



Republika e Kosovës
Republika Kosova
Republic of Kosovo



Zyra Kombëtare e Auditimit
Nacionalna Kancelarija Revizije
National Audit Office

Information Technology Audit Report

PROPERTY TAX SYSTEM



Prishtina, August 2025

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This audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI 3000¹) and the Guidelines for Auditing Information Systems (GUID 5100²).

Information technology audits undertaken by the National Audit Office are examinations and reviews of information technology systems and related controls to obtain assurance regarding the principles of legality, efficiency³, economy⁴, and effectiveness⁵ of the information technology systems and their associated controls.

The Auditor General has decided on this audit report “Property Tax System – PTIS” in consultation with the Assistant Auditor General Myrvete Gashi Morina, who was responsible for overseeing the audit.

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[1] Law 05_L_055 on the Auditor General and the National Audit Office of the Republic of Kosovo

¹ISNISA 3000 – Standards and guidelines for performance auditing based on INTOSAI Audit Standards and practical experience

²GUID 5100 – Guidelines for auditing information systems issued by INTOSAI

³ Efficiency - The principle of efficiency means achieving the maximum output from available resources. It relates to the relationship between the resources employed and the results delivered in terms of quantity, quality and time.

⁴ Economy - The principle of economy means minimizing the cost of resources. The resources used should be available on time, in the right quantity and quality, and at the best price

⁵ Effectiveness - The principle of effectiveness means meeting the predetermined objectives and achieving expected results.

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List of Acronyms

CRA	Civil Registry Agency
CAAT	Computer assisted audit techniques
ISO/IEC	International Organisation for Standardisation/International Electrotechnical Commission
MFLT	Ministry of Finance, Labor and Transfers
PTIS	Property Tax Information System
IT	Information Technology
UNIREF	Unique Reference Number
NOA	National Audit Office

Executive Summary

Property tax in Kosovo is a primary source of own-source revenue for municipalities and a key instrument for financing local public services. This tax applies to all immovable properties, regardless of their intended use. Its administration is carried out through the Property Tax System (PTIS), which provides electronic services for registration, billing, and payment, making the process more accessible and transparent. The Ministry of Finance, Labor, and Transfers (MFLT) plays a leading and supervisory role at the central level, whilst municipalities manage the process within their territories, including property registration, invoice issuance, and payment collection. The revenues collected are used to support projects and services that enhance citizens' quality of life.

Property tax holds particular importance for citizens, businesses, municipalities, and the central government. Given the importance of the Property Tax System, the National Audit Office has conducted an information technology audit to assess whether the system's management by responsible parties ensures the provision of accurate, complete, reliable, and high-quality data. The National Audit Office has previously conducted audits related to this system and evaluated its data during financial statement and compliance audits.

The Property Tax Information System (PTIS) plays a key role in property tax administration and provides an integrated data platform used at the local level throughout the Republic of Kosovo to deliver this service electronically. The development of this system has transformed property tax administration, making it more manageable as a centralized platform with a single database for all municipalities.

Funded by the Swedish International Development Cooperation Agency (SIDA) since 2008, the Property Tax Information System initially focused solely on buildings, later expanding to include land taxation. In 2018, property records were unified for taxpayers, and for the first time, a single invoice was issued that was expected to be automatically distributed to properties by the system. However, this functionality was not adequately tested, and shortcomings persist. Documentation for the system and its supporting applications was lacking, and the development team contracted by SIDA departed without a formal handover process, standard source code delivery, or implementation of the new development plan. This has hindered system maintenance.

Given these functional and technical limitations, the MFLT has decided to develop a new system that is more adaptable to change and sustainable, while retaining the functions and database of the PTIS as its foundation.

Accordingly, the National Audit Office focused its audit on system development and application-level controls to identify existing shortcomings and mitigate risks in future developments.

This audit has identified significant shortcomings that affect the overall functionality of the system and which must be addressed in the new system.

