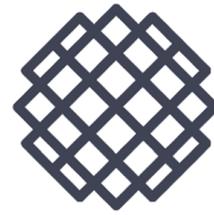




Republika e Kosovës  
Republika Kosova  
Republic of Kosovo



Zyra Kombëtare e Auditimit  
Nacionalna Kancelarija Revizije  
National Audit Office

**Document No: 24.28.1-2017-08**

**AUDIT REPORT**  
**ON THE ANNUAL FINANCIAL STATEMENTS OF KOSOVO**  
**COMPETITION AUTHORITY FOR THE YEAR ENDED 31**  
**DECEMBER 2017**

**Prishtina, june 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 Kosovo Competition Authority in consultation with the Assistant Auditor General, Emine Fazliu, who supervised the audit.

The report issued is a result of the audit carried out by Refiqe Morina (Team Leader) and Shemsije Llugiqi (team member) under the management of the Head of Audit Department, Ramadan Gashi.

## TABLE OF CONTENTS

Executive Summary .....	4
1 Audit Scope and Methodology .....	6
2 Annual Financial Statements and other External Reporting Obligations .....	7
3 Financial Management and Control .....	9
4 Progress in implementing recommendations.....	14
5 Good Governance .....	14
Annex I: Explanation of the different types of opinion applied by NAO .....	17
Annex II: Progress in implementing Prior and two Earlier Year Recommendations.....	20
Annex III: Letter of confirmation.....	23

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## Executive Summary

### Introduction

This report summarises the key issues arising from our audit of the 2017 Annual Financial Statements of Kosovo Competition Authority, 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 (ISSAIs). 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 10/04/2018.

Our audit focus has been on:



The level of work undertaken by the National Audit Office to complete the 2017 audit is determined depending on the quality of internal controls implemented by the Management of the Kosovo Competition Authority.

The National Audit Office acknowledges Kosovo Competition Authority Senior Management and Staff for cooperation during the audit process.

