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**Zyra Kombëtare e Auditimit**  
**Nacionalna Kancelarija Revizije**  
**National Audit Office**

**Follow-up on the Implementation of Recommendations from the Audit Report “Quality Assurance Mechanisms for the Data Reported on the Municipal Performance Management System and the Municipal Performance Grant for Year 2021**

**Prishtina, November 2025**

The Auditor General of the Republic of Kosovo is the highest institution of economic and financial control, which by the Constitution and the Law<sup>1</sup> is provided with functional, financial and operational independence.

The National Audit Office is an independent institution, which assists the Auditor General in carrying out his/her duties. Our mission is to contribute effectively to public sector accountability through quality audits, by promoting public transparency and good governance, and fostering economy, effectiveness and efficiency of government programs to the benefit of all. We are thus building confidence in the spending of public funds and play an active role in securing the taxpayers' and other stakeholders' interest in increasing public accountability. The Auditor General is accountable before the Assembly for the exercise of the duties and powers set forth in the Constitution, the Law, by-laws and international public sector auditing standards.

This audit was conducted in accordance with International Standards on Supreme Audit Institutions (ISSAI 3000)<sup>2</sup>.

Performance audits undertaken by the National Audit Office are objective and reliable examinations that assess whether government actions, systems, operations, programs, activities or organizations operate in accordance with the principles of economy<sup>3</sup>, efficiency<sup>4</sup> and effectiveness<sup>5</sup> and whether there is room for improvement.

The Auditor General has decided on the content of the follow-up report on the implementation of recommendations from the audit report "*Quality Assurance Mechanisms for the Data Reported on the Municipal Performance Management System and the Municipal Performance Grant for Year 2021*" in consultation with the Assistant Auditor General, Myrvete Gashi Morina, who supervised the audit.

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<sup>1</sup>Law 05\_L\_055 on the Auditor General and the National Audit Office of the Republic of Kosovo

<sup>2</sup>Standards and guidelines for performance auditing based on INTOSAI Auditing Standards and practical experience.

<sup>3</sup>Economy - The principle of economy means minimizing the cost of resources. The resources used must be available at the right time, in the right quantity and quality, and at the best possible price.

<sup>4</sup>Efficiency - The principle of efficiency means maximising the output from available resources. It is about the relationship between the resources employed and the results given in terms of quantity, quality and time.

<sup>5</sup>Effectiveness - The principle of effectiveness implies meeting the predetermined objectives and achieving expected results.

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## Abbreviations

DEMOS	Decentralisation and Municipal Support
MPG	Municipal Performance Grant
MLGA	Ministry of Local Government Administration
MPMS	Municipal Performance Management System
NAO	National Audit Office

## Executive Summary

The National Audit Office (NAO) published the performance audit report “*Quality Assurance Mechanisms for the Data Reported on the Municipal Performance Management System and the Municipal Performance Grant for Year 2021*”, issued in March 2024. The audit objective was to assess the effectiveness of the existing quality assurance mechanisms for data reported within the Municipal Performance and the Municipal Performance Grant, as well as the management of logical access to the Municipal Performance Management System in three selected Municipalities of Gjakova, Klina, and Viti. In addition, the audit examined how the Ministry of Local Government Administration carried out the verification and assessment of data reported by municipalities. This report has resulted in 11 recommendations, three of which are addressed to the municipalities subject to audit and eight to the Ministry of Local Government Administration.

This year, the National Audit Office conducted a follow-up review on implementation of recommendations, to determine whether the actions taken by the Municipalities and the Ministry were in line with the intent and substance of the recommendations issued in the 2024 audit report.

The follow-up revealed that only one recommendation has been fully implemented, three are in the final stage of implementation, two have begun implementation, whilst two have not been addressed at all. The follow-up conclusion is that MLGA and the Municipalities have made their efforts to address the recommendation, but further commitment is required until their full implementation.

*Ministry of Local Government Administration had not made the necessary preparations to initiate the Municipal Performance reporting process for 2024.* This resulted in significant delays and uncertainty regarding the timeline for the commencement of data reporting by municipalities. Consequently, the Municipal Performance Report was published 4.5 months late, which in turn postponed the Municipal Performance Assessment process by the same period. In addition, this delay made it impossible to conduct a full follow-up/assessment of the implementation of recommendations, as the process had not yet been completed.

*The Municipal Performance Assessment Commission exceeded its mandate in the assessment process by altering (some of) the data reported by municipalities, even though the Commission was authorised only to verify and process the submitted data.* Such intervention in the municipalities’ original data poses a risk to the completeness and accuracy of the information and undermines the credibility of the Municipal Performance Assessment.

*Two out of the three audited municipalities used population data from the 2024 Census—the Municipality of Gjakova and the Municipality of Viti reported their municipal performance based on the 2024 census figures, whilst the Municipality of Klina used the 2011 census data.* This occurred because the MLGA had not adequately analysed the situation in order to make a firm decision regarding which data set should be used for reporting. This has resulted in

uncertainties among municipalities, leading to inconsistent reporting practices, thereby compromising the comparability and reliability of the Municipal Performance data for 2024.

### **Response of the auditees**

The Ministry of Local Government Administration has partly agreed with the content of the report (the comment is attached in Annex II of the report), while, the Municipalities of Gjakova, Klina, and Viti have agreed with the findings and conclusions in the report and committed to make efforts until full implementation of recommendations.

# Introduction

Supreme Audit Institutions play a vital role when it comes to holding public institutions to account on the management of public funds, while also contributing to increased transparency regarding the activities carried out by public institutions.