The lack of standardized procedures for testing and approving changes, ineffective management of development requests, and weak application controls have negatively impacted the accuracy and reliability of property tax data. These weaknesses pose risks to the proper functioning of the system and compliance with legal requirements regarding the equitable distribution of invoices and payments, inefficient use of resources, and compromise of system integrity and security.

The Ministry of Finance, Labor and Transfers has failed to ensure that developments within the Property Tax Information System effectively achieve their intended objectives. This is due to the absence of procedures that guarantee internal functional controls related to testing, approval or rejection of system changes, as well as the management of development requests. This has led to inefficient resource management, overlaps and avoidance of responsibilities, and situations in which developers assess their own work. As a result, performance has been reduced, oversight weakened, and the quality of solutions and achievement of functional objectives jeopardized.

The lack of input controls in the Property Tax Information System application has created serious risks to data accuracy and service integrity. Shortcomings have been identified in the system's integration with the Kosovo Cadastral Agency's data registry and the Surveying System, as well as the absence of compensatory controls at the municipal level. As a result, inaccurate data has been generated for taxpayers and properties. Weak processing controls have led to disproportionate payment allocations and incorrect debt records for citizens, resulting in penalties and interest charges.

The Ministry of Finance, Labor and Transfers lacks sufficient controls to ensure the completeness and accuracy of results. As a result, the Property Tax Information System has deficiencies in payment registration, does not record the exact date of payment completion, and does not reflect the actual status of invoices. This hinders the accurate representation and implementation of legal and regulatory requirements. Consequently, citizens may be unfairly penalized with interest charges despite making timely payments, undermining trust in the tax system. Manual processes also increase the risk of errors and data loss outside the system.

Shortcomings in the system's security controls of the Property Tax Information System make it more vulnerable to information security breaches. While the system generates audit trails, the lack of completeness and regular monitoring heightens the risk of unauthorized changes or errors, compromising transparency, integrity, and system reliability. The absence of standardized and controlled access, along with the lack of a centralized credential management mechanism, increases the risk of excessive access, duplication, and ambiguous user identification. Sending passwords via email further heightens the risk of unauthorized access.

Therefore, the risks identified above indicate that the Ministry of Finance, Labor and Transfers, as well as the municipalities that administer and provide services through the Property Tax Information System, require further improvements to ensure system development, data protection, and uninterrupted taxpayer services. In this regard, we have issued a total of 14 recommendations, 13 for the Ministry of Finance, Labor and Transfers and 1 for the municipalities. The list of recommendations is presented in Chapter 5 of this report.

Response of the entities

The Ministry of Finance, Labour and Transfers and the Municipality of Prishtina have agreed with the audit findings and conclusions and have committed to implement the recommendations given.

1 Introduction

Property tax in Kosovo is a primary source of own-source revenue for municipalities and a key instrument for financing local public services such as public lighting, road maintenance, waste management, and capital investments in infrastructure. This tax applies to all immovable properties, including buildings and land, regardless of their intended use (residential, commercial, agricultural, or industrial).

The legal basis for property tax administration is defined by Law No. 06/L-005 on Immovable Property Tax, along with the sub-legal acts issued by the Ministry of Finance for its practical implementation. This law clearly defines the responsibilities of central and local institutions, as well as the processes for property registration, valuation, invoicing, and tax collection.

The Property Tax Information System is one of the core mechanisms for tax collection. Through this system, a total of €607,443,326 has been recorded for 817,040 property units and 2,258,838 land parcels, current as of 2025. The system allows electronic payment services, making the process more accessible, transparent, and efficient. The Property Tax Information System is integrated into and offered as a service through the e-Kosova electronic platform, enabling the issuance of the following: (i) individual property tax invoices; (ii) property tax invoices for third parties; and (iii) business property tax invoices.

The Ministry of Finance, through the Property Tax Department, plays a leading and supervisory role in the administration of the Property Tax Information System at the national level. It maintains and updates the central property register, publishes data and information, conducts tax and legal assessments, and takes corrective measures against municipalities in cases of violations. The Ministry also provides legal guidance and interpretations to ensure uniform implementation of legislation and reviews appeals related to valuation certificates issued by municipalities.

