level;
- The final budget was overstated for €295,078 (of which €195,078 for goods and services and €100,000 for capital investments);
- Assets were overstated for €1,113,189, including the purchase of goods and services for this value, as well as €110,548 due to the non-depreciation of a part of the assets. Furthermore, the value of stocks was not disclosed in the AFS; and
- The value of accounts receivable was understated for €2,851,071.

Responsibility of Management and Those Charged with Governance and AFS

The Secretary General of the Ministry of Infrastructure is responsible for the preparation and fair presentation of financial statements in accordance with International Public Sector Accounting Standards – Financial Reporting under the Modified Cash based Accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. This includes the application of Law number 03/L-048 on Public Finance Management and Accountability (as amended and supplemented).

The Minister is responsible to ensure oversight of the Ministry of Infrastructure financial process.

Auditor General's Responsibility for the Audit of the AFS

Our responsibility is to express an opinion on the AFS based on our audit. We conducted our audit in accordance with ISSAIs. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could influence the decisions taken on the basis of these AFS.

An audit involves performing procedures to obtain evidence about the financial records and disclosures in the AFS. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the AFS, whether due to fraud or error. In

making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the entity's circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the presentation of the financial statements.

1.2 Compliance with AFS and other reporting requirements

Ministry of Infrastructure is required to comply with a specified reporting framework and other reporting requirements. We considered:

- Compliance with MoF Regulation no.01/2017 on the Annual Financial Reporting of Budget Organisations;
- Requirements of LPFMA no. 03/ L-048, as amended and supplemented with Law no.03/L-221, Law no. 04/L-116 and Law no. 04/L-194;
- Compliance with Financial Rule no.01/2013;
- Compliance with Financial Rule no.02/2013;
- Action Plan on implementation of recommendations; and
- Requirements of Financial Management and Control (FMC) procedures.
- Procurement plan and the report of signed public contracts, etc.

In the context of final AFS, apart from the issues mentioned in the emphasis of matter of the audit opinion, we have identified some technical errors in AFS, which are presented below:

- Article 13, the statement of cash receipts and payments - total use of funds was understated due to technical errors;
- Article 14, budget execution report - the budgeted amounts of borrowings by the Government of Kosovo were incorrectly entered under the cash inflow;
- Article 14, budget execution report - the total of expenditures outturn was overstated due to technical errors, although the amounts by categories were correctly presented;
- In Note 4, utilities were understated; and
- Liabilities were not disclosed in details.

The findings above reflect the lack of critical review of AFS by the management, which is necessary to confirm their accuracy and completeness as well as confirm the application of all other reporting requirements.

Given the above, the Declaration made by the Chief Administrative and Financial Officer on the submission of AFS to MoF may be considered correct, although there are errors that did not affect the modification of the audit opinion.

In the context of other external reporting requirements, we have identified that:

- The annual performance report was not prepared by MI;
- The annual report on Signed Public Contracts (ARSPC), reported to the Public Procurement Regulatory Commission (PPRC), is not complete and accurate, because three (3) annex² contracts in the amount of €509,126 were not included in this report;
- No evidence has been provided to MoF/Treasury on reporting of outstanding liabilities ; and
- Delays in detailed quarterly reporting on the progress of implementing capital projects.

1.3 Recommendations for the first part of the report

For two (2) abovementioned issues we provide the following recommendations:

Recommendation 1 The Minister should ensure that a thorough analysis is made in order to determine the reasons for the Emphasis of Matter. Actions need to be taken to address the causes in a systematic and pragmatic manner to avoid errors in the classification of expenditure, asset evaluation and to ensure fair presentation of AFS; and

Recommendation 2 The Minister should ensure the establishment of effective processes to confirm that drafted plan AFS 2016 addresses all issues pertaining to compliance and external reporting requirements. This should also include reviewing of AFS draft by the management, with particular focus on high risk areas and/or areas where errors have been identified in previous years. The statement made by the Chief Administrative and Financial Officer should not be submitted, unless all the necessary checks have been applied to AFS draft.

² Two annex contracts for Project “ Expansion of national road N9- Segment Klina-Peja, lot 5 and 6, and annex contract for project “ Continuation of asphaltting the local road Botushe-Koshare.

2 Governance

Introduction

Effective governance arrangements are fundamental to MI for successfully managing the challenges it faces and ensuring that service delivery is optimised for the benefit of taxpayers and other service users.

A key tool supporting effective Governance is the implementation of audit recommendations as this demonstrates that Management are seeking to develop existing processes and controls. Similarly the self-assessment checklist completed by all Budget Organisations provides a framework for developing enhanced Governance arrangements. It is important that the answers provided by an individual budget organisation are supported by appropriate evidence. We have therefore applied a consistent approach across all audits to determine the quality of the completed self-assessment checklists and to assess the accuracy of the picture being presented on Governance in Kosovo.

The remainder of our review of governance arrangements reflects a consideration of:

- those areas of Governance Arrangements where significant improvements are required and where we believe that our recommendations can generate positive improvements including consideration of the Internal Audit system; and
- areas of Financial Management and Control identified through our audit work including specific work directed at compliance s in key income and expenditure systems (these areas are considered in Section 3 of this report)

Overall Governance Conclusion

There is a number of governance weaknesses within MI particularly related to accountability, risk management and the quality of management reporting. The self-assessment checklist completed by MI only partially recognises this situation with some positive comments about existing arrangements not evidence based. The Internal Audit provided a clear picture on the level of security of internal controls and provided recommendations for their improvement. Other arrangements which would support the development of governance such as an effective response to audit recommendations should be developed further. The management did not provide an adequate review process and security in the implementation of legislation and other monitoring processes.

