



**REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVA**

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

**Document No: 24.15.1-2017-08**

**AUDIT REPORT**

**ON THE ANNUAL FINANCIAL STATEMENTS OF THE  
NATIONAL AGENCY FOR PERSONAL DATA PROTECTION FOR  
THE YEAR ENDED 31 DECEMBER 2017**

**Prishtina, April 2018**

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 through quality audits strengthen accountability in public administration for an effective, efficient and economic use of national resources.

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 the National Agency for Personal Data Protection in consultation with the Assistant Auditor General, Valbon Bytyqi, who supervised the audit.

The report issued is a result of the audit carried out by Team Leader Selvete Foniqi and team members Shefkije Beka and Adelina Selmani, under the management of the Head of Audit Department Faruk Rrahmani.

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## Executive Summary

### Introduction

This report summarises the key issues arising from our audit of the 2017 Annual Financial Statements of National Agency for Personal Data Protection, which determines the Opinion given by the Auditor General. The examination of the 2017 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 Plan dated 13/02/2018.

Our audit focus has been on:



The level of work undertaken by the National Audit Office to complete the 2017 audit is a is determined depending of the quality of internal controls implemented by the Management of the National Agency for Personal Data Protection.

The National Audit Office acknowledges the Agency's Senior Management and Staff for cooperation during the audit process.