Municipalities, meanwhile, are responsible for the operational administration of property tax within their respective territories. They register properties, conduct field inspections, classify properties by use, issue invoices, collect payments, and review requests for deferral or reimbursement. The respective municipal units work closely with the Ministry on property valuation and are responsible for handling appeals and taking action in cases of non-compliance by taxpayers. Property tax is an annual tax, determined by the municipality.

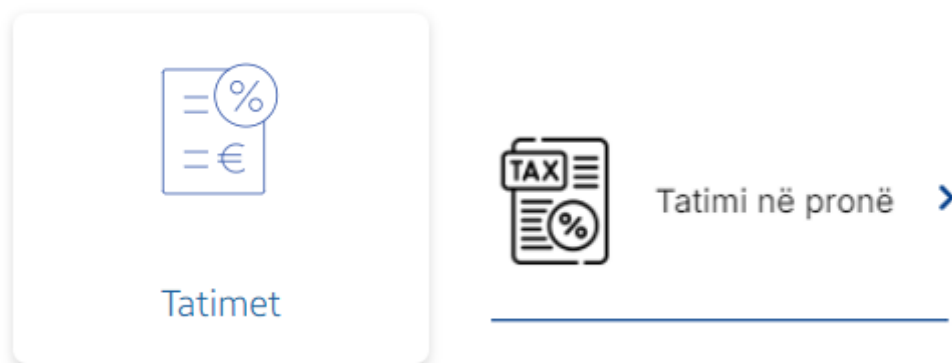


Figure 1. Property tax services provided to citizens electronically.

Property tax invoice – is an official document issued by the municipality to notify the taxpayer and/or debtor of their obligation to pay tax liabilities.

Property tax invoices are designed to be paid in two instalments within the year without incurring interest or penalties. The first instalment is due by April 30, and the second by September 30.

After the payment deadlines, interest rate of 0.65% per month and a penalty of 10% are applied to any unpaid tax.

Initially, property tax focused solely on buildings, but was later expanded to include land taxation. In 2018, property records were unified for taxpayers, and for the first time, a single invoice was issued that was expected to be automatically distributed to properties by the system. This process has been funded by the Swedish International Development Cooperation Agency (SIDA) since 2008. However, the system development team contracted by SIDA failed to fulfil the contract and withdrew three months early, without a formal handover process, without delivering the standard source code or implementing the planned system upgrades. This significantly hindered system maintenance.

The new system management team succeeded in generating the 2022 property tax within the statutory deadline. However, major challenges remain, including outdated system architecture, reliance on obsolete technologies, and the lack of specialized technical expertise, etc.

2 Objective and Areas of Audit

The objective of this audit is to assess whether the entities responsible for managing the Property Tax Information System ensure that it delivers high-quality, accurate, complete, and reliable data.

Through this audit, we aim to provide relevant recommendations to the Ministry of Finance, Labor and Transfers (MFLT), with the purpose of improving the functioning of the system and addressing the needs of property tax administration.

Audit Areas

To meet the audit objective, we focused on system development and application controls, selecting the following areas:

Table 2: Audit Areas and Issues

Audit Areas	Audit Issues
1. Development and Procurement	1. Quality Assurance and Testing
	2. Configuration Management
2. Application Controls	3. Input Controls
	4. Processing Controls
	5. Output Data Controls
	6. Application Security Controls

The scope of this audit covers the Ministry of Finance, Labor and Transfers, with a particular focus on the Property Tax Department, which is responsible for leading and supervising the implementation of the Law on Immovable Property Tax and sub-legal acts issued for its enforcement across all municipalities in Kosovo. The audit also includes the divisions within this department: the Inspection Division, the Property Tax Legal Affairs Division, and the Information, Education, and Support Services Division. Additionally, the audit covers the Information Technology Systems Management Department and the Municipality of Prishtina – Directorate of Property.