### Opinion of the Auditor General

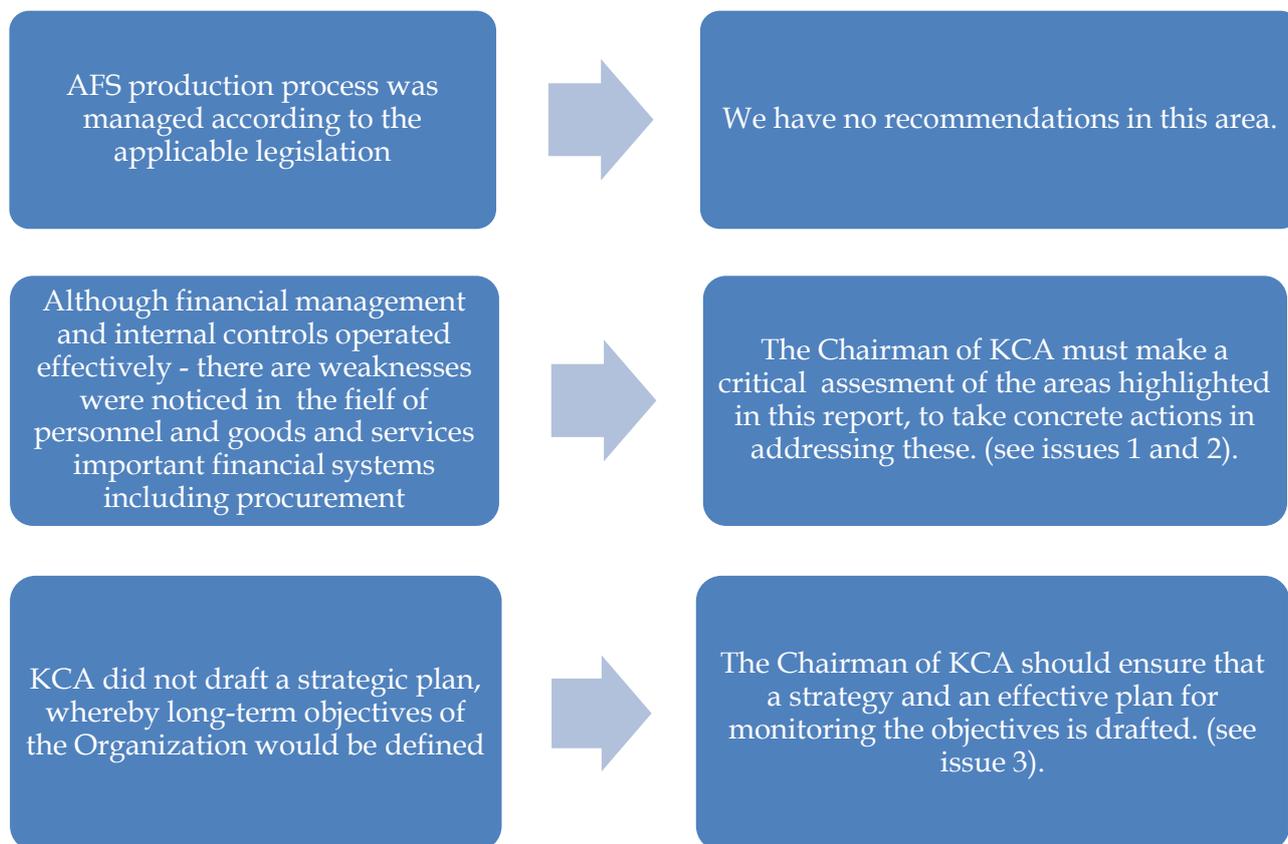
#### Unmodified Opinion

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

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

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

## Key Conclusions and Recommendations



## Response of Management- 2017

Management has considered and agreed with detailed findings and audit conclusions, and has expressed commitment to address all 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 Kosovo Competition Authority. We have analysed the KCA'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.

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## 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.

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 Kosovo Competition Authority 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 Chief Financial Officer 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

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no. 03/L-048 on Public Financial Management and Accountability (as amended and supplemented).

The Chairman of the KCA is responsible to ensure the oversight of the KCA'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

KCA 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; and
- Requirements of Financial Management and Control (FMC) procedures.
- Nine-Month Financial Statement in time;
- Procurement Plan for 2017; and
- AFS have been timely prepared and signed by the CAO and CFO.

In the context of AFS quality and other external reporting requirements, we have no issues to raise.

### **DECLARATION MADE BY KCA MANAGEMENT**

Given the above - the Declaration made by the Chief Executive Officer and Chief Financial Officer when the draft AFS are submitted to the Ministry of Finance can be considered to be correct given that material errors were not identified during the audit.

## 2.3 Recommendations related to Annual Financial Statements

We have no recommendations related to the 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.

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## Financial Management and Control Conclusion

KCA generally has proper controls in relation to its statutory obligations. The Financial Management and Control demonstrated a good review process and assurance in implementing legislation and other processes. However, improvements in goods and services and personnel management are required, with emphasis on special service contracts.

### 3.1 Budget Planning and Execution

We have considered the sources of budget funds, spending of funds and revenues collected by economic categories. This is highlighted 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>252,965</b>	<b>243,518</b>	<b>224,087</b>	<b>179,476</b>	<b>125,979</b>
Government Grant -Budget	252,965	243,518	224,087	179,476	125,979

The final budget in relation to the initial budget was reduced by €9,447. This reduction is the result of budget cuts under budget reviews.

In 2017, KCA spent €224,087 or 92% of the final budget, with a decrease of 7% compared with 2016. However, budget execution remains at a satisfactory level.

**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>252,965</b>	<b>243,518</b>	<b>224,087</b>	<b>179,476</b>	<b>125,981</b>
Wages and Salaries	160,104	170,657	170,657	140,429	97,902
Goods and Services	59,861	59,861	43,511	38,596	26,379
Utilities	13,000	13,000	9,919	451	1,700
Capital Investments	20,000	-	-	-	-

Explanations for changes in budget categories are given below:

- The final budget in relation to the initial budget for the category of Wages and Salaries was increased by €10,553. This increase was the result of appointing members of the Committee for Protection of Competition<sup>2</sup>. Final budget execution for this category was 100%;

<sup>1</sup> Final budget - the budget approved by the assembly which was subsequently adjusted for by the Ministry of Finance.

- In the category of Goods and Services there were no differences between the initial and the final budget. The unspent funds at the end of the year were €16,350, as a result of budget savings;
- Even in Utilities, the final budget did not change compared with the initial one. The unspent funds at the end of the year were €3,081, as a result of saving on Utilities<sup>3</sup>;
- The initial budget in the capital investment category was €20,000, which was planned to purchase the Software for KCA needs. These funds were taken entirely by Government Decision no. 08/151.

## 3.2 Revenues

Revenues generated by KCA in 2017 were in the amount of €6,200. In comparison with last year, there is an increase of revenues of €3,200. These revenues are derived from allowed concentrations<sup>4</sup>.

**Table 3. Revenues (in €)**

Description	2017 Receipts	2016 Receipts	2015 Receipts
Revenues	6,200	3,000	100
<b>Total</b>	<b>6,200</b>	<b>3,000</b>	<b>100</b>

Revenues collected by KCA are deposited in the Kosovo Budget. From the tested samples we did not notice any issues to report.

### Recommendations

We have no recommendations in this area.

## 3.3 Wages and Salaries

Wages and Salaries are paid through a centralised payroll system managed by MPA and MoF. Key controls confirming the accuracy and completeness of the payments are payroll lists signed by the Heads of the organizational units.