### Opinion of the Auditor General

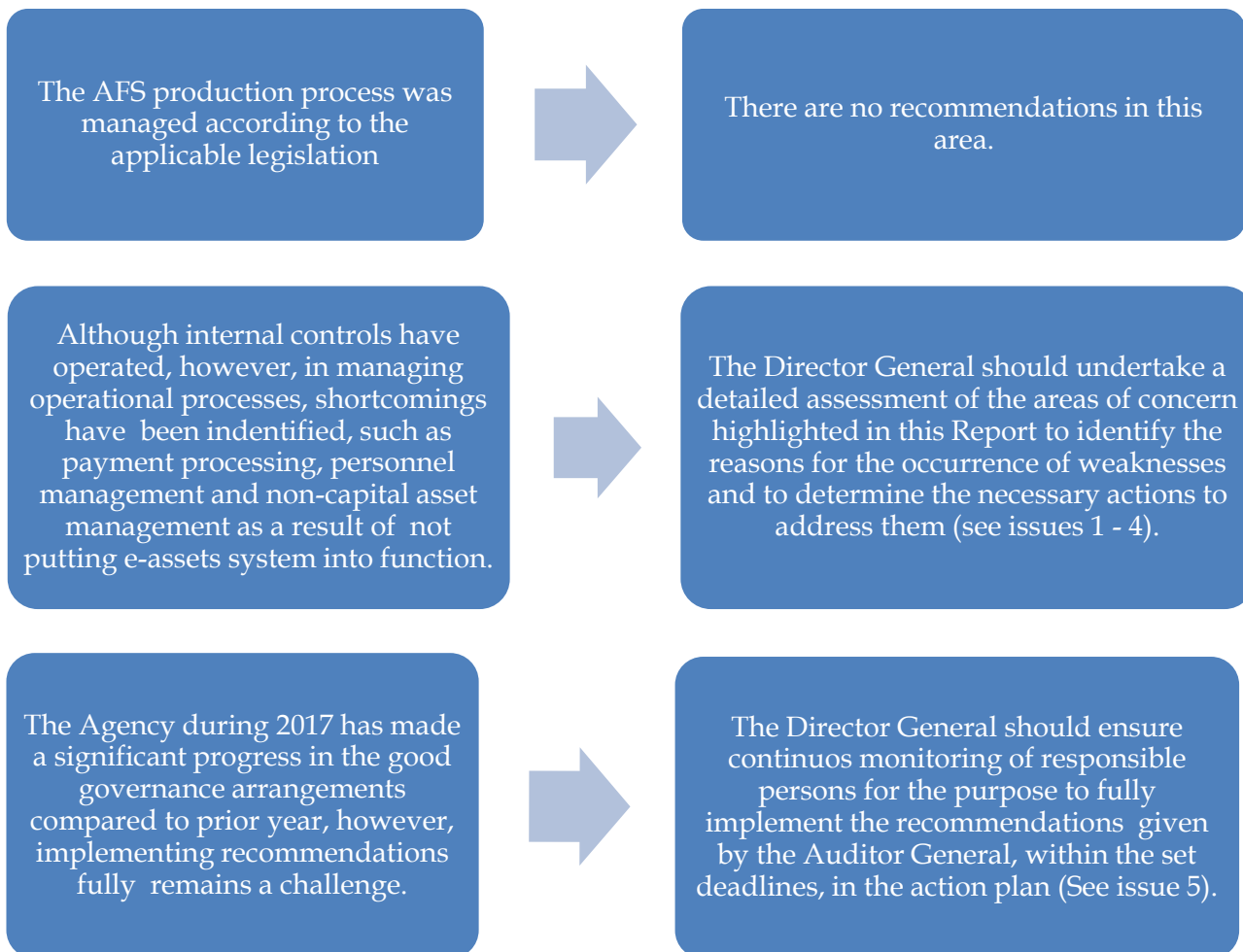
#### Unmodified Opinion

The Annual Financial Statements for 2017 *present a true and fair view* in all material aspects.

For more, please refer to Section 2.1 of this report.

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

## Key Conclusions and Recommendations



## Response of the Director General

The Director General of the National Agency for Personal Data Protection has considered and agreed on audit findings and conclusions and committed to address the recommendations given.

# 1 Audit Scope and Methodology

## Introduction

The National Audit (NAO) is responsible for carrying out a Regularity Audit which involves the examination and evaluation of Financial Statements and other financial records and expression of opinions on:

- Whether the financial statements give a true and fair view of the accounts and financial affairs for the audit period;
- Whether the financial records, systems and transactions comply with applicable laws and regulations;
- The appropriateness of internal controls and internal audit functions; and
- All matters arising from or relating to the audit.

Audit work undertaken reflected our audit risk assessment for National Agency for Personal Data Protection (henceforth the Agency). We have analysed the Agency's business to the extent to which management controls can be relied upon when determining the overall testing required to provide the necessary level of evidence to support the AG's opinion.

The following sections provide a more detailed summary of our audit finding with emphasis on observations and recommendations in each area of review.

Our procedures included a review of the internal controls, accounting systems and related substantive tests and related governance arrangements 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.

## 2 Annual Financial Statements and other External Reporting Obligations

### Introduction

Our audit 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 Administrative Officer and Chief Financial Officer when the draft AFS are submitted to the Ministry of Finance (MoF).

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 assertions are intended to provide the Government with the assurance that all relevant information has been provided to ensure that an audit process can be undertaken.

### 2.1 Audit Opinion

#### **Unmodified Opinion**

We have audited the AFS of the National Agency for Personal Data Protection for the year ended on 31<sup>st</sup> of December 2017 which comprise of the Statement of Cash Receipts and Payments, Budget Execution Statement, Disclosure and other accompanying reports.

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

#### **Basis for the opinion**

The audit is carried out 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.

**Responsibility of Management and Persons Charged with Governance for AFS**

The Director General of the National Agency for Personal Data Protection 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 no. 03/L-048 on Public Financial Management and Accountability (as amended and supplemented).

The Director General in absence of Chairman of the Agency Council is responsible to ensure the oversight of the Agency’s financial reporting 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 detect every material misstatement that might exist. Misstatements may 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 the Management, as well as evaluating the presentation of the financial statements.



## 2.2 Compliance with AFS and other reporting requirements

The Agency 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);
- Compliance with Financial Rule no.01/2013 and 02/2013;
- Action Plan on implementation of recommendations;
- Requirements of Financial Management and Control (FMC) procedures;
- Other requirements for budget reporting, such as quarterly reports, including nine-month statements on time; and
- Reports for outstanding liabilities.

Reporting requirements in the context of the AFS and external reporting were met and we have no issues to raise.

### **Recommendations**

We have no recommendations regarding AFS.

## 3 Financial Management and Control

### Introduction

Our work related to Financial Management and Control (FMC) reflects the detailed audit activities undertaken on Revenue and Expenditure Systems within Budget Organisations. Specifically, the focus of the audit was Budget management, Procurement issues, Human Resources as well as Assets and Liabilities.

### Financial Management and Control Conclusion

In 2017, the Agency spent 75% of the final budget, with a lower spending by 16% compared to the previous year. Low budget performance was mainly influenced by the category of wages and salaries, due to fact that salary budgeting for Council members remained unspent as a result of the Council's mandate expiring in July 2016 and, not appointing a new composition by the Assembly of Kosovo.