The audit focuses on procurement, system development, and application controls within the Property Tax Information System. The audit covers the period from January 2024 until the conclusion of the audit.

3 Audit Findings

The Property Tax Information System is one of the core systems for tax collection, with over €607 million registered by 2025 for more than 817,000 property units and over 2.2 million land parcels. It allows for electronic payments, making the process more accessible, efficient, and transparent, and is integrated with the e-Kosova platform for issuing invoices to individuals, third parties, and businesses.

The audit findings relate to system development and procurement, as well as application controls. The findings are structured according to the audit areas and issues.

Development and Procurement
<ul style="list-style-type: none"> • MFLT does not have a procedure for conducting tests on changes made to the PTIS in place. • Management of configuration, approval and rejection of developments in the system. • MFLT suffers deficiencies in managing and addressing requests related to the PTIS.
Application Controls
<ul style="list-style-type: none"> • Deficiencies in input data from the Cadastral Agency to the Property Tax System. • Deficiencies in proper integration between the Survey System and the PTIS. • Lack of compensating controls for data entry in PTIS at the municipal level. • Disproportionate allocation of payments prevents full clearance of outstanding debt. • PTIS suffers deficiencies in recording payments, including failure to capture the exact payment date. • PTIS does not accurately reflect the actual invoice status. • PTIS does not enable proper presentation and implementation of legal and regulatory requirements. • MFLT suffers deficiencies in monitoring and managing audit trails. • PTIS lacks standardisation and harmonisation of user management.

Figure 2. Structure of audit issues in the Property Tax Information System

The Property Tax Information System (PTIS) has been developed in a static manner, without a clear structure or documentation, resulting in dependency on individual developers. Frequent changes in the development team have led to repeated rewrites of functions, making the code difficult to maintain and non-scalable. These functional and technical limitations have led the Ministry of Finance, Labor and Transfers (MFLT) to initiate the development of a new system that is more adaptable to change and sustainable.

The first part of this chapter covers the identified issues requiring improvement related to quality assurance and testing, and configuration management.

The second part covers the identified issues related to input controls, processing controls, output data controls, and application security controls.

3.1 Procurement and Development

Development, procurement, and outsourcing are intended to ensure that requirement management, analysis, and prioritization continuously support optimal fulfilment of user needs in the development of services within the Property Tax Information System.⁶

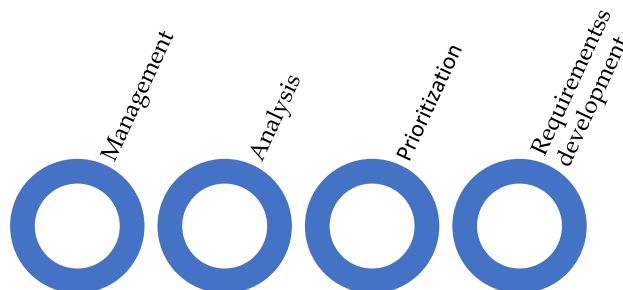


Figure 3. Procurement and Development

1. MFLT does not have a procedure for conducting tests on changes made to the PTIS in place

MFLT is required to conduct testing on IT systems and make acceptance or rejection decisions based on the results.⁷

However, MFLT does not have a procedure in place that defines the process, format, and method of testing. System development testing is carried out by the developers themselves.

In business terms, the entire Property Tax Department at MFLT is asked to conduct testing on test links via email. In some cases, municipal officials are also involved. This process lacks a standardized procedure and does not produce a standard report of test results.

Once testing is completed, the officials who conducted the tests report their findings via email to the IT Department and developers. In certain cases, they follow up and discuss the results until the desired outcome is achieved. There is a draft procedure for change management that includes the testing format, but none of the officials involved in testing is familiar with this procedure. Additionally, divisions within the IT Department, such as the Infrastructure and Security Division, are not involved in testing security aspects of changes, server performance, or usage stress testing.