<sup>2</sup> Decision No. 05/V-294 - For members of the Competition Protection Committee.

<sup>3</sup> Distribution of municipal expenditures with other budget organizations located in one building.

<sup>4</sup> **Concentration Notion:** Concentration of undertakings is created by establishing the permanent control by which it is acquired; merger of two or more independent undertakings or parts of such undertakings and direct or indirect control or influence of the dominant position of one or more undertakings or parts of undertakings (see more in competition law). In the written request from the concentration participants, the KCA provides evidence that the concentration is allowed.

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We tested the compatibility of payroll lists with payroll system and payments under the contract (current employees, recruitments, dismissals, maternity leaves). We did not notice any issues in the tested samples for reporting.

### Recommendations

We have no recommendations in this area.

## 3.4 Personnel Management

In KCA, the number of staff approved for 2017 was 19 positions while at the end of 2017 there were 18 employees.

We have tested a number of samples to ensure that the actions taken in this area are in accordance with applicable regulations. From our testing we identified the following issue:

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### Issue 1- Contract for special services without recruitment procedures

#### Finding

According to Article 12, point 4 of LCS no. 03/L-149, appointment terms for a period of less than six months shall be made on the basis of contracts named "Special Services Agreement" which are subject to the Law on Obligations and for which a simplified recruitment procedure is applicable. We identified that KCA has concluded special service agreements for a period of six months without a recruitment procedure for the position "Investigative Inspector of Competition"<sup>5</sup>. Special Services Agreement without simplified recruitment procedures limits competition and increases the risk that staff is engaged in a non-transparent manner and as a consequence the services received are not be in line with the needs of the KCA.

**Recommendation 1** The Chairman of KCA should ensure that the staff is engaged under special services by developing recruitment procedures so that the process is transparent and competitive

## 3.5 Goods and Services and Utilities

The final budget for the category of goods and services and utilities was €72,861. Of these, €53,430 or 73% of the final budget were spent. Most of the expenses in these categories include official

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<sup>5</sup> The total payment for this contract was €2,516.

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travel expenses, official lunches, office supplies and mobile phone expenses. From our tests we identified the following issue.

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## Issue 2 – Failure to record received invoices

**Finding** According to Financial Regulation no. 01/2013, all invoices received/recorded should have the internal control procedures for the circulation of documentation. In this regard, the received invoices should be recorded and archived in the book of invoices. We noticed that not all invoices received by EO were protooled and they had the date of receipt by the KCA. While testing payment in 10 cases the invoices were not protooled.

**Risk** Failure to record invoices increases the risk of loss or double payment for the same invoice.

**Recommendation 2** The Chairman of the KCA should ensure that all internal control procedures for circulation of documentation are implemented and invoices are recorded at the time of receipt.

## 3.6 Capital and Non-Capital Assets

Asset management is an important part of financial management and control in the public sector. A proper system of asset management requires a clear definition of the flow of duties for recording, comparing, reporting and disclosing them in the AFS.

We have reviewed whether the registration process and the manner of keeping records is in compliance with the requirements of the MoF Regulation no. 02/2013 on the Management of non-financial assets of Budget Organizations.

KCA in the AFS has disclosed capital assets above €1,000 in the value of zero, while non-capital assets under €1,000 in the amount of €14,836, as well as stocks of €500. We did not notice any issues in the tested samples to report.

### Recommendations

We have no recommendations in this area.

## 3.7 Outstanding Liabilities

The statement of liabilities not paid to suppliers at the end of 2017 was €596. These liabilities were carried forward to be paid in 2018. The reason for not paying these liabilities was that the invoices

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were received in 2018. The KCA has a good control system for managing payments and liabilities were reported on a regular basis months in the Treasury.

### **Recommendations**

We have no recommendations in this area.

## **4 Progress in implementing recommendations**

Our audit report for AFS 2016 of KCA resulted in six recommendations. KCA had prepared an Action Plan stating how it will implement the recommendations given by the NAO.

By the end of our 2017 audit, four recommendations were implemented, and two recommendations were in process of being implemented. Furthermore, from 2015, out of the six recommendations given, three recommendations were implemented in 2017, two were in process and one recommendation was not addressed yet. For a more thorough description of the recommendations and how they are addressed, see Annex II.

## **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**

KCA has considered the requirements foreseen by the FMC rules and completed self-assessment in time. Further on, the KCA has implemented some of the recommendations and the rest is under proper implementation process, and prepared the risk register, but it did not carry out the monitoring and updating of the risk register at least on quarterly basis.

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Despite the progress made, we consider that some aspects of governance within KCA require further improvement such as lack of strategic plan and risk monitoring.