The National Audit Office has been cooperating with Helvetas/DEMOS since 2018. The five performance audit reports published under this cooperation aimed at assessing the municipalities regarding the development of procurement procedures, project management, and the improvement of service delivery to citizens. The most recent report published by the NAO under this cooperation was on *“Quality Assurance Mechanisms for the Data Reported on the Municipal Performance Management System and the Municipal Performance Grant for Year 2021.”*

This audit focused on the functionality process of quality control mechanisms put in place by the Municipalities, the assessment of the municipal performance process for the Municipal Performance Grant, and the use of Municipal Performance Management System. The audit resulted in 11 recommendations, of which eight were addressed to the Ministry of Local Government Administration and three to the Municipalities of Gjakova, Klina and Viti.

These recommendations were issued with the aim of improving the quality and accuracy of municipal performance reporting, as well as enhancing the efficiency of data management processes in the audited entities.

As part of the continued cooperation with Helvetas/DEMOS, it was decided to carry out a follow-up assessment to assess whether the auditees have implemented the recommendations given to them.

The purpose of this follow-up assessment of implementation of recommendations is to provide the Assembly of the Republic of Kosovo, the Government, municipalities, and other stakeholders with independent information regarding the actions taken by the auditees to implement the audit recommendations.

# Objective of the Follow-up of Implementation of Recommendations

The objective of this follow-up is to assess whether the Municipalities of Gjakova, Klina and Vitia as well as the Ministry of Local Government Administration have undertaken effective measures for improving the mechanisms of quality and safety of the data reported under the Municipal Performance Management System and the Municipal Performance Grant.

## Follow-up Questions

In order to be responsive to the audit objective, we have posed the following audit questions and sub-questions:

- 1. Have the Municipalities taken effective measures to ensure the quality of data reported in the MPMS? and**
- 2. Has the MLGA taken appropriate actions to ensure that Municipalities report accurate, safe, and properly-managed data in accordance with information security standards?**

This assessment of the level of implementation of recommendations is based on the performance audit report “*Quality Assurance Mechanisms for the Data Reported on the Municipal Performance Management System and the Municipal Performance Grant for Year 2021*”. The audit covered four public institutions, of which three operate at the local level and one at the central level.

The detailed audit methodology applied during this audit—including the audit sub-questions, criteria and the detailed scope —is presented in Annex 1.



## Follow-up Findings

This chapter presents an analysis of the overall level of impact resulting from the implementation of the recommendations issued in the performance audit report “*Quality Assurance Mechanisms for the Data Reported on the Municipal Performance Management System and the Municipal Performance Grant for Year 2021*”. It further assesses the actions undertaken by the Municipalities and the MLGA to address each individual recommendation.

### 3.1 Assessment of the Impact of the Recommendations

The audit report on “*Quality Assurance Mechanisms for the Data Reported on the Municipal Performance Management System and the Municipal Performance Grant for Year 2021*” has had a positive impact on strengthening institutional accountability and increasing awareness of the importance of standardising the municipal performance reporting.

The impact has been most evident within the MLGA and the Municipality of Klina, where concrete steps have been taken toward formalising reporting processes and improving internal control mechanisms.

Regardless of the progress made by the Municipalities of Gjakova and Vitia they still do not sufficiently document their activities and continue to rely on informal means of communication. This hinders transparency and complicates the traceability of the reporting process. The impact of the audit is presented summarised in tabular form below.

Table 1 Assessment of the Impact of the Recommendations

Responsible Institution	No. of Recommendations Issued	Observed Change	Source of Impact
MLGA	8	Improved control and reporting mechanisms; enhanced security measures within the MPMS	Audit
Municipality of Gjakova	3	Increased awareness of transparency requirements; organisational adjustments	Audit + municipal actions
Municipality of Klina	3	Strengthened cooperation; weekly reporting; clearer division of responsibilities; improved transparency and higher data quality	Audit + actions of MLGA
Municipality of Vitia	3	Increased awareness of the need for coordination; some improvements in data collection	Audit + actions of MLGA

The MLGA, as the institution responsible for managing municipal performance and enforcing the applicable rules, has had a clear positive impact by strengthening control and security mechanisms within the MPMS. Through these improvements, the effects of the audit have also been reflected at the municipalities, which have begun to implement better reporting, transparency, and internal coordination practices.

### 3.1.1 Follow-up on the Implementation of Recommendations

The follow-up assessment was based on a review of the supporting documentation provided by the units responsible for implementing the recommendations, including communication records and official documents demonstrating the actions taken. An analytical approach was applied to compare the measures undertaken with the intent and substance of each recommendation. Interviews were also conducted with relevant officials to verify the level of implementation, and clear criteria were applied to classify the status of each recommendation (implemented, in progress, or not implemented). In addition, the level of implementation of the recommendations is presented in tabular form.

Table 2 Overall assessment on implementation of recommendations

Recommendations issued in 2024 audit	Implemented	Final stage of implementation	Implementation started	Implementation not started	Not addressed
Recommendation 1			✓		
Recommendation 2	✓				
Recommendation 3			✓		
Recommendation 4		✓			
Recommendation 5			✓		
Recommendation 6					✓
Recommendation 7		✓			
Recommendation 8	✓				
Recommendation 9		✓			
Recommendation 10			✓		
Recommendation 11					✓

The table shows that, out of the 11 recommendations, two have been fully implemented, three are in the final stage of implementation, four have been initiated, and two have not been addressed.

### 3.1.2 Implementation of Recommendations by the Audited Municipalities

This section presents the progress made in implementing the recommendations issued to the three municipalities: Gjakova, Klina, and Viti. Each of these municipalities received three recommendations from the National Audit Office in the previous performance audit report. Of these three recommendations, one has been fully implemented, while the remaining two have been initiated.

The current status of recommendation implementation for these three municipalities is presented in the table below, categorised by the implementation status.

Table 3 Status of implementation of recommendations in the municipalities

Recommendations issued in 2024 audit	Implemented	Final stage of implementation	Implementation started	Implementation not started	Not addressed
Recommendation 1			✓		
Recommendation 2	✓				
Recommendation 3			✓		

The second recommendation related to data authorisations from the mayors of the three audited municipalities, has been implemented. As for the first and third recommendations, implementation has commenced, and their status is presented below.