However, when it comes to compliance with legislation, our audit has disclosed several weaknesses, which mainly include procurement, as a result of failing to apply procurement regulations, and insufficient oversight by the management and the personnel, as a result of failure to apply civil service rules. The functionality of an adequate system for asset management, liabilities and receivables was not established yet.

2.1 Progress in the Implementation of Prior Year Recommendations

Our Audit Report on the 2015 AFS resulted in 20 key recommendations. MI prepared an Action Plan stating how all recommendations will be addressed.

At the end of our 2016 audit, two (2) recommendations have been implemented; eight (8) are in the process of implementation ; and ten (10) recommendations have not been addressed yet. For a more thorough description of the recommendations and how they are addressed, see Annex III.

Issue 3 – Implementation of Prior Year Audit Recommendations – High Priority

Finding The majority of prior year recommendations including expenditure classification, procurement, asset management and liabilities have not been implemented because MI did not follow any formal process to manage and monitor the manner of implementation of the Auditor General's recommendations (AG). This reflects the lack of focus from the management side in order to ensure the implementation of recommendations in due time and identify/ address the action barriers. Such an approach is a must to manage continuous improvement throughout the organization.

Risk The required improvements in operational and other processes may not be implemented, which will result in constant organizational inefficiency, poor money value in procurement practices, and in potential financial losses.

Recommendation 3 The Minister should ensure the implementation of a revised action plan, that will determine timelines for implementing the AG recommendations with identified responsible staff, focusing primarily on the most important areas. The progress of the plan should be systematically monitored by the management in order to ensure implementation of recommendations within established deadlines.

2.2 Self-Assessment Checklist of FMC components

The Ministry of Finance has produced a detailed self-assessment checklist for Budget Organisations to support effective governance arrangements. For all audits we undertook we have tested the quality of FMC self-assessment submissions made to the Ministry by assessing one key question in each component of the checklist. We have summarised our findings for MI below and the summary of our work across all audits will be consolidated in our Annual Audit Report. This is not intended to give a commentary on the quality of the whole self-assessment questionnaire submission but will provide a ‘snapshot’ across a number of key questions to support the Ministry of Finance in its attempts to increase the effectiveness of the process and develop the FMC system as a whole.

Issue 4 – Self Assessment Checklist – High Priority**Finding**

As part of our audit we have considered key questions related to the five components of the self-assessment checklist. For the considered questions considered we found that:

- The Self-Assessment checklist completed by MI was not sufficiently understood and in some cases the provided answers did not present the real state of the ministry. The assessment with scores was overstated for some parts within the FMC components;
- The effective monitoring processes as well as the comprehensive development strategy are considered as established by the management, but the evidence in support of these conclusions are insufficient;
- Risk management within FMC still remains unaddressed, although there are activities pertaining to risk management process, in the technical field of transport and road traffic. This reflects the lack of understanding on the importance of risk management for the financial and operational fields of the Ministry; and
- The links between the procurement plan and the budget as well as drafting of adequate reports on a regular basis, are considered as established by MI. The evidence support this conclusion to some extent, but the quality of the reports and the analysis of financial issues should be further enhanced. Reporting and monitoring issues are also discussed in more detail in subsection 2.5.2

The actions taken by the management to address the issues identified by the self-assessment of 2015 are limited. This situation occurred due to obscurities within MI regarding the importance of this questionnaire, and who is the responsible officer using these mechanisms for supporting operational improvements.

Risk

Poor governance arrangements affect the weakening of strategic and operational processes and reduces the quality of services provided to citizens through inefficient and ineffective activities.

Recommendation 4

The Minister should ensure that the completion of the self-assessment checklist is analysed and that the areas of vulnerability have been addressed proactively. A specific mechanism should be applied to confirm the accuracy of the questionnaire as well as to provide supporting documentation. Particular importance should be given to further advancing of the risk management process, including also other aspects of Ministry's scope of work.

2.3 Specific Governance Reviews

Our work on specific areas of governance arrangements has been informed by our audit planning which considered the context within which MI operates and the challenges that it faces.

2.3.1 2.5.1 Setting of Strategic Objectives

All budget organizations are obliged to prepare and follow the implementation of strategic plans at the organization level. FMC Rules and Guidelines define the requirements and responsibilities of organizations for drafting strategic plans and defining of organization objectives.

Issue 5 - Lack of Strategic Plans within Ministry- High Priority

Finding MI has not drafted yet a strategic plan. A separate document was prepared for the sectorial strategy and multimodal transport 2015-2025 including the 5 year action plan, but there is no strategic plan at the overall level of the Ministry, which would define the organization's strategic objectives, responsibilities for coordination and development of such a plan, as well as cost calculation on implementing the strategy.

Risk The lack of a strategic plan prevents the effective fulfilment of objectives, which according to ministry, is one of the essential conditions of good governance. This also prevents the development of a proper risk management process due to the links with the objectives set out in the strategic plan.

Recommendation 5 The Minister should take concrete steps in the process of drafting the strategic plan and setting of ministries objectives, as well as draft an action plan for monitoring the achievement of objectives by establishing effective oversight functions.

2.3.2 Management Reporting

A range of internal controls are applied by Management to ensure that financial systems and operational activities operate as intended. It is important that these include appropriate reporting to management to enable an effective and timely response to identified operational problems. The management of the ministry has established communication lines, and is informed through reports on the operational and financial activities of the organization.

Issue 6 - Weaknesses in Management Reporting - High Priority

Finding Despite the existence of the internal reporting process, the format of management reporting does not provide explanations on budget changes, while budget projections are not updated on a monthly basis. This reflects a poor financial reporting to senior management on expenditures and revenues, and inadequate analysis of service provision. In addition, even operational objectives are not managed in systematic manner.

Risk Poor quality of financial reporting and activities to senior management reduces the management's ability to proactively manage ministry's activities, which as a result reduces the effect of budget controls. This can result in deficit or to an unplanned surplus and delay the actions needed towards addressing them. This can also affect towards non collection of revenues at the expected level. Similarly, it may result in the provision of poor-quality services.