MFLT has assigned system testing responsibilities to the Inspection Division and has created a draft change management procedure, but it remains only a draft and is not implemented. In reality, testing on the business side is carried out by the entire Property Tax Department due to the lack of dedicated staff.

⁶ Information Technology Audit Manual: Development, Procurement, and Outsourcing.

⁷ Information Technology Audit Manual – Procurement and Development

In IT terms, there are no resources other than the developers themselves, who test only the components they developed, without producing documentation or reports.

As a result, the system development does not adequately meet business needs, information security requirements, or performance standards. Moreover, application issues are often identified only after the system is in use, for example, problems with invoice consolidation and improper distribution of debt payments across multiple properties within a single invoice. Additionally, the database integration with the Cadastral Agency has overwritten PTIS data with outdated records, and the system's disproportionate use of hardware processing resources demonstrates non-compliance with application development standards.

2. Management of configuration, approval and rejection of developments in the system

Only authorized and approved changes should be deployed in the production environment.⁸

After business requirements are developed in the PTIS, developers are effectively responsible for determining if sufficient testing has been conducted. This determination is based on emails received from Property Tax Department officials and tests they perform themselves. Developers then assess whether the change is ready for deployment in the production environment.

MFLT does not generate any formal approving documentation for changes, nor does it have a standardised procedure for approving implemented changes. There is also no formal decision or assignment of responsibility to an authorized official within the Property Tax Department for approving changes. In addition to the lack of procedure, MFLT cites a shortage of qualified human resources with combined business and IT expertise as a limiting factor.

As a result, resource and process management are ineffective, leading to conflicts of responsibility and avoidance of accountability. Developers are burdened with evaluating their own work, which not only impacts their performance but also creates conflicts of interest and a lack of oversight.

3. MFLT suffers deficiencies in managing and addressing requests related to the PTIS

Only authorized and approved changes should be deployed in the production environment.⁹

Due to poor request management, MFLT fails to review all requests related to system issues. Requests are mainly submitted by municipalities via email to the Division for Information, Education, and Support Services, specifically the Help Desk within this division. These requests are then entered into the ticketing system for developers to review. The ticketing system is a ready-made platform that allows for the management of requests, offering features such as status tracking, criticality level, and prioritization. However, MFLT does not utilize these features. As a result, requests remain unresolved or without a defined resolution status. Consequently, the original requester often receives no response regarding their submission. Furthermore, the number of resolved versus unresolved requests is not tracked, nor is there prioritization between lower-priority and critical requests.

⁸ Information Technology Audit Manual – Procurement and Development

⁹ Information Technology Audit Manual – Procurement and Development

The absence of a formal procedure for handling requests leaves responsible officials and developers uninformed about how to determine resolution priority, assess request criticality, track resolution status, and how to communicate updates to the original requester.

As a result, requests are poorly managed, leading to delays in implementation or failure to address critical and high-priority requests. Even when a request is resolved or deemed irresolvable, MFLT and the municipalities remain uninformed about its status.

3.2 Application Controls

Application controls include: input, processing, output, and security controls. These encompass methods to ensure that only complete, accurate, valid, and reliable data are entered and updated in an information system; that processing performs the correct task; that the output meets expectations; and that data is properly stored.¹⁰