### 3.1.3 Channels of communication in municipalities

*Establishment of clear communication channels between reporting officers, municipal coordinators, and mayors to ensure transparent and accountable reporting of municipal performance;*

The recommendation to create clear and formal communication channels between reporting officers, municipal coordinators, and mayors has started to be implemented by the audited municipalities. Compared to last year, the municipalities have taken several steps to gradually improve this process.

In practice, in the audited municipalities, when the notification for the opening of the municipal performance reporting system is received, the municipal coordinator, together with the mayor, convenes the responsible officers in a meeting to agree on and engage them in the municipal performance reporting process. In these cases, officers are relieved from their daily duties to focus on reporting municipal performance within the designated timeframe.

However, the absence of a documented and standardised process for this type of cooperation results in practices varying from one municipality to another and does not ensure continuity in coordination or consistency in reporting quality.

**The situation in the audited municipalities is as follows:**

#### *Municipality of Klina*

The Municipality of Klina demonstrates better practices compared to the municipalities of Gjakova and Vitia. Communication between the municipal coordinator and reporting officers occurs through regular weekly reports to the mayor, covering each area, indicator, and data declared in the MPMS. At the conclusion of the process, a joint meeting is organised with the reporting team and the departments directors to review self-assessment scores and identify areas/indicators requiring improvement for next year's reporting. However, the use of formal channels (official letters, minutes) remains limited and is not institutionalised across all phases of reporting.

### *Municipality of Gjakova*

In the Municipality of Gjakova, communication mainly occurs through informal channels, such as verbal conversations and Viber. There is no documented system for information flow during reporting, and no regular meetings are held between the coordinator, reporting officers, and the mayor, except for the initial meeting when the municipal performance reporting system is opened. Although the decision regarding the appointment of the coordinator and reporting officers has changed, this change was not accompanied by the formalisation of communication channels, as recommended.

### *Municipality of Vitia*

Communication in the Municipality of Vitia is the weakest among the audited municipalities. The municipality has not established a clear communication structure between responsible officers, and there is no documented evidence of communication during the reporting process, except for the cases where difficulties arise during data collection. Requests for the resignation of reporting officers have further complicated municipal performance reporting activities.

In all three municipalities, communication between reporting officers, coordinators, and mayors continues to rely mainly on informal means, such as Viber, MPMS's chat, or verbal discussions. Official email is rarely used and only in cases where data collection challenges are encountered. Apart from the initial meeting at the start of the reporting process, documented meetings throughout the reporting period are absent, and no supporting documentation exists to demonstrate coordination between the parties.

Failure to regularly use formal communication tools—such as email, official letters, and minutes—has led to cooperation among officers being relied primarily on verbal communication and informal platforms like Viber. This practice has affected the assessment of the recommendation by making it more difficult to trace information flow and verify the accuracy of reported data.

#### 3.1.4 Internal Control Mechanisms for Reporting

*Development and implementation of effective assurance control mechanisms for reported data, addressing matters such as proportional distribution of tasks among reporting officers and ensuring of communication evidence throughout the reporting process.*

The audited municipalities have started implementing the recommendation for developing and operationalizing control mechanisms to ensure the quality of reported data. They have not undertaken actual steps to proportionally distribute tasks among reporting officers; however, some actions have been undertaken that contribute to addressing this recommendation.

The Mayors of Gjakova and Klina have revised the decisions regarding the appointment of the municipal performance group. These changes were not made as a result of task distribution among reporting officers but were related to adjustments to new circumstances within the municipalities.

In the Municipality of Klina, the decision was changed following the resignation of a reporting officer, whilst in Gjakova, the decision was changed to appoint a new coordinator and due to changes in the municipal organisational structure.

Evidence to support the reporting process remains limited, except for Klina, which has demonstrated a more structured approach by clearly assigning responsibilities for reporting areas among municipal officers. The municipal coordinator precisely specified the documents to be used for reporting for each area and indicator.

With regard to the data quality assurance mechanisms, municipal coordinators do not take responsibility for all reporting areas due to limited professional competence to master the areas reporting is made on. They say that in the areas falling within their competence, the data verification is not problematic, whereas in areas outside their competence, responsibility falls on the reporting officers, who enter the data and attach the relevant documents for the indicators. These are reviewed by coordinators only if the indicator has been reported and documented.

When it comes to obtaining evidence of communication during the reporting process, the Municipalities of Gjakova and Vitia have not followed a communication process that produces traceable evidence. Reporting officers received data from the relevant departments verbally instead of using official communication tools such as email. Only in one instance - when a responsible officer did not receive a response from the department - was the email used to request the data and supporting evidence with the mayor CC-ed in the communication. Most of the data in Gjakova and Vitia were obtained verbally, meaning communication during the reporting process was not properly documented.

On the other hand, the Municipality of Klina followed a more structured approach, where the coordinator received the data from reporting officers via email on a weekly basis and reported to the mayor on the progress of reporting for each area and indicator. This practice improved the control over reporting and traceability of the process.

The lack of clear and proportional distribution of tasks among reporting officers has affected the balanced and coordinated execution of data review and control processes. Furthermore, the limited professional competence of municipal coordinators to cover all reporting areas has resulted in partial data control. Administrative changes in the decisions for the appointment of reporting officers have not effectively addressed this recommendation, focusing primarily on organisational adaptation rather than improving control mechanisms.

As a result, the audited municipalities exhibit lack of formal communication and complete traceability in the reporting process, particularly in the Municipalities of Gjakova and Vitia. In contrast, the Municipality of Klina has managed to improve the transparency and quality of communication during reporting through clear allocation of responsibilities and documented requirements for each indicator, thus enhancing control and accountability in this process.