Recommendation 6 The Minister should ensure that a review has been carried out to establish an appropriate financial and operational reporting format to senior management, as well as enhance the quality of information that they receive in order to support the effective management of the ministry's activity.

2.4 Internal Audit System

The Internal Audit Unit (IAU) operates with four(4) members of staff - the Head of IAU and three (3) auditors. An effective audit requires a comprehensive work programme that reflects financial and other risks of MI and provides sufficient assurance over the effectiveness of internal control. The impact of IA output should be judged by the importance that management places on addressing recommendations and the support and challenge provided by an effective Audit Committee.

Issue 7 – IAU system – High Priority**Finding**

There are several issues related to the internal audit system:

- There was no audit carried out in the budget and finance/ expenditures area, payroll lists and asset management, although they were planned with the annual audit plan;
- The management of revenues and accounts receivable was not included in the annual audit plan;
- Internal audit recommendations for management level have not been implemented; and
- One member of the Audit Committee (AC) was part of the budget and finance division (chief of the finance sector), which is not a good practice on the composition of this committee.

These results reflect the lack of management willingness in recognizing and maximizing the benefits of internal audit, or to seek assurance on the effective functioning of internal controls. This also shows the need for better planning and management of the internal audit plan.

Risk

An inadequate audit program, that does not include the risks encountered in revenue and expenditure management may lead to failure to identify and address control weaknesses which will result in operational inefficiencies and financial losses. Failure to address internal audit recommendations will result in further recurrence of weaknesses. AC along with the members of the executive may not be objective in addressing issues related to executive activities on internal audit reports.

Recommendation 7

The Minister should ensure that the annual audit plan is more inclusive, risk-based, and is fully implemented by IAU. AC should be more objective, and ensure that the composition of committee does not include staff engaged in executive affairs from the budget and finance area. Actions taken by the Management to implement internal audit recommendations should also be reviewed.

3 Financial Management and Control

Introduction

Our work on Financial Management and Control outside of the areas of Governance referred to above reflects the detailed work undertaken on Revenue and Expenditure Systems. As part of this we consider Budget management, Procurement and Human Resources, and Assets and Liabilities.

Financial Management and Control Conclusion

Regarding financial management and control, the procurement still remains a field that requires improvement. This is because regulations are not being properly implemented, due to the lack of proper oversight by the management, resulting in low value for money and inefficient services for citizens and other users. In the context of financial systems, controls over a range of spending areas need further improvement. The main areas where more improvements are needed are: budget planning, capital project management, management of accounts receivable, asset and liability management.

3.1 Budget Planning and Execution

We have considered the sources of budgetary funds, spending of funds by economic categories. This is highlighted in the following tables:

Table 1. Revenues (in €)

Description	Initial Budget	Final Budget	2016 Receipts	2015 Receipts	2014 Receipts
Revenues	1,785,000	1,785,000	2,510,869	1,885,177	2,254,322
Total	1,785,000	1,785,000	2,510,869	1,885,177	2,254,322

The collected revenues were not spent on MI needs, but they were transferred to the Kosovo Budget (KB).

Table 2. Sources of budgetary Funds (in €)

Description	Initial Budget	Final Budget ³	2016 Outturn	2015 Outturn	2014 Outturn
Sources of Funds	182,956,552	238,578,506	213,025,342	166,658,872	158,929,930
Government Grant - Budget	168,256,552	214,337,965	213,025,342	166,658,872	158,929,930
Financing from borrowing	14,700,000	24,240,541	-	-	-

The final budget compared to initial budget was increased by €55,621,954. The budget increase belongs mainly to the category of capital investments, and only €80,109 in the category of goods and services. This increase was applied after budget review and in accordance with Government decisions.

In 2016, MI used 89% of the final budget or €213,025,342, with an improvement of 5% compared to 2015. Despite the positive trend, budget execution in some budget categories remains unsatisfactory. Below you will find the explanations with regards to the current position.

Table 3. Spending of funds by economic categories (in €)

Description	Initial Budget	Final Budget	2016 Outturn	2015 Outturn	2014 Outturn
Spending of funds by economic categories	182,956,552	238,578,506	213,025,342	166,658,872	158,929,930
Wages and Salaries	1,808,393	1,755,715	1,716,303	1,509,799	1,413,642
Goods and Services	5,903,323	5,983,432	5,883,302	5,794,374	5,086,963
Utilities	375,190	375,190	153,637	180,489	182,143
Subsidies and Transfers	1,443,814	832,678	832,678	1,012,234	1,495,961
Capital Investments	173,425,832	229,631,491	204,439,421	158,161,976	150,751,221

Explanations about changes in budget categories are given in the following:

- The budget for wages and salaries was not executed according to the initial plan due to nonfulfillment of all permitted positions. As a result, the Government reduced the allocated budget for this category for €52,678;
- The budget for Goods and Services increased by Government decision for €80,109 as a result of additional needs for goods and services;

³ Final budget - the budget approved by the assembly which was subsequently adjusted for by the Ministry of Finance.

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- The budget for Subsidies and Transfers is reduced by €611,136. The government has reduced the budget of this category, since MI has failed to contract in due time the financing of road transport services; and
 - Despite the increase in budget for Capital Expenditures for €56,205,659, only 89% of the budget was spent. The budget increase was mainly dedicated to the project Prishtina - Hani i Elezit highway (R6) in the amount of €50,000,000 as well as for several other projects for rehabilitation and maintenance of roads and for co-financing projects with Kosovo municipalities. The financing from borrowing for the project on the expansion and rehabilitation of Pristina-Mitrovica highway in the amount of €14,700,000 was not executed during 2016.
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Issue 8 - Inadequate execution of the budget for capital investments - High Priority

- Finding** The budget for capital investments was not executed at the expected level. The budget surplus for this category at the end of the year was € 25,192,070, while the outstanding liabilities for capital investments were €15,289,020.
- Risk** Poor planning and low budget execution causes stagnation in the implementation and effectiveness of the plans, and may result in failure to meet the organization's objectives and financing of current year liabilities from next year's budget.
- Recommendation 8** The Minister should ensure that budget performance is systematically monitored on a monthly basis, and that this review identifies and addresses barriers to budget execution at a planned level. In case the initial budget assumptions are incorrect, they should be fully reflected in the final budget position.