Management has implemented a number of key controls across financial systems, but further improvements are needed in some areas to ensure the effective management. The key areas where further improvements are needed are: key positions to be approved with budget, full compliance of the financial rules in payment processing, compliance with the rules on giving unpaid leaves and, the functionality of the e-assets system.

### 3.1 Budget Planning and Execution

We have considered the sources of budget funds and spending of funds by economic categories. This is presented in the following tables:

**Table 1. Sources of budgetary Funds (in €)**

Description	Initial Budget	Final Budget <sup>1</sup>	2017 Outturn	2016 Outturn	2015 Outturn
<b>Sources of Funds</b>	<b>353,242</b>	<b>284,794</b>	<b>212,288</b>	<b>268,062</b>	<b>348,713</b>
Government Grant -Budget	353,242	284,794	212,288	268,062	337,167
External Donations	-	-	-	-	11,546

The final budget in relation to the initial budget was decreased by €68,448. With the budget review, the category of wages and salaries was reduced by €50,000, while with the Government's<sup>2</sup>

<sup>1</sup> Final budget - the budget approved by the Assembly subsequently adjusted by the MoF.

<sup>2</sup> Decision 10/19 dated 15.12.2017.

decision as a result of a budget savings, €18,488 were taken from the Agency (€13,488 in the category of goods and services and €5,000 in utilities).

In 2017, the Agency has spent 75% of the final budget or €212,288, which represents a lower expenditure by 16% compared to 2016. Detailed explanations for the current position are given below.

**Table 2. Spending of funds by economic categories - (in €)**

Description	Initial Budget	Final Budget	2017 Outturn	2016 Outturn	2015 Outturn
<b>Spending of funds by economic categories</b>	<b>353,242</b>	<b>284,794</b>	<b>212,288</b>	<b>268,062</b>	<b>348,712</b>
Wages and Salaries	216,344	166,344	117,811	162,358	208,358
Goods and Services	130,448	117,000	94,056	103,343	139,134
Utilities	6,450	1,450	421	2,361	1,220

Explanations for changes in budget categories are given below:

- Budget for wages and salaries was spent 71%. The low level of expenditures in this category occurred as a result of not appointing five Council members from the Kosovo Assembly, where the planned annual value of their salaries was €78,600. Further on, the absence of three officials has also affected to this low level of execution (one on unpaid leave and two officials on maternity leave);
- Budget for goods and services was spent 80%. In this level of expenditures has affected the fact that according to the Public Procurement Law, procurement procedures for the Agency are led by the Central Procurement Agency (CPA). The delay in concluding centralized contracts by the CPA has affected that the Agency could not be supplied with some of products or services which they had planned to realize during this year; and
- Budget for utilities was spent only 29%. Expenditure occurred only for landline telephony as all utilities expenditures of the Agency's facility had been covered by the Ministry of Public Administration (MPA).

## Recommendations

We have no recommendations in this area.

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## 3.2 Wages and Salaries

Wages and Salaries are paid through a centralised system managed by MPA and MoF. Controls operating at the Agency level are related to the control of payments each month by signing payroll lists, verifying possible changes, reviewing the budget for this category and reconciliations with the Treasury.

The Agency had managed salaries in accordance with applicable legislation.

### Recommendations

We have no recommendations in this area.

## 3.3 Personnel Management

The approved number of employees in the Agency was 23, while the actual number of employees at the end of the year was 16 employees. Even though they were planned under budget, the difference of seven employees is a result of non-selection of the Council, an unpaid leave and a transfer.

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### Issue 1 - Key positions unapproved with the budget

**Finding** Article 12, 13 and 14 of the Law on Public Financial Management states that each budget organization should have the position of Chief Financial Officer, Certifying Officer and Procurement Officer. In the Agency, these positions are not approved since the establishment of the Agency these functions are performed by other staff.

For these functions (positions) the Agency has applied their performance with rotation where until now the function of CFO has been exercised by some officials. Management has made efforts to secure the approval of these positions and with the budget of 2018 managed to secure a position for CFO, which until we were in audit was not completed yet.

**Risk** Managing key functions by inadequate staff and the practice of allocating position for performing rotating tasks increase the risk that appointed officials may encounter obstacles in performing their duties and responsibilities in accordance with the requirements. This affects that responsibility and accountability at work is neglected and all this is reflected in ineffective management.