### 3.2 MLGA made no preparations for the 2024 performance reporting

This section gives a presentation on how the Ministry of Local Government Administration has addressed the eight recommendations. It also assesses the municipal performance reporting process for 2024, with an emphasis on MLGA's technical and administrative preparations and their impact on the functioning of the Electronic System for Municipal Performance Management. Furthermore, delays and lack of coordination in the guidance on the use of statistical data by municipalities are examined, as well as how these factors affected the quality, transparency, and accountability of municipal performance reporting. This section also presents the number of municipalities that submitted complaints during the preliminary municipal performance assessment process.

*The Ministry should make all the preparations for the commencement of municipal performance reporting. Reporting begins on 1<sup>st</sup> of February, to be able to publish the municipal performance report by 30 May.*

Although the Ministry of Local Government Administration issued the notification to start the municipal performance reporting process only two days late, it had not made the necessary technical and administrative preparations to ensure a clear, structured, and uninterrupted reporting process.

The activities and respective deadlines that MLGA is required to follow, according to the Key Document, and how they are implemented during 2025 are presented in the table below:

Table 4 Timeline of the Municipal Performance Reporting Process

Activity	Time according to the Key Document	Actual Time
MLGA notifies municipalities that the performance measurement process has started	1 February 2025	3 February 2025
MLGA issues the reporting request	15 February 2025	6 Maj 2025
Municipalities report the data (including data authorisation by the mayor) and conduct preliminary consultations	45 days (until 30 march 2025)	53 days (until 27 June 2025)
MLGA processes, analyses, and verifies the reported data	25 April 2025	July 2025
MLGA notifies municipalities of the processed performance data for each municipality	30 April 2025	28 July 2025
Complaint period	20 April 2025	20 July 2025

MLGA publishes the annual municipal performance report	30 May 2025	16 October 2025

The table shows the delays for each activity, starting from:

The reporting request by the MLGA was scheduled for 15 February 2025, but was sent on 6 May 2025, representing an 80-day delay. This has directly affected the entire cycle of municipal performance reporting, postponing the collection and verification of data and, consequently, impacting all other processes that depend on timely reporting.

Delays in opening the system and in the submission of data by municipalities occurred because the MLGA had not completed the procurement procedures for outsourcing the maintenance of the Municipal Performance Management System (MPMS) in time. The previous maintenance contract for MPMS had expired in May 2024, whilst the request to initiate the procedure for the new contract was submitted on 3 February 2025—the same day the MLGA sent the reporting notice to municipalities. Procurement processes normally require one to two months; however, this process also involved complaints, which caused additional delays of approximately three months. The new contract was signed in May 2025, surpassing all deadlines initially set by the MLGA. As a result, the MPMS was not ready to be used by municipal reporting officers, as the MLGA first had to implement essential system modifications required for its proper functioning during the reporting process.

The root cause of this situation was the MLGA's failure to plan the MPMS maintenance budget in time, as well as the delayed initiation of the procurement procedure.

This process has resulted in a three-month delay that affected the entire cycle of municipal performance reporting and evaluation, hindering the timely implementation of corrective measures.

During the performance assessment, the Municipal Performance Assessment Commission exceeded its authority as defined by the decision of the Secretary-General of the MLGA by intervening in the data reported by municipalities regarding population figures. Municipalities had reported their population numbers based on the 2024 population census (in line with initial MLGA guidance). This information is reflected in four indicators<sup>6</sup>. According to the decision, the Commission is authorised to verify and process reported data. However, the Commission modified the content of the reported data for these four indicators without informing the municipalities of the change (population figures according to the 2011 census).

Complaints were reviewed throughout August; 19 of 33 reporting municipalities submitted complaints regarding the preliminary municipal performance assessment, covering 92 indicators. The Complaints Review Commission issued the following response:

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<sup>6</sup> Indicators 3.1.2; 3.1.7; 4.1.2 and 8.1



- Complaints for 32 indicators were approved,
- Complaints for 59 indicators were rejected,
- Assessments for 4 indicators remained unchanged.

One of the reasons for the high number of complaints was that the MPMS had undergone system changes, and in several cases the calculation formulas were inaccurate (due to the change of the contractor responsible for MPMS maintenance). Changes in indicator scores in favour of municipalities occurred following the review by the Complaints Commission whenever it determined that the evidence uploaded in the system supported the indicators reported by the municipalities.

Based on municipal complaints, in one case the Commission found that an indicator (3.1.7) had not been properly configured in the system, resulting in incorrect scoring. Consequently, adjustments were made in the MPMS to address this issue.

The annual municipal performance report for 2024 had been planned for publication on 30 May 2025, but was published only on 16 October 2025, resulting in a delay of approximately 4.5 months.

At first, the MLGA instructed municipalities to report data using the 2024 population census figures. The Municipality of Drenas suggested continuing the use of the 2011 figures, but the MLGA rejected this proposal and required the 2024 census data to be used. Municipalities began reporting according to this instruction. However, on the final day of the regular reporting deadline (19 June), the MLGA sent an email notification asking municipalities to use the 2011 census figures, without providing any explanation or issuing an official decision. This last-minute change was made with the intention of ensuring that the data reported in the MPMS aligned with the data used for 2024 budget planning (the 2024 budget allocations had been based on the 2011 population census figures).

This delayed coordination by MLGA resulted in two of the three audited municipalities reported using 2024 census data, whilst only the Municipality of Klinë updated its data in accordance with the latest request.

This situation has led to confusion and uncertainty at the municipal level, highlighting a lack of coordination and standardisation at the central level.

### [3.2.1 Recommendations implemented by MLGA](#)

This section presents the implementation status of the recommendations issued in the 2024 audit. As shown in the table, only one recommendation has been fully implemented; three are in the final stage of implementation; two have begun to be implemented; whilst two have not yet been addressed.

This situation reflects the efforts of the MLGA to implement the audit recommendations, but it also highlights the need to further strengthen monitoring and coordination mechanisms to ensure the full and sustainable implementation of the recommendations.