3.1.1 Revenues

Revenues generated by MI in 2016 totalled €2,510,869. These relate to driving license fees, transportation licenses, road access permits, and other administrative fees.

Table 4. Collected revenues by type (in €)

Economic Code	Revenue type	Execution 2016
5005	Driving permit taxes	1,847,280
50019	Other administrative taxes	169,618
50107	Other fines	12,500
50201	Licences for activities, individuals and free licences	103,184
50208	Licences for transport of goods	90,315
50290	Other business licenses	222,675
50401	Service sale	41,171
50405	Use of public property	12,240
50413	Revenues from asset sale	11,901
55300	Other revenues	(15)
Total		2,510,869

The collected revenues are not used by MI, but are transferred to the Kosovo Budget. Most part of incurred revenues belong to the driving license fees. The revenues are registered in time and classified in respective economic codes, and regular monthly reconciliations are made with MF / Treasury.

Recommendations

We have no recommendations in this area.

3.1.2 Wages and Salaries

Wages and Salaries are paid through a centralised system. At the end of the year MI had 294 employees out of 296 approved by the Law on Budget 2016. The controls applied by the management confirm the accuracy and completeness of the payments. The Human Resources Unit applies the Human Resource Management Information System (HRMIS) through which it manages the information for each personnel file.

Issue 9 – Exceeding deadlines for Special Services Agreements - Medium Priority

Finding The testing indicates that management did not effectively apply the existing controls towards ensuring compliance with relevant laws and regulations. MI had engaged 61 employees through special service agreements and in all cases the duration of the agreements exceeded the deadline limit for six (6) months. There was also a lack of sufficient evidence about the need and rationality of applying this form of employee engagement.

Risk The high level of employees with special service agreements may result in low performance because works may not be carried out with competence and professionalism. This also results in poor value for the money spent.

Recommendation 9 The Minister should ensure that actions are undertaken in order to address the engagement of employees with special services agreements as an urgent matter. This form of contracting should be done only in special and reasonable cases in terms of time and the need for engagement.

Issue 10 – Weaknesses in staff management – Medium Priority

Finding Testing in staff management confirmed non-harmonization of positions between payroll and appointment acts, while in four (4) reviewed files there was a lack of documentation. In two departments, the number of staff was exceeded compared to the number approved by the Law on Budget, but by not exceeding the total number approved by the Assembly. In addition, MI had 19 senior positions covered with Acting Staff (AS) for more than three (3) months. Acting Staff positions are continuing to be held since the year 2015 and onwards.

Risk The identified issues may impede proper staff management. Keeping AS positions for a long time does not ensure that tasks are being managed with full responsibility and competence.

Recommendation 10 The Minister should ensure that staff management is conducted in accordance with the relevant civil service procedures and regulations. A sustainable solution should be found for AS positions and in accordance with the legal framework.

3.1.3 Goods and Services and Utilities

The final budget for goods and services including utilities for 2016 was €6,358,622. Of these, €6,036,940 or 95% were spent. A significant part of the budget for goods and services is dedicated to the summer and winter maintenance of national and regional roads of the country.

Issue 11 - Weaknesses in procurement procedures - High Priority

Finding There are a number of weaknesses in the development of procurement activities as a result of non-implementation of controls, laws, guidelines and public procurement regulations. Our tests have identified the following shortcomings:

- In the procurement procedure "Supply with summer and winter clothes" in the amount of €8,430, the contract was initially signed prior to commitment of funds, then the same contract was re-signed after the commitment fund date. Additionally, the winning economic operator (EO) did not provide tax certificate, court attestation and statement of technical supply specifications; The tender evaluation report was not signed by the procurement manager; The quality of supplies was contested by one of the members of the evaluation commission; and contract management plan (CMP) was not applied;
- In the procurement procedure "Geodetic services for drafting of expropriation process for national, regional and highway roads of Kosovo" in the estimated value of €90,000 the winner of the tender did not meet the criteria of the tender dossier. The winning EO did not provide tax certification, court attestation, sufficient evidence for contracts, staff experience, license and diploma of the project manager. Furthermore, the bid price was €48.97 which represents a very low price compared to other offers where the price ranged from €258.56 to €564.04, while the foreseen price by the requesting unit was €698.68. MI did not implement the legal requirements for such cases and did not provide any explanation regarding this situation. The contract manager was also appointed with one (1) month of delay, while CMP was signed one (1) month after the manager was appointed;
- In the procurement procedure "Renting of 16 vehicles for MI needs" in the amount of €79,104, the member of the evaluation commission was the officer involved in the preparation of the technical specifications, and the tender evaluation report was not signed by the procurement manager. The budget of this contract was mistakenly recorded in the code 'other contracting services' rather than in the code 'rent for machinery';

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- In the procurement procedure "Service and Maintenance of Vehicles - Lot-1", with the unit price of €11,323, the member of the evaluation commission was the officer who was involved in the preparation of the technical specification of the tender dossier; and
 - The contract "Servicing of computers and laptops" in the amount of €9,998 was signed with three (3) months delay and the performance did not cover the contract period. In addition, this case lacked the commitment of funds, letter of information for unsuccessful tender offers, notification for signing the contract, CMP, and signing of contract under oath by one of the members of the evaluation commission.