**Recommendation 1** The Director General should ensure that above-mentioned key positions are approved with the budget and according to the LPFMA requirements and prevent exercising of these functions by rotation and by inadequate staff, in order to improve the activities in these functions.

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**Issue 2 - Unpaid leave without specifying the intended purpose**

**Finding** In one case, the Director General had approved unpaid leave for an official for a period of one year, with the justification of abroad education. Regulation 06/2011 allows giving of unpaid leave for professional capacity building, but requires the Senior Administrative Officer who approves the decision to review the request on the basis of relevant evidence and then make the decision.

In dealing with this case, we have not observed relevant evidence that the candidate was accepted or registered in any university as stated in request. Despite this, leave was allowed by the director.

**Risk** Approval of leave in absence of evidences increases the risk that the official will use the unpaid leave for other purposes in relation to the purpose for which the leave it was approved. Further on, this impacts that the Agency for one year to engage other officials for the purpose of fulfilling the remaining duties, while on the other hand not achieving the purpose for which it has approved the unpaid leave.

**Recommendation 2** The Director General should ensure that before approving unpaid leaves, he has reviewed relevant evidences so that the decision is in compliance with the rules for granting unpaid leave.

### 3.4 Goods and Services and Utilities

The final budget of Goods and Services in 2017 was €118,450. Out of which €94,477 were spent. Those mainly relate to training expenditures, allowances abroad and official lunches, and the payment of three administrative officers with a contract for special services. The Agency except telephone expenditures has no other utilities expenditures, as utilities expenditures are administered by the MPA.

**Issue 3 - Deviating Treasury rules during payment process**

**Finding** According to the Treasury rules, initially a purchase request should be made, commitment of funds, purchase order processed, then receive the goods or service and upon receipt of invoice to execute the payment.

In nine payments in the amount of €8,719, we noticed that purchase orders were created after the receipt of the invoice. This issue is being repeated for two consecutive years, although in 2017 was in a lower trend.

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**Risk** Accepting the invoice and goods before processing the purchase order increases the risk of receiving goods and services outside prescribed requirements, both in quantity and quality.

**Recommendation 3** The Director General should ensure that controls on payment execution process are being continuously monitored. Further on, that the good / invoice should not be accepted before the purchase order is processed.

### 3.5 Capital and Non-Capital Assets

According to the AFS, the net value of the Agency's capital assets is €61,783, while the value of non-capital assets €14,748 and of stocks €2,480.

In 2017 there was no increase (purchase) of capital assets. We have reviewed whether the registering process and the way records are kept is in accordance with requirements of the MoF Regulation no. 02/2013 for the management of non-financial assets of Budget Organizations.

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#### Issue 4 – Failure to put the e-assets system into function

**Finding** Regulation no. 02/2013 states that capital assets should be registered in accounting register – KFMIS, while non-capital assets and stocks should be registered in the e-assets system.

The Agency does not yet have the government program e-assets in function. In the absence of this program, the assets registry with value under €1,000 is being kept in a form of Excel, where there is the possibility of change at any time and without any trace.

**Risk** The non-functioning of the e-assets system is in violation with regulation 02/2013 and presents risk in the management of non-capital assets and stocks for control and, full presentation of value

**Recommendation 4** The Director General should ensure the functioning of e-assets system and the training of the asset officer by the MPA.

### 3.6 Outstanding Liabilities

The statement of liabilities not paid to suppliers at the end of 2017 was €1,320, which are carried forward to be paid in 2018.

The Reporting of Liabilities was made in accordance with Financial Rule no. 02/2013 for reporting of Outstanding Liabilities.

#### Recommendations

We have no recommendations in this area.

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## 4 Progress in implementing recommendations

Our Audit Report for the AFS for 2016 has resulted in eight recommendations. The Agency has prepared an Action Plan showing how they will implement all the recommendations, but it has not been fully implemented. Of the eight recommendations given, four have been fully implemented, three are in process and one has not been implemented.

Further on, since 2015, six recommendations were carried forward, three were implemented, two are in process and one has not been implemented. Failure to implement the recommendation has occurred as procurements according to PPL are carried out by the CPA, and there were shortcomings in the full functionalization of the new CPA related procedures.

For a more thorough description of the recommendations and how they are addressed, see Annex II.