The following table shows the status of the recommendations addressed by the MLGA.

Table 5 The status of implementation of recommendations by MLGA

Recommendations issued in 2024 audit	Implemented	Final stage of implementation <sup>7</sup>	Implementation started	Implementation not started	Not addressed
Recommendation 4		✓			
Recommendation 5			✓		
Recommendation 6					✓
Recommendation 7		✓			
Recommendation 8	✓				
Recommendation 9		✓			
Recommendation 10			✓		
Recommendation 11					✓

**Recommendation 4 - Addressing** of deficiencies in the processes for receiving and assessing data reported by municipalities, ensuring data is complete, accurate, and approved by the respective mayors.

This recommendation was in the final stage of implementation. Of the 33 municipalities that submitted reports, only the mayors of Klokot, Novobërdë and Partesh had not authorised the data. The Mayor of Partesh, through a written notice to the MLGA, reported that the data had been incorrectly authorised by the coordinator, and that the system does not allow a rollback for correcting such an error. This indicates that the recommendation was taken into consideration, but due to negligence and technical limitations, it was not fully implemented.

**Recommendation 5 - Municipal Performance Assessment Commission** must be authorised through official decisions. Any changes after authorisation must be documented to preserve transparency and the credibility of the evaluation process.

This recommendation has begun to be implemented. It applies to all stages of the reporting cycle up to the allocation of the municipal performance grant; however, it was assessed only up to the stage of publishing the municipal performance report, as the subsequent activities have not yet taken place. Up to this stage, the MLGA has authorised two committees, whose members acted in accordance with the decision and the reports prepared by these commissions.

**Recommendation 6 - Responsible officials** should conduct physical verification during the performance assessment process in order to prevent inaccurate or undocumented reporting.

Recommendation not addressed

<sup>7</sup> Final stage of implementation - the audited entity has undertaken the necessary actions toward implementing the recommendation, and the implementation is in its final stage before being fully completed.

**Recommendation 7** - Access authorisations in the MPMS must comply with the levels (as per Law No. 08/L-103). A permanent and an alternate official should be designated to administer the MPMS application. These officials must not be involved in the municipal performance assessment process.

The recommendation has been partially implemented, as the MLGA has appointed the permanent official, while the appointment of an alternate official is still missing. The Ministry has not designated an alternate administrator for the MPMS system. As a result, the system's administration function depends solely on one official, increasing the risk of operational interruptions in certain circumstances.

The absence of an alternate official for administering the MPMS poses a risk to the uninterrupted functioning of the system. In cases of absence, resignation, or inability of the responsible official to perform his/her duties, the system may be left without an administrator. This situation places the MPMS in dependence on a single individual, jeopardizes operational continuity, and may negatively affect the management and maintenance of the system, which could ultimately lead to delays in fulfilling the Ministry's legal and administrative obligations.

**Recommendation 8** - The full-access account for the Economic Operator (EO) must be deactivated, allowing only read-only access, through a specific decision and under the Ministry's supervision.

Recommendation implemented

**Recommendation 9** - The MPMS should be configured to restrict the Municipal Performance Coordinator role user from managing the municipal user accounts in the system. Configuration should also include mandating users to change their password upon activation of the account and first login, and the password must meet complexity requirements (minimum of eight (8) characters;

The recommendation is considered partially implemented. The Ministry has configured the MPMS to automatically require municipal officials to change their passwords upon first login. The password length is set to eight characters and meets complexity criteria. In addition, each time users log into the system, a verification code is sent to their email address as part of the two-factor authentication (2FA) mechanism.

The recommendation has been only partially implemented regarding the security features of the MPMS because the restriction on the "Municipal Performance Coordinator" role has not yet been enforced. Users with this role continue to have system access as "administrators," which is broader than necessary. This grants them the ability to make unauthorised modifications or misuse municipal user accounts, which may compromise the reliability and security of system data.

The lack of configuration to restrict the "Municipal Performance Coordinator" role occurred because the Ministry has not fully completed the process of updating the coordinator data

within the system. Furthermore, responsibilities for administering user roles have not been clearly defined, resulting in partial implementation—limited mainly to password management.

**Recommendation 10** - MPMS should deactivate non-personalised accounts, and the accounts creation process must be standardised and personalised. User access rights should be reviewed periodically to ensure they remain valid according to decisions made by the Ministry and municipalities.

This recommendation has begun to be implemented. The creation of MPMS user accounts for officials is now standardised and personalised. All accounts operate within the government network, using the official state domain and institutional email addresses (@rks-gov.net). However, the MLGA does not have a procedure in place for the periodic review of user access rights. User access is reviewed only once—at the time the system is activated—when municipalities are required to submit their decisions on the appointment of reporting officials and the municipal coordinator.

**Recommendation 11** - Training sessions for officials managing the MPMS user accounts should be organised, focusing on standards for account creation and procedures for periodic access review

Recommendation not addressed

## Conclusions

The performance audit had a noticeable impact on improving the functioning of municipalities and the MLGA. The recommendations contributed to increased awareness regarding transparency, accountability, and the use of a standardised methodology in performance reporting. However, the level of impact varied across the audited institutions. While progress was evident in the Municipality of Klina, the impact in Gjakova and Vitia was more limited due to insufficient documentation of formal communication processes.

Of the recommendations issued in the previous audit, only one has been fully implemented; three are in the final stage of implementation; two have begun implementation; and two remain unaddressed. This indicates partial progress made – MLGA and the municipalities are working toward addressing the recommendations, but full implementation still requires additional effort and commitment.

Municipality of Klina demonstrated the most significant progress by strengthening cooperation among municipal officials, conducting weekly reporting, and serving as an example of good practice in the reporting process. The Municipalities of Gjakova and Vitia made limited improvements and continue to face challenges in documenting communication and coordination processes. This highlights the need for continued support from the MLGA

Municipalities still do not use clear and formalised communication channels among reporting officers, coordinators, and mayors. The lack of formal communication hinders traceability of reporting activities. Although awareness of this issue has increased at the municipal level, actual actions to address it remain at an early stage.