Risk Failure to properly implement public procurement rules and guidelines may result in selection of ineligible bidders, breach of equal treatment principles of tender offers, and low value for money in procurement practices.

Recommendation 11 The Minister should ensure that a comprehensive review has been conducted to determine why in the above cases the public procurement requirements have not been fully implemented. Internal controls in this area should be subject to urgent review by the management. In the upcoming procurement, effective controls should be applied in order to ensure full compliance with legal requirements at all stages of the procurement process.

Issue 12 - Weaknesses in contract management- Medium Priority

Finding Our tests have identified some weaknesses in contract management , which are presented below;

- In three (3) road maintenance contracts the duration of performance provision was not done within deadline nor in the estimated value of the public framework contracts;
- In four (4) cases, the reports on accepting goods / services compiled by the contract managers (CM's) were not within standard format of CMP;
- In two (2) road maintenance contracts, 10% of payment taxes for each situation were discharged without completing the works, while in two (2) other cases no penalties were applied for delays in the execution of the works; and

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- In two (2) cases, the purchase orders were signed after receipt of the invoice, whereas in one (1) case the purchase order was not signed by the contract manager.

Risk Poor contract management may lead to non-execution of contracts under contractual terms, reduce effectiveness in achieving the objectives, and may result in poor value for money and potentially improper payments.

Recommendation 12 The Minister should ensure that a review of the identified weaknesses is undertaken, and analyse why an effective oversight of contract management has not been applied. The controls should be strengthened in order to ensure that contract management is conducted according to the respective requirements and guidelines.

3.1.4 Subsidies and Transfers

The final budget of subsidies and transfers was €832,678, which were fully executed. They relate to the financing of road transport through unsustainable road transport lines, as well as the support and financing of passenger tickets on functional rail lines.

Issue 13 - Delays in bid evaluation - Medium Priority

Finding MI through subsidies provides humanitarian transportation of passengers, mainly communities, through unsustainable lines of road transport. One of these activities was carried out by MI through a contract for "Humanitarian Transportation - Lot 20" in the amount of € 18,622. The procurement activity of this service was followed with a complaint of EO, for which the PRB had decided to return the case for re-evaluation by MI. The bid re-evaluation process was delayed two (2) months, while the contract award notice was published two (2) weeks after the re-evaluation. The contract was signed about two (2) months after the contract award notice. The whole process up to the signing of the contract lasted about one (1) year. Furthermore, our audit has identified other incompatibilities such as: lack of performance provision by the contract, failure to sign the evaluation report from the procurement director and not reporting to PPRC for signing the contract.

Risk The identified weaknesses indicate a lack of controls on budget spending for subsidies. Long delays in the abovementioned processes may be subject to deviations from regulatory requirements and as such will negatively affect the execution of plans within the defined deadlines and inflict impediments for targeted citizens.

Recommendation 13 The Minister should analyse the reasons on the failure of controls and identify the causes that have led to delays in the implementation of the projects. An effective control design fully in line with the regulations should be provided, and monitored by the management in systematic manner.

3.1.5 Capital Investments

The final budget for capital investments was €229,631,491. Of them, in 2016, €204,439,421 or 89% of the budget was spent. They relate to investments in road infrastructure, maintenance and rehabilitation of roads. In the revised budget for 2016, 159 capital projects were planned, out of which 104 were new projects, while 54 were on-going projects from previous years.

Issue 14 - Management of Capital Projects - High Priority

Finding From the analytical review of capital project execution, we identified that:

- In 59 projects in total amount of €5,197,949, out of which 55 new ones and four (4) on-going projects from previous years, there was no execution, respectively financial progress;
- 36 projects, out of which 15 new ones and 21 on-going projects from previous years, have exceeded the fund forecast in the revised budget in the amount of €23,979,728; and
- Eight (8) projects in total amount of €19,558,856, of which four (4) are new and four (4) on-going projects from previous years, were executed below 40% compared to budget planning.

These shortcomings in project implementation have occurred due to weaknesses in project management and planning and poor budget controls.

Risk Poor performance of capital projects results in failure to meet the ministry's annual and strategic objectives and potential funding cuts for the upcoming periods and / or coverage of future funding liabilities.

Recommendation 14 The Minister should ensure that project planning is subject to an organization's capacity-building analysis for project management, in accordance with the initial plans. Controls in project planning and budget execution should be strengthened to overcome the identified challenges in order to achieve the ministry's objectives within set timeframes. A cash flow harmonization with project planning is indispensable to address the low levels of financial performance of capital projects.

Issue 15 - Weaknesses in procurement - High Priority

Finding Our audit in the procurement process has identified the following weaknesses:

- In the procurement procedure "Construction of the road Prelez i Jerlive - Muhovc - Lloshkobare - Ferizaj" in the amount of €689,454, the winning EO did not meet the requirements of the tender dossier. EO did not provide court attestation, while the tax certificate other than being invalid (expired) proved that the business had unpaid debts. The winning EO for the project "Expansion of the road N25 Suharekë-Korishë" in the amount of €689,454 has also provided an invalid contract.
- For the contract "Rehabilitation of Kramovik-Xërxë Road " in the amount of €487,498, the performance provision was not valid for the required period. Similarly, for the contract "Asphalting of the road that links Koshtovë village with N2 Mitrovice" in the amount of €211,075, the performance provision did not include the period of 30 days after the end of the contract; and
- MI had signed a contract for the project "Asphalting the road Dol-Kusar-Goden Street -second phase" in the amount of €799,650, despite the fact that with the availability of funds, the allocated budget for 2016 was dedicated in meeting the obligations remaining from another contract for the first phase of this project.

Risk Failure to meet legal requirements for purchases through procurement procedures may result in selection of irresponsible bidders. This risks the equal treatment principle and value for money as well as reduces the effectiveness of MI planning and impedes the project implementation.