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### Issue 5 - Implementation of the recommendation from the previous two years

**Finding** Management has made limited progress in implementing recommendations from previous years, since only half of last year's recommendations have been fully implemented, while others are in the process of implementation or not implemented. The Agency has failed to fully implement the recommendations given in 2015 and has not followed any formal process to manage and monitor implementation timeframes.

**Risk** Incomplete implementation of the recommendations affects in recurrence of identified weaknesses. The continued weaknesses of management controls and other controls in key financial systems that have not been addressed, have resulted in:

- Exercising key functions in finance from inadequate personnel as a result of unapproved positions;
- Shortcomings in processing purchase orders; and
- Shortcomings in the management of non-capital assets

**Recommendation 5** The Director General should review and analyse the causes of the unimplemented recommendations and, to set a new timeframe for the implementation of the recommendations, including accountable staff. Implementation should be continuously monitored.

## 5 Good Governance

### Introduction

Good Governance implies basic principles of accountability, effectiveness of controls, risk management, independence of internal audit, coordination of NAO with internal audit and good governance with public assets.

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. The level of compliance with FMC requirements by Budget Organizations is monitored by the self-assessment checklists completed by all BOs, which are submitted at the end of the year to the Ministry of Finance.

Specific areas of our governance-related reviews have been the accountability and risk management process, while the other components are handled within the chapters or subchapters above.

### Overall Governance Conclusion

The Agency generally has good controls in relation with its legal obligations. Governance in the area of managerial reporting and accountability, and risk management reflects a positive situation. The Agency has taken into consideration legal requirements foreseen by the MFC rules and has completed on time the self-assessment but needs to include a more critical assessment of the achievement of the results.

Regarding the risk management a responsible officer has been appointed for monitoring the risks that made a monthly review of the risks. A key tool to support effective governance is the implementation of audit recommendations. The Agency had managed to implement the recommendations given in the area of governance in previous years' reports. For 2017 the Agency did not conduct any internal audit.

#### 5.1 Internal Audit System

The Agency does not meet criteria, based on A / I no. 23/2009 on the establishment and functioning of the Internal Audit Unit (IAU).

The Director General in order to strengthen internal control had requested from the Assembly and Internal Audit Unit within MoF to conduct internal audit services. Despite this, no internal audit was conducted for 2017.



**Recommendations**

We have no recommendations in this area.

## 5.2 Management Reporting, Accountability and Risk Management

In order to have a proper planning, supervise the activities on a regular basis and allow effective decision-making, the Management needs to have regular reports. Accountability as a process is taking responsibilities, holding persons into account for their actions and disclosing results in a transparent way. Whereas, risk management is a process related to identification, analysis, evaluation and actions/measures taken by the Management to control and respond to risks threatening the Organization.

The Agency has prepared a risk register in addition to the strategic plan, identifying significant risks that could have an impact to the organization in achieving its objectives. Further on, the officer who will monitor risks on monthly periods is assigned. The internal reporting process in the Agency functions according to the accountability chain and organizational structure. In this regard, management holds regular meetings, reporting and discussing for all activities.

A shortcoming that reflects on the accountability process but which depends on the Assembly of Kosovo is the absence of the Council as a result of the expiration of the mandate. Now it is managed by the Director General and is in process of changing and approving the new law for the Agency which is planned to be approved this year.

**Recommendations**

We have no recommendations in this area.

*This report is a translation from the Albanian original version. In case of discrepancies, Albanian version shall prevail.*

## Annex I: 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 issue three types of modified opinions: a qualified opinion, an adverse opinion and a disclaimer of opinion.

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*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 1705<sup>19</sup> 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 II: Progress in implementing the recommendations of previous two years

Audit Component	Recommendation carried forward from 2015	Implemented during 2017	Under implementation during 2017	Not implemented
2.3 Prior Year Recommendations	The Chief National Supervisor should ensure that a revised action plan, which clearly sets out a timetable and staff responsible for addressing the recommendations made by the Auditor General. Implementation of this plan should be reviewed on regular timely basis.		The Agency has drafted a plan for implementing the recommendations, but some of the recommendations have remained unimplemented.	
2.5.1 Risk Assessment	The Chief National Supervisor should ensure that it has produced a plan for identification, assessment and avoidance of risks which may arise during the execution of strategic and annual objectives, and has named a person accountable for risk management for monthly reporting on the implementation of requirements in this area.	Yes		
3.4 Procurement	The Chief National Supervisor should ensure that controls in payment execution process are being monitored continuously. The payment process should be in complete accordance with steps set out in LPFMA and Treasury rules.			No measures have been taken.
	The Chief National Supervisor should ensure regular supervision of budget execution process in order that all invoices are paid within the legal timelines.	Yes		