MLGA did not timely prepare the system for the 2024 performance reporting cycle, causing delays and confusion in the audited municipalities. The last-minute changes to the guidance on population census data created uncertainty among municipalities regarding which data set should be used for reporting.

Furthermore, procurement delays and insufficient internal coordination within the MLGA hindered the full and effective implementation of several recommendations, directly affecting the municipal performance reporting process.

# Annex I. Follow-up Motive, Criteria, Questions, Scope and Methodology

## Follow-up Motive

NAO and DEMOS/Helvetas have reached an agreement on carrying out the follow-up on the implementation of recommendations issued in the performance audit report on "*Quality Assurance Mechanisms for Data Reported in the Municipal Performance Management System and the Municipal Performance Grant for the Year 2021*". This report resulted in 11 recommendations, three addressed to the audited municipalities and eight to the Ministry of Local Government Administration (MLGA), aimed at improving the quality of reporting and the management of performance at the local level.

The follow-up audit is necessary to assess whether the actions undertaken by the municipalities and MLGA following the publication of the audit report have been effective. In addition, it serves to support the strengthening of institutional accountability and to enhance the impact of performance audits on improving local governance.

## Follo-up Questions

In order to be responsive to the audit objective, we have posed the following audit questions and sub-questions:

- 1. Have the Municipalities taken effective measures to ensure the quality of data reported in the MPMS?**
  - Have clear communication channels been established and put in place between reporting officers, coordinators, and mayors?
  - Is there a systematic process in place for the approval of data by the mayor before submission to the MPMS?
  - Do internal control mechanisms operate effectively to ensure accurate, documented, and verifiable reporting?
- 2. Has the MLGA taken appropriate actions to ensure that Municipalities report accurate, safe, and properly-managed data in accordance with information security standards?**
  - Have shortcomings in the data acceptance and evaluation process been addressed by the municipalities?
  - Does the MLGA exercise adequate control over the MPMS and MPG schemes regarding system authorisations and access?

- Has the MLGA taken measures for the safe configuration and management of user accounts in the MPMS (e.g., personalisation, mandatory password changes, periodic review of access rights, including training of responsible officials)?

#### Follow-up Criteria:

##### Audit Criteria for the Municipalities

- Establishment of clear communication channels between reporting officers, municipal coordinators, and mayors to ensure transparent and accountable reporting of municipal performance;
- Development of a systematic process for the reported data's approval by the mayors, highlighting the significance of their role in validating the reported data; and
- Development and implementation of effective assurance control mechanisms for reported data, addressing matters such as proportional distribution of tasks among reporting officers and ensuring of communication evidence throughout the reporting process.

##### Audit Criteria for the Ministry

- Addressing of deficiencies in the processes for receiving and assessing data reported by municipalities, ensuring data is complete, accurate, and approved by the respective mayors;
- Municipal Performance Assessment Commission must be authorised through official decisions. Any changes after authorisation must be documented to preserve transparency and the credibility of the evaluation process;
- Responsible officials should conduct physical verification during the performance assessment process in order to prevent inaccurate or undocumented reporting;
- Access authorisations in the MPMS must comply with the levels (as per Law No. 08/L-103). A permanent and an alternate official should be designated to administer the MPMS application. These officials must not be involved in the municipal performance assessment process;
- The full-access account for the Economic Operator (EO) must be deactivated, allowing only read-only access, through a specific decision and under the Ministry's supervision;
- The MPMS should be configured to restrict the Municipal Performance Coordinator role user from managing the municipal user accounts in the system. Configuration should also include mandating users to change their password upon activation of

the account and first login, and the password must meet complexity requirements (minimum of eight (8) characters);

- MPMS should deactivate non-personalised accounts, and the accounts creation process must be standardised and personalised. User access rights should be reviewed periodically to ensure they remain valid according to decisions made by the Ministry and municipalities; and
- Training sessions for officials managing the MPMS user accounts should be organised, focusing on standards for account creation and procedures for periodic access review.

Implementation of each recommendation shall be categorised as the following level:

**Implemented** – Recommendation has been successfully implemented;

**Implementation started** – Some actions have been undertaken towards implementing the recommendation; yet, the progress made remains at an early stage.

**Implementation at the final stage** – Appropriate measures have been taken by the auditee towards implementing the recommendation, and implementation is in its final phase before being fully completed.

**Implementation not started** – No actions have been taken by the auditee to implement the recommendation to date; however, an action plan has been presented.

**Not addressed** – No measures have been taken and no action plan has been presented for implementing the recommendation.

**No longer applicable** – Due to structural changes within the audited entity or for other reasons, the recommendation is no longer relevant to the audited entity.

### Follow-up Methodology

The audit methodology includes the examination of documents in the municipal performance reporting file, the assessment of internal control mechanisms within the municipalities, and the evaluation of MLGA indicators. To carry out this audit, we will apply a combined approach of performance and compliance auditing, which includes:

#### **Data/Documents Collection and Analysis**

- Official documents related to reporting procedures, such as decisions by mayors, minutes of commission meetings, and evidence of physical verification;
- Policies and procedures for managing user access to the MPMS;

- Policies and procedures for periodic user review and compensating controls within the MPMS;
- Reports on periodic reviews of user access lists in the MPMS; and
- Training sessions and supporting materials, such as participant lists, training agenda and content.

#### **Analysis of Controls within the MPMS**

- A list of active and inactive user and administrator accounts within the MPMS application and database, including data on last access, last password change, and assigned roles in the system;
- User activity logs and audit trails for the municipal performance reporting period (45 calendar days);

#### **Interviews**

- With reporting officers and municipal performance coordinators; and
- With officials from the Ministry, such as MPMS system administrators and heads of municipal performance divisions;

#### **Testing of Internal Controls**

- Assessment of whether practices of segregation of duties are applied; and
- Whether the approval and communication of data is documented.