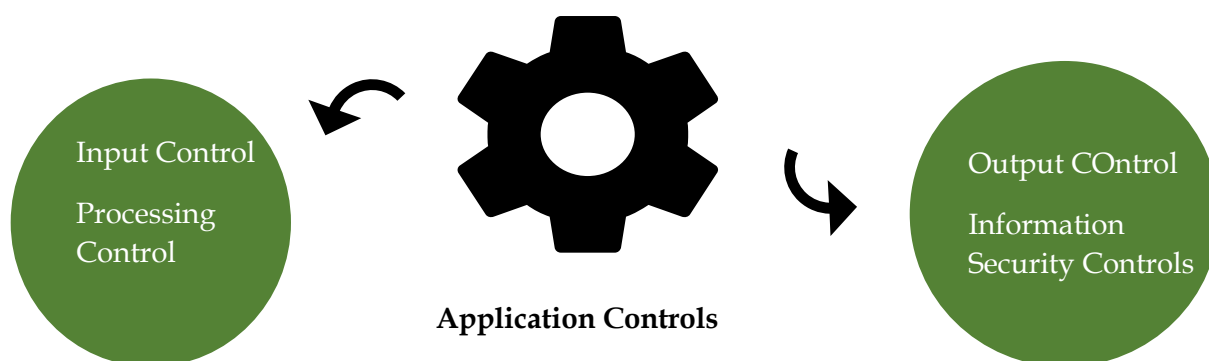


Figure 4. Application Controls

4. Deficiencies in input data from the Cadastral Agency to the Property Tax System

*Validation rules must be comprehensive, documented, and implemented into the application entry (input) interfaces. Various data entry methods must be documented; invalid data must be properly rejected by the application; validation criteria must be updated appropriately and with authorization; comprehensive controls must exist, such as registration and authorization rules, in case of essential input controls; and there must be proper documentation and controls for application inputs.*¹¹

Since 2019, MFLT has conducted annual updates of the Property Tax Information System (PTIS) using parcel data from the Kosovo Cadastral Agency (KCA). Until 2023, these updates overwrite existing data. This resulted in the cancellation of municipal registrations made during the year due to missing cadastral records of parcel subdivisions.

In 2023, MFLT took action by drafting new rules to filter only newly registered annual data. However, PTIS continues to accept inaccurate data from KCA due to the lack of standardization and

¹⁰ Information Technology Audit Manual – Application Controls

¹¹ Information Technology Audit Manual – Application Controls, Access Controls.

validation of taxpayer identifiers, sometimes using personal ID numbers and other times the 'kcid' identifier.

The absence of data validation and standardization in the cadastral registry has led to taxpayers being identified inconsistently, sometimes by personal ID, sometimes by "kcid", resulting in cases where the same individual is recorded as two separate taxpayers.

This causes data inaccuracies, incorrect debt representation, misallocation of payments, and difficulties in tax administration, negatively impacting the collection process.

5. Deficiencies in proper integration between the Survey System and the PTIS

Validation rules must be comprehensive, documented, and implemented into the application entry (input) interfaces. Various data entry methods must be documented; invalid data must be properly rejected by the application; validation criteria must be updated appropriately and with authorization; comprehensive controls must exist, such as registration and authorization rules, in case of essential input controls; and there must be proper documentation and controls for application inputs.¹²

During the verification and registration of properties and taxpayers in the field, municipal registration officers enter data via mobile devices into the Survey System, which is integrated with the Property Tax Information System (PTIS) and automatically transmits the data through this interface. However, these data are not always transmitted successfully to the PTIS. Therefore, based on samples received from the Municipality of Prishtina, we verified that the data in the Survey System are not always consistent with those in the PTIS. For instance, the selected location on the Survey System map fails to transfer to the PTIS, and the selected option for primary residence is not retained in the Survey System; it is neither recorded nor transmitted through the integration to the PTIS.

These issues stem from poor functionality of the integration, web services, and the lack of synchronization of the map versions used in both systems.

As a result, this creates additional workload and duplication of effort for municipal registration officers, increasing the likelihood of errors during manual registration in the PTIS.

6. Lack of compensating controls for data entry in PTIS at the municipal level

Applications should establish authorization levels for transactions, which must be enforced through various controls; there should be a proper segregation of duties in data entry; and compensating controls should exist in cases where segregation of duties is not feasible.¹³

In the PTIS, municipal registration officers are responsible for registering property and taxpayer data. There is a specific role within the PTIS for officers who are responsible for data entry. These officers both conduct field verification of properties and collect data, which they then enter via mobile devices into the Survey System. This system is integrated with the PTIS and automatically transmits the data through the interface.