## 5.1 Internal Audit System

Internal Audit is an important segment to ensure senior management that internal control mechanisms are properly designed and implemented. Where it is noticed that internal controls are not operating as intended, internal audit provides advice and recommendations on how to improve them.

Based on AI No.23/2009 on Establishment of the Internal Audit Unit, KCA does not meet the criteria for establishment of IAU.

In the absence of the IAU, internal audit is carried out by (IAD) within the Ministry of Finance (MoF), as a result, during 2017, no internal audit process was carried out by IAD for KCA.

### **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 the acceptance of 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.

### **Issue 3 - Lack of Strategic Plan and lack of risk monitoring**

**Finding** KCA did not draft a strategic plan, as required by the FMC procedures, which set out the strategic objectives and the way they are met in the long run. Further on, the KCA prepared a list of risk management required by the FMC rules and financial regulation 01/2010. However, this register is not systematically managed in terms of updating and monitoring how actions have been taken to mitigate these risks.

**Risk** The lack of a strategic plan makes it impossible to address the issues required to improve efficiency and monitor progress towards achieving long-term desired outcomes, and the lack of up-to-date risk registers will reduce the quality of service.

**Recommendation 3** The Chairman of KCA should ensure that a documented and effective strategic plan/process of overseeing the objectives set is developed. Further on, it should ensure ongoing risk updating and monitoring and quarterly reporting on the implementation of requirements 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 Prior and two Earlier Year Recommendations

Audit Component	Recommendation carried forward from 2015	Implemented during 2017	Under implementation during 2017	Not implemented
Implementation of prior year recommendations - High Priority	The Secretary General should ensure that the 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 the process of implementation.  The Action Plan has been drafted, but not all recommendations are implemented.	
Failure to Comply with Risk Management Requirements - High Priority	The Secretary General should ensure that a review of the processes for completing the self-assessment checklist and proactively addressing areas of weaknesses is implemented. A revised mechanism to confirm the accuracy of the return and to ensure supporting documentation supports the submission should be applied.		In the process of implementation.  The risk register has been compiled but has not been monitored.	
Weakness in senior management controls - High priority	The Secretary General 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.			Recommendation is not implemented

Audit Component	Recommendation carried forward from 2016	Implemented	Under implementation	Not implemented
Low level of implementation of prior year recommendations - High Priority	The Chairman of the Commission should ensure that the action plan is reviewed, by analysing the causes behind unimplemented recommendations, and specify a new deadline, and the staff accountable for their implementation. Initial focus should be on areas of greater importance. Implementation of this plan should be continuously monitored.		In process of implementation.  The action plan was drafted in 2017, but only three recommendations were implemented.	
Self-Assessment Questionnaire - High Priority	The Chairman of the Commission should ensure a review over the completion of self-assessment checklist so that areas with weaknesses are addressed in a proactive manner. In addition, should be applied a mechanism to confirm accuracy of the questionnaire and to ensure that issues identified are addressed. The Chairman of the Commission should also ensure that direct responsibility is delegated for risk management and ensure systematic reporting and monitoring over the implementation of this process	Recommendation is implemented		
Weakness in management controls - High Priority	The Chairman of the Commission should ensure that a review is implemented to determine the format of financial reporting to senior management which is required to support		In process of implementation.  Reporting at the accountability chain level has started to work, but not completely.	

	effective business management - and ensure that an appropriate solution is in place by 1 October 2016.			
Irregular Allowance for Support Staff - Medium Priority	The Chairman of the Commission should strengthen controls to ensure compliance with laws and regulations on employee compensation. Compensation of all employees who have a contract under the Labour Law should be subject of this law and necessary changes should be reflected timely on the payroll.	Recommendation is implemented		
Failure to carry out Inventory of Assets - Medium Priority	The Chairman of the Commission should ensure that are established appropriate controls that enable assets management in line with requirements of Regulation on Assets Management. Particular importance should be paid to the inventory process at the end of the year so that all assets are in good condition and used for the intended purpose.	Recommendation is implemented		

## Annex III: Letter of confirmation



### LETËR E KONFIRMIMIT

Për pajtueshmërinë me të gjeturat e Auditorit të Përgjithshëm për periudhën 01.01.2017 deri më 31.12.2017 dhe për implementimin e rekomandimeve.

Për: Zyrën Kombëtare të Auditimit

Vendi dhe data:

Prishtinë 06.05.2018

I nderuar,

Përmes kësaj shkrese, konfirmoj se:

- kam pranuar draft raportin e Zyrës Kombëtare të Auditimit për Auditimin e Raportit Financiar të AKK-së për periudhën 01.01.2017 deri më 31.12.2017 (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 implementimin e rekomandimeve, i cili do të përfshijë afatet kohore dhe stafin përgjegjës për implementimin e tyre.

Kryetari i AKK-së

Valon PRRESTRESHI