#### [Follow-up Scope and Limitations](#)

The scope of the follow-up includes the assessment of the implementation of the recommendations from the performance audit report “Quality Assurance Mechanisms for the Data Reported in the Municipal Performance Management System and the Municipal Performance Grant for the Year 2021,” published in 2024. This assessment will focus on the measures undertaken by the three municipalities of Gjakova, Klina, and Vitia as well as the Ministry of Local Government Administration to implement the recommendations.

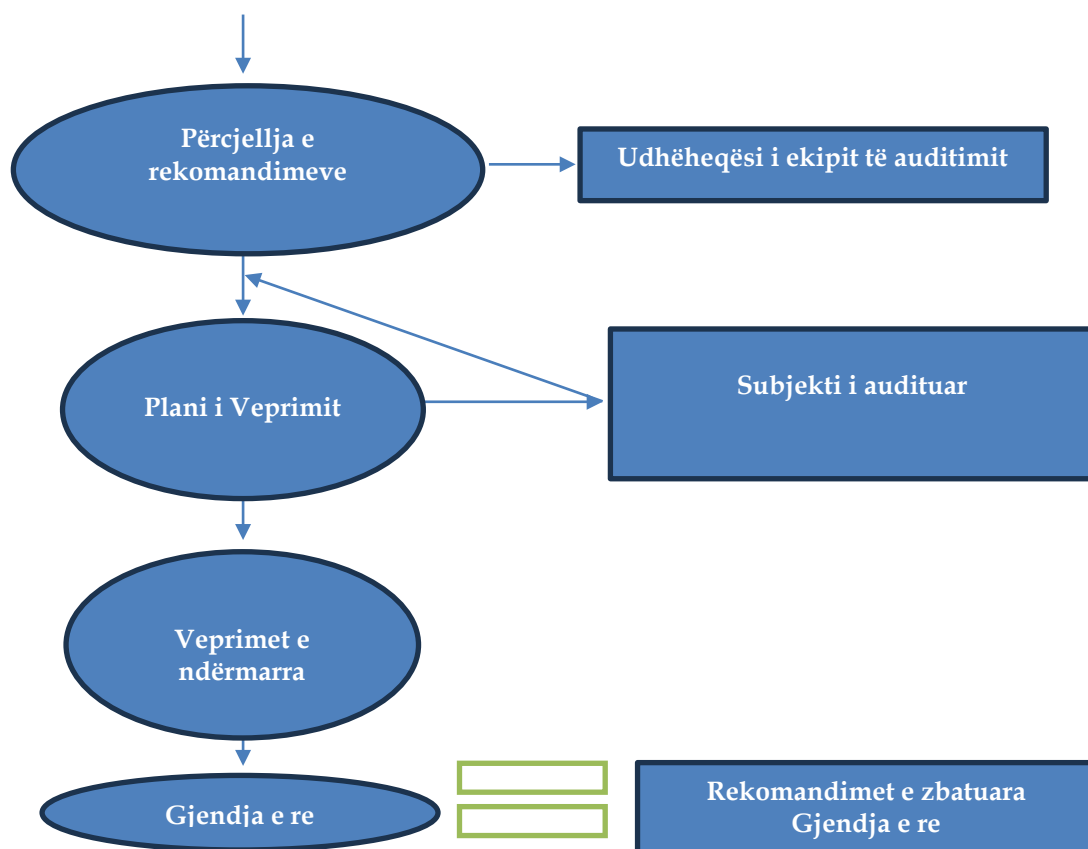
#### [System Description and Relevant Stakeholders](#)

The follow-up audit constitutes a key component in ensuring the impact of performance auditing and in consolidating institutional accountability concerning implementation of recommendations. This process is structured into several linked stages, which are explained below and visually presented in Diagram 1.

The steps to be undertaken during the follow-up audit are presented in Diagram 1.



Diagrami 1 Procesi i auditimit përcjellës



### Identification of Recommendations to Be Followed Up

The process begins with identifying the recommendations issued in the performance audit report. This stage is managed by the audit team leader or another auditor appointed by the NAO management. The objective is to ensure that the recommendations are addressed by the auditees rather than just remaining as written statements in the report.

### Action Plan

After having received the recommendations, the auditee prepares an action plan that outlines the actual steps to be taken for implementing each recommendation, the deadlines, and the persons responsible for their implementation. This action plan is submitted to the NAO and serves as a basis for monitoring the progress in the implementation of recommendations.

### Actions taken

Henceforward, the auditee starts taking the planned measures/actions. The NAO reviews these measures/actions to assess whether the issues raised in the audit have been effectively addressed, by conducting the follow-up audit.

## **New Status**

Having taken the planned actions, a new status which should reflect an improvement compared to the original situation is established. If the recommendations have been successfully implemented, they are marked as fulfilled, and the new institutional status resulting from the implementation of the recommendations is documented.

## **Follow-up Results**

At the end of the process, NAO reports on:

- The number and percentage of recommendations fully or partially implemented;
- Issues that remain unaddressed and repeated recommendations in cases where no improvement has been observed;
- The impact of the recommendations on improving governance.

This process helps build a culture of accountability and transparency within the public administration.