Recommendation 15 The Minister should analyse the reasons for the identified incompatibilities and strengthen the procurement controls to ensure the fulfilment of all legal requirements. Only the operators that fully meet the defined requirements should be rewarded with a contract in order to ensure compliance with the regulations and proper value for the money spent.

3.1.6 Common issues on Goods and Services and Capital Investments

The following common issues relate to Goods and Services and Capital Investments:

Issue 16 – Non provision of full audit information - High Priority

Finding Among the files that were subject of our audit for 2016, were also three (3) contracts for goods and services and one (1) for capital investments which were not completed with the bidder offers and with some information on the administrative procedures of the procurement activity. The contracts presented below contained incomplete files:

1. Asphaltting of the road Dol-Kusar-Gogen-Gjakova, in the amount of €799,650;
2. Renting 16 cars for MI needs, in the amount of €79,104;
3. Service of MI vehicles, in the amount of €11,324 (price per unit); and
4. Servicing and maintenance of computers and laptops, in the amount of €998 (price per unit).

Despite our constant demand, the Procurement Office did not provide us the complete files, and their reasoning was that they cannot find them,

Furthermore, another procurement file in the amount €963,409 was not provided for audit. According to the procurement officers this case was taken for review by the Anti-Corruption Agency, but even after our request, no evidence was provided.

Risk Failure to provide all the information / documents required for audit is in contradiction with the legislation⁴ and may be subject to sanction. In addition, the inability of MI to find documents reduces management's ability towards monitoring and effective decision-making and questions the legal compliance of the public procurement process.

Recommendation 16 The Minister should review the document archiving, retention and filing processes and identify the reasons for not providing full audit information. The Minister should strengthen control mechanisms and require accountability from procurement officers in order to ensure that such situations are not repeated in the future.

⁴ Law No. 05/L-055 for Auditor General , National Audit Office and Administrative Instruction No.1/2016 on implementing the rights and responsibilities of National Audit Office and other audit entities.

3.2 Assets

3.2.1 Capital and Non Capital Assets

Based on disclosure of assets in the AFS of 2016 and according to the accounting register in KFMIS, the net value of MI's capital assets was €1,224,724,436, while the net value of non-capital assets registered in the government's e-assets was €373,141. At the end of the year MI had done the inventory and valuation of non-financial assets.

Asset management issues such as overstatement, non-depreciation and lack of inventory disclosures are presented in Chapter 1 of this report.

3.2.2 Receivables

Accounts receivable or uncollected revenues relate mainly to taxes that economic operators have to pay for the use of road, namely for road access, and extraordinary transport taxes.

Issue 17 - Poor management of accounts receivable - High Priority

Finding Our audit has identified that accounts receivable were not adequately managed by MI. A part of accounts receivable date back from 2000, while the management did not take sufficient and effective actions to collect them. This is because MI did not draft yet any internal instructions or procedures for managing receivables. By the end of 2016, the value of these accounts amounted to €3,077,305. Their understatement in the AFS of 2016 is mentioned at subsection 1.2 of this report.

Risk An inadequate management of accounts receivable and the lack of effective actions for their collection results in reduced resources for the Kosovo Budget. Delays in collecting these accounts can lead towards impossible collection.

Recommendation 17 The Minister should identify barriers in collecting receivables and provide effective mechanisms, including legal remedies, to ensure that debtor invoices are paid or are being addressed. In addition, effective controls should be put in place in order to prevent further increase of these accounts.

3.3 Outstanding Liabilities

The statement of outstanding liabilities to suppliers at the end of 2016 was €15,535,336. Almost all liabilities belong to the category of capital investments, while only €246,316 belong to subsidies and transfers as well as the category of goods and services. These liabilities were carried forward to be paid in 2017. In addition, MI is also subject to contingent liabilities, which are estimated to be €14,407,675.

However, this reflects only a part of the challenge of MI in the budget management and is further examined in detail at subchapter 3.3. Moreover, we have disclosed the following irregularities.

Issue 18 – Poor management of liabilities - High Priority

Finding Due to poor management, the liabilities of MI have reached a relatively high value. A surplus exceeding the value of these liabilities indicates weaknesses in overall budget management and improper access to liabilities. The transfer for payment in the following year burdens the MI budget for 2017. This was due to the failure to comply with the regulations on payment of bills within the statutory deadline. Our tests have identified 14 cases of delays in payment of bills. On the other hand, except for August and September, MI did not provide evidence to MoF on monthly reporting of liabilities.

Risk The high level of liabilities (including contingent ones) increases the risk of MI budget to become a subject to direct executions from MoF and court decisions. Such a situation could result in financial difficulties and / or non-execution of projects and emerging challenges in financing key activities. Failure to report liabilities prevents the Government to have the accurate and timely information on the level of Public Debt.

Recommendation 18 The Minister should strengthen management controls by providing a detailed budget planning and utilization of funds based on a clear cash flow plan, by not exceeding in any case the funds allocated according to economic categories. The Minister should also present a plan which will foresee the budget and concrete actions for the gradual payment of accumulated debts. This plan should be monitored directly by the management. All liabilities must be timely reported to MoF / Treasury.

Annex I: Audit Approach and Methodology

The responsibilities placed on the Auditor and Those Charged with Governance are detailed in the Opinion set out in Section 1.2 of this report.

While a key output of our work is the audit opinion this report reflects the totality of our work with specific focus also on Governance s including Financial Management and Control. The latter is informed by our extensive, risk based, compliance audit programme.

The Executive Summary is intended to highlight the key finding of the audit and the key action that the Minister should ensure are taken to address identified management/control weaknesses.