3.5.1 Remunerations (Wages and Salaries)	The Chief National Supervisor should ensure additional controls in management of recruitment procedures. Recruitment procedures should commence on timely basis, and the duration of the acting functions should not be longer than the period set out by legal requirements.		For 2018 the position of CFO is approved, but it was not yet completed. Further on, the position of the Certification Officer and the Procurement Officer were not covered.	
3.6.1 Capital and non-capital assets Delay in registering assets in the accounting register	The Chief National Supervisor should ensure that controls in assets management are being continuously monitored. The assets registers should be regularly updated by officers responsible and at the end of the year, this register should be reconciled with the asset inventory register. Further, he should ensure that continued attempts are made (requests with MPA) for installation of the e-asset system.		The equipment was equipped with barcodes, but has not yet been entered in use e-assetssystem.	
3.6.2 Handling the Debts	The Chief National Supervisor should ensure that actions necessary are taken to improve the way of reporting the obligations, either through staff training or through other forms.	Yes		
<b>Audit Component</b>	<b>Recommendations given in 2016</b>	<b>Implemented</b>	<b>In the process of implementation</b>	<b>Not implemented</b>
2.1 Progress in the implementation of prior year recommendations	The Director General should implement an effective process for monitoring the implementation of recommendations, which sets a timeline and responsible officials in this process. The process should be continuously reviewed in order to undertake actions against the obstacles faced during the implementation.		The Agency has drafted a plan for implementing the recommendations, but some of the recommendations have remained unimplemented.	

2.2 Self-Assessment Checklist of FMC components	The Director General should ensure that he has delegated the direct responsibility for risk management, and provide reporting on the implementation of requirements in this area by monitoring risk management continuously.	Yes		
3.1.1 Wages and Salaries	The Director General should undertake actions for recruitment of regular staff according to legal requirements in order to discontinue the coverage of A.S positions. A.S positions should not go beyond the statutory period.		For 2018 the position of CFO is approved, but it was not yet completed. Further on, the position of the Certification Officer and the Procurement Officer were not covered.	
3.1.2 Goods and Services and Utilities	The Director General should ensure that controls in the payment execution process are being continuously monitored. The payment process should be made in full compliance with the steps established by LPFMA, and with the Treasury Rules.			No measures have been taken.
3.1.2 Goods and Services and Utilities	The Director General should ensure proper control so that payments are made under the terms of the contract and within its legal deadlines.	Yes		
3.1.2 Goods and Services and Utilities	The Director General should ensure regular oversight of the budget execution process in order for each invoice to be paid within the legal deadline.	Yes		

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3.2.1 Capital and Non Capital Assets	The Director General should strengthen controls to ensure that all assets are equipped with all required elements, to ensure their more efficient management.		The equipment was equipped with barcodes, but has not yet been entered in use e-assetssystem.	
3.3 Outstanding Liabilities	The Director General should provide additional controls on reporting liabilities so that accurate values are reported for exact time periods and are supervised from one month to the other, until they are paid.	Yes		



## Annex III: Letter of confirmation



**Republika e Kosovës**  
Republika Kosova-Republic of Kosovo  
**Agjencia Shtetërore për Mbrojtjen e të Dhënave Personale**  
Državna Agencija za Zaštitu Ličnih Podataka  
National Agency for Protection of Personal Data

### LETËR E KONFIRMIMIT

Për pajtueshmërinë me të gjeturat e Auditorit të Përgjithshëm në Raportin e auditimit për vitin 2017 dhe për zbatimin 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 Raportit/Pasqyrave Financiare të Agjencisë Shtetërore për Mbrojtjen e të Dhënave Personale, për vitin e përfunduar më 31 dhjetor 2017 (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 zbatimin e rekomandimeve, i cili do të përfshijë afatet kohore dhe stafin përgjegjës për implementimin e tyre dhe shterrjen e mundësive menaxheriale me kërkesa për institucionet përgjegjëse për shtimin e personelit adekuat në financa.

**Bujar Sadiku, Drejtor i Përgjithshëm**

Drejtor i Përgjithshëm i Agjencisë Shtetërore për Mbrojtjen e të Dhënave Personale,

Data: 13.Prill.2018, Prishtinë