## Annex II. Confirmation Letter



REPUBLIKA E KOSOVËS  
REPUBLIKA KOSOVA/ REPUBLIC OF KOSOVO  
KOMUNA E GJAKOVËS  
OPŠTINA DJAKOVICA/MUNICIPALITY OF GJAKOVA



Dt. 12.11.2025  
Gjakovë

## LETËR E KONFIRMIMIT

Për pajtueshmërinë me gjetjet e Auditorit të Përgjithshëm për raportin Përcjellja e rekomandimeve për raportin e auditimit “Mekanizmat e sigurimit të cilësisë së të dhënave të raportuara për SMPK dhe GPK për vitin 2021”

Për: Zyrën e Kombëtare të Auditimit

Të nderuar,

Përmes kësaj shkrese, konfirmoj se:

- kam pranuar draft raportin e Zyrës Kombëtare të Auditimit për përcjelljen e zbatimit të rekomandimeve të dhëna në raportin “Mekanizmat e sigurimit të cilësisë së të dhënave të raportuara për SMPK dhe GPK për vitin 2021”, (në tekstin e mëtejme “Raporti”);
- pajtohem me gjetjet dhe konkluzionet 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. Ardian Gjini

Kryetar i Komunës së Gjakovës





## LETËR E KONFIRMIMIT

Për pajtueshmërinë me gjetjet e Auditorit të Përgjithshëm për raportin Përcjellja e rekomandimeve për raportin e auditimit “Mekanizmat e sigurimit të cilësisë së të dhënave të raportuara për SMPK dhe GPK për vitin 2021”

Për: Zyrën e Kombëtare të Auditimit



Të nderuar,

Përmes kësaj shkrese, konfirmoj se:

- Kam pranuar draft raportin e Zyrës Kombëtare të Auditimit për përcjelljen e zbatimit të rekomandimeve të dhëna në raportin “Mekanizmat e sigurimit të cilësisë së të dhënave të raportuara për SMPK dhe GPK për vitin 2021”, (në tekstin e mëtejshëm “Raporti”);
- Pajtohem me gjetjet dhe konkluzionet 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 Komunës

Zenun Elezaj



Datë: 06.11.2025



Republika e Kosovës  
Republika Kosovo  
Republik of Kosovo

REPUBLIKA E KOSOVES - REPUBLIKA KOSOVA			
KOMUNA E VITISE - OPSTINA VITINA			
Praktikant: Përkrahje nga M. L. L. 14-11-2025			
Për: Komiteti Org. 1100	Thema: Baza	Udhëzues: M. L. L.	Vlera shprehëse
02-016/01-1718			



Komuna e Vitisë  
Opstina Vitina  
Municipality of Vitia

### LETËR E KONFIRMIMIT

Për pajtueshmërinë me gjetjet e Auditorit të Përgjithshëm për raportin Përcjellja e rekomandimeve për raportin e auditimit "Mekanizmat e sigurimit të cilësisë së të dhënave të raportuara për SMPK dhe GPK për vitin 2021"

Për: Zyrën e Kombëtare të Auditimit

Të nderuar,

Përmes kësaj shkrese, konfirmoj se:

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- pajtohem me gjetjet dhe konkluzionet 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.

Sokol Haliti

Kryetari i komunës së Vitisë

Data: 14.11.2025







**Republika e Kosovës**  
**Republika Kosova - Republic of Kosovo**  
**Qeveria - Vlada - Government**  
**Ministria e Administrimit të Pushtetit Lokal**  
**Ministarstvo Administracije Lokalne Samouprave**  
**Ministry of Local Government Administration**

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**LETËR E KONFIRMIMIT**

Për pajtueshmërinë me gjetjet e Auditorit të Përgjithshëm për raportin Përcjellja e rekomandimeve për raportin e auditimit “Mekanizmat e sigurimit të cilësisë së të dhënave të raportuara për SMPK dhe GPK për vitin 2021”

Për: Zyrën e Kombëtare të Auditimit

Të nderuar,

Përmes kësaj shkrese, konfirmoj se:

- kam pranuar draft raportin e Zyrës Kombëtare të Auditimit për përcjelljen e zbatimit të rekomandimeve të dhëna në raportin “Mekanizmat e sigurimit të cilësisë së të dhënave të raportuara për SMPK dhe GPK për vitin 2021”
- pajtohem pjesërisht me gjetjet dhe konkluzionet dhe kemi komente 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.

Për Z. Elbert Krasniqi

Ministër në Ministrinë e Administrimit të Pushtetit Lokal

Data: 13.11.2025





Republika e Kosoves  
Republika Kosova  
Republic of Kosovo



Zyra Kombetare e Auditimit  
Nacionalna Kancelarija Revizije  
National Audit Office

Audit conducted: Follow-up of recommendations for the audit report Quality Assurance Mechanisms for Data Reported for the MLPA Performance Management System (SMPK) and the General Performance Grant (GPK) for 2021

Document: Comments from the audited institution on the draft audit report

Audit Findings	agree yes/ no	Remarks from the audited institution in instances of non- agreement	The NAO's perspective
<b>Finding 3.2:</b> The Commission for the Assessment of Municipal Performance exceeded its competencies by altering the data reported by the municipalities without notifying them about these changes.	NO	The MLGA does not agree with the use of the term “exceeding of competencies.” <b>Clarification:</b> The Commission did not exceed its competencies by modifying the data reported by the municipalities without notifying them (specifically, the population numbers based on the 2011 census). The decision to use the 2011 census data was made to maintain consistency with the 2024 budget allocations, which were also based on the same figures. The change was communicated by email to all municipalities in order to avoid discrepancies. The adjustments made were technical in nature and were not intended to affect the performance assessment, but solely to ensure alignment with official data sources. The changes made by the Commission occurred during the verification phase, and no data were altered during the reporting phase (the Commission has read-only access during the reporting phase and cannot modify data). Furthermore, all municipalities were informed through the preliminary reports, in the section containing comments on population data, where the 2011 population report was used as the reference. Evidence can be found in the email sent by MLGA to Vjosa Bojku on 10/10/2025 titled “Changes in municipalities’ reported data.” These pieces	The decision of the Secretary General authorizes the Commission for the Assessment of Municipal Performance to verify and process the data. No authority under this decision, nor under the legal documents regulating the field of municipal performance, grants the Commission the right to unify or make any other modifications to the data reported by the municipalities.

		of evidence are also attached in physical copy.	