The detailed report provides an extensive summary of our audit finding with emphasis on determining the cause audit findings and providing appropriate recommendations to address these. For completeness we have included s identified at the interim audit where they remain relevant. Our findings are defined as:

High Priority - s which if not addressed may result in a material weakness in internal control and where action will offer the potential for improvements to the efficiency and effectiveness of internal controls; and

Medium Priority - s which may not result in a material weakness but where action will also offer the potential for significant improvements to the efficiency and effectiveness of internal controls.

Findings considered low priority were reported separately to finance staff .

Our procedures included a review of the internal controls and accounting systems and associated substantive testing and associated governance arrangements only to the extent considered necessary for the effective performance of the audit. Audit findings should not be regarded as representing a comprehensive statement of all the weaknesses which exist, or all improvements which could be made to the systems and procedures operated.

Annex II: Explanation of the different types of opinion applied by NAO

(extract from ISSAI 200)

Form of opinion

147. The auditor should express **an unmodified opinion** if it is concluded that the financial statements are prepared, in all material respects, in accordance with the applicable financial framework.

If the auditor concludes that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement, or is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement, the auditor should modify the opinion in the auditor's report in accordance with the section on "Determining the type of modification to the auditor's opinion".

148. If financial statements prepared in accordance with the requirements of a fair presentation framework do not achieve fair presentation, the auditor should discuss the matter with the management and, depending on the requirements of the applicable financial reporting framework and how the matter is resolved, determine whether it is necessary to modify the audit opinion.

Modifications to the opinion in the auditor's report

151. The auditor should modify the opinion in the auditor's report if it is concluded that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement, or if the auditor was unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement. Auditors may three types of modified opinions: a qualified opinion, an adverse opinion and a disclaimer of opinion.

Determining the type of modification to the auditor's opinion

152. The decision regarding which type of modified opinion is appropriate depends upon:

- The nature of the matter giving rise to the modification – that is, whether the financial statements are materially misstated or, in the event that it was impossible to obtain sufficient appropriate audit evidence, may be materially misstated; and
- The auditor's judgment about the pervasiveness of the effects or possible effects of the matter on the financial statements.

153. The auditor should express a **qualified opinion if**: (1) having obtained sufficient appropriate audit evidence, the auditor concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or (2) the auditor was unable to obtain sufficient appropriate audit evidence on which to base an opinion, but concludes that the effects on the financial statements of any undetected misstatements could be material but not pervasive.

154. The auditor should express an **adverse opinion if**, having obtained sufficient appropriate audit evidence, the auditor concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

155. The auditor should **disclaim an opinion if**, having been unable to obtain sufficient appropriate audit evidence on which to base the opinion, the auditor concludes that the effects on the financial statements of any undetected misstatements could be both material and pervasive. If, after accepting the engagement, the auditor becomes aware that management has imposed a limitation on the audit scope that the auditor considers likely to result in the need to express a qualified opinion or to disclaim an opinion on the financial statements, the auditor should request that management remove the limitation.

156. If expressing a modified audit opinion, the auditor should also modify the heading to correspond with the type of opinion expressed. ISSAI 1705¹⁹ provides additional guidance on the specific language to use when expressing a modified opinion and describing the auditor's responsibility. It also includes illustrative examples of reports.

Emphasis of Matter paragraphs and Other Matters paragraphs in the auditor's report

157. If the auditor considers it necessary to draw users' attention to a matter presented or disclosed in the financial statements that is of such importance that it is fundamental to their understanding of the financial statements, but there is sufficient appropriate evidence that the matter is not materially misstated in the financial statements, the auditor should include an Emphasis of Matter paragraph in the auditor's report. Emphasis of Matter paragraphs should only refer to information presented or disclosed in the financial statements.

158. An Emphasis of Matter paragraph should:

- be included immediately after the opinion;
- use the Heading “Emphasis of Matter” or another appropriate heading;
- include a clear reference to the matter being emphasised and indicate where the relevant disclosures that fully describe the matter can be found in the financial statements; and
- indicate that the auditor’s opinion is not modified in respect of the matter emphasised.

159. If the auditor considers it necessary to communicate a matter, other than those that are presented or disclosed in the financial statements, which, in the auditor’s judgement, is relevant to users’ understanding of the audit, the auditor’s responsibilities or the auditor’s report, and provided this is not prohibited by law or regulation, this should be done in a paragraph with the heading “Other Matter,” or another appropriate heading. This paragraph should appear immediately after the opinion and any Emphasis of Matter paragraph.

Annex III: Prior Year Recommendations

Audit Component	Recommendation given	Implemented	Under implementation	Not implemented
1.3 Significant Audit Risks to the AFS	The Minister should consider the issue of expenditures on investment maintenance of roads and analyse the issue during the budget allocations in order to enable a fair appropriation of expenditures by economic categories. On the other hand, he should ensure that an effective process is implemented which will allow a complete asset valuation for the 2015 AFS. This process should improve the accounting considerations regarding co-financing and ensure that any movement or distribution of assets is accurately documented. All capital projects financed by the Ministry, as the co-financer, should be recorded as on-going investments accompanied by a plan with details and dates of transfer, beneficiaries, cost, etc. He should also ensure there are accurate reports on the management of salt stocks, its supply and distribution. This process should accurately determine the yearend balance on quantity and value.			No measures taken.
1.4 Compliance with AFS and other reporting requirements	The Minister should ensure that effective processes are in place to confirm that the 2016 AFS production plan formally addresses all compliance. This should also include management review of the draft AFS with specific focus on high risk areas and areas where errors have been identified in previous years. The Declaration made by the CEO and CFO should not be submitted unless all necessary checks have been applied to the draft AFS.			No measures taken.

2.3 Prior Year Recommendations	The Minister should ensure that a revised action plan is implemented which clearly sets out a timetable for addressing the recommendations made by the AG with accountable staff members identified and with initial focus on those of greatest significance		In process of implementation	
2.4 Self-Assessment Checklist	The Minister should ensure that a review has been implemented to complete the self-assessment checklist and that the areas of vulnerability have been proactively addressed. A revised mechanism should be applied to confirm the accuracy of the checklist and to provide supporting documentation.		In the process of implementation.	
2.5.1 Establishing strategic objectives	The Minister should ensure that further steps are taken on establishing the objectives and relevant arrangements are made to prepare the strategic plan.			No measures taken.
2.5.2 Risk Assessment	The Minister should ensure that immediate responsibility for risk management is delegated to a named Director and ensure monthly reporting on the implementation of requirements in this area and the risks that are being managed.		In the process of implementation.	
2.5.3 Management Reporting	The Minister should ensure that a review is implemented to determine the format of financial reporting to senior management which is required to support effective business management - and ensure that an appropriate solution is in place by 1 October 2016			No measures taken.
2.6 Internal Audit System	The Minister should review actions taken by management regarding the audit recommendations, in order to achieve maximum benefit from the internal audit activity		In the process of implementation.	
3.3 Budget Planning and Execution	The Minister should ensure that during the budgeting process, the budgeted expenditures are classified according to the accounting plan.			The recommendation is unimplemented.

3.4 Procurement	The Minister should ensure that the procurement system is functional, considering the appointment of adequate committees and monitoring of procurement activity by the responsible officer. The Minister should also ensure that there are regular reports from the procurement department regarding complains of EO, by presenting the reasons for the prevention of weaknesses and delays in procedures. Additional controls should be placed to address the systematic weaknesses identified.		In the process of implementation.	
3.4 Procurement	The Minister should ensure that control in procurement is effective, by focusing on the start of projects implementation, to highlight the causes of non-implementation of projects based on provided dynamics and to processing all payments by certain deadlines			No measures taken.
3.4 Procurement	The Minister should ensure that proper notification is given to all competitive EO on the occasion of awarding the contract with the aim of fair and transparent procurement process and also to reflect an equal competition.		In the process of implementation.	
3.4 Procurement	The Minister should ensure that the procurement office has a list of ineligible EOs and avoid contractual agreements with them. He should ensure that purchases through procurement process are valid and all required information from procurement are made available			No measures taken.
3.4 Procurement	The Minister should review why Procurement requirements have been inconsistently applied in the above cases which are consistently being repeated and exercise enhanced controls to ensure that a similar situation will not be repeated on future procurement		In the process of implementation.	

3.5 Expenditure not related to Procurement	The Minister should ensure continuous monitoring of controls on the management of advances and ensure measures for advances to be closed according to legal requirements.			No measures taken.
3.5.2 Remunerations (Wages and Salaries)	The Minister should consider that, when planning the budget, and staff needs by departments are foreseen and ensure that budget requirements regarding the number of employees comply with the Regulation on job systematisation.	Yes		
3.7.1 Capital and Non Capital Assets	The Minister should ensure that the utilization of the assets is within the activity of the Ministry, in order to avoid or create uncontrolled expenditures not related to operating activities of the Ministry	Yes		
3.7.1 Capital and Non Capital Assets	The Minister should consider establishing a commission on how to address this issue and ensure that the asset register presents real situation. Documented justifications are provided in case of absence of property or the return has been initiated.			No measures taken.
3.7.1 Capital and Non Capital Assets	The Minister should ensure that additional measures have been taken to conduct complete control over the assets by creating mechanisms for monitoring and reporting of assets at the end of each fiscal year.		In the process of implementation.	
3.7.2 Handling of Debts	The Minister should ensure that the whole process of reception and forwarding invoices for payment is reviewed in order to enable proper management and to fully support reporting of outstanding liabilities.			No measures taken.

Annex IV: Letter of confirmation

LETTER OF CONFIRMATION

For having agreed on the Auditor General's findings of 2016 and implementation of recommendations:

To: National Audit Office

Venue and date: 22.06.2017

Honoured,

We hereby confirm that:

We have received the draft audit report of the National Audit Office on the 2016 Annual Financial Statements of Ministry of Infrastructure, hereinafter referred to as the Report;

- Agree on the findings and recommendations and I have no comment on the content of the Report; and
- Within 30 days from receiving the final report, I will submit the action plan on implementation of recommendations including the deadlines and responsible staff for their implementation.

Acting Secretary General:

Mr. Nebih Shatri



REPUBLICA E KOSOVES MINISTRIA E INFRASTRUKTURËS MINISTARSTVO INFRASTRUKTURE MINISTRY OF INFRASTRUCTURE	
№/No. Org. Org. Indeksa Org. Simbol	04
№/No. Proti Proti No.	5214
№/No. Dokumentit Datum	01
№/No. Pajtit Data	22.06.17

MINISTRIA E INFRASTRUKTURES

LETËR E KONFIRMIMIT

Për pajtueshmërinë me të gjeturat e Auditorit të Përgjithshëm për vitin 2016 dhe për implementimin e rekomandimeve

Për: Zyrën Kombëtare të Auditimit

Të nderuar,

Përmes kësaj shkrese, konfirmoj se:

- kam pranuar draft raportin e Zyrës Kombëtare të Auditimit për auditimin e Pasqyrave Financiare të Ministrisë së Infrastruktures për vitin 2016 (në tekstin e mëtejshëm "Raporti");
- pajtohem me të gjeturat dhe rekomandimet dhe nuk kam ndonjë koment për përmbajtjen e Raportit; si dhe
- brenda 30 ditëve nga pranimi i Raportit final, do t'ju dorëzoj një plan të veprimit për implementimin e rekomandimeve, i cili do të përfshijë afatet kohore dhe stafin përgjegjës për implementimin e tyre.

z. Nebih Shatri

UD Sekretar i Përgjithshëm, Ministrisë së Infrastruktures

Data: 22.06.2017