¹² Information Technology Audit Manual – Application Controls, Access Controls

¹³ Information Technology Audit Manual – Application Controls, Access Controls

However, no review process exists as a compensating control for registrations made by data entry officers. While there are supervisory roles in the PTIS and an activity log is generated for registered users, allowing their immediate supervisor to monitor their actions, it does not include the ability to approve registrations. Consequently, the log is not used for review purposes.

The Ministry of Finance, Labor and Transfers (MFLT) and the Municipality of Prishtina justified the lack of control by stating that monitoring access by the Property Tax Inspection Division within the MFLT is sufficient. However, this control cannot be considered compensating, as it is conducted annually based on risk assessment and limited sampling, without reviewing the entire population of entries.

Therefore, due to the absence of compensating controls, we requested verified samples from the Property Tax Inspection Division at the MFLT, which revealed registration errors such as the omission of primary residence registration. This omission resulted in harm to the taxpayer due to the absence of the primary residence deduction, and misclassification of the tax rate, potentially harming either the taxpayer or the municipality.

7. Disproportionate allocation of payments prevents full clearance of outstanding debt

Application transactions should run according to the expected behavior.¹⁴ They must be performed in a controlled and reliable manner, ensuring compliance with business rules, configuration parameters, and anticipated processing scenarios.¹⁵

The Property Tax Information System does not ensure the processing of complete, accurate, and reliable data. In the Municipality of Prishtina, we found that payments made in the Property Tax Information System are not proportionally distributed when two or more properties are listed on a single invoice for the same owner. In instances where the taxpayer has made a payment, the distribution is not applied equally across all properties; some show a credit (overpayment), while others still show outstanding debt.

In another instance, a citizen paid off their entire debt and even entered into overpayment, yet the following year, they still had outstanding debt on their invoice. After the citizen filed a complaint, municipal officials contacted the Property Tax Department at the Ministry of Finance, Labor and Transfers (MFLT), and the debt was finally cleared. These system errors and inaccuracies lead to interest and penalties being applied to citizens, demonstrating that the system lacks sufficient controls for data processing. Officials from the Municipality of Prishtina were unable to explain the cause of these system errors. However, system developers at MFLT clearly stated that the issue arises from the way invoices are consolidated for a taxpayer, with the relevant part of the code being very static and repeatedly rewritten due to team changes and the absence of documentation. Ongoing problems caused by the inability to modify the code and its lack of scalability are among the reasons why MFLT has initiated the development of a new system.

Consequently, citizens are faced with inaccurate debts and unjustified application of interest and penalties, resulting in financial harm to taxpayers and an increase in complaints. This has undermined citizens' trust in the system.

¹⁴ Information Technology Audit Manual – Application Controls, Processing Controls

¹⁵ Use of COBIT guidelines (especially DSS05 and BAI09) for process control and ensuring the reliability of transaction processing.

8. PTIS suffers deficiencies in recording payments, including failure to capture the exact payment date

*The organization must establish procedures to ensure that the completeness and accuracy of application output are assessed prior to the output being used for subsequent processing, including use in end-user processing. It must enable tracking of application output, ensure results are reviewed for reasonableness and accuracy, and ensure completeness and accuracy controls are effective.*¹⁶

The Property Tax Information System does not capture the actual payment execution date for property tax transactions. Regarding property tax payments, the system relies on data from the Treasury. If a citizen makes a payment on the final day of the deadline (at 23:59), the Treasury does not process the payment immediately. For payments made through the e-Kosova platform, the payment execution date is transmitted in real time. However, the Property Tax Information System only accepts data received from the Treasury. The same applies to other payment methods such as e-banking or direct payments at financial institutions. As a result, the debt is cleared only once the payment is recorded in the Treasury's revenue system. Until then, interest accrues, even if the citizen made the payment within the statutory deadline.

Another issue in payment registration is the inability to validate the UNIREF code during payment entry, resulting in payments being processed with invalid or missing UNIREF codes. We have also found cases where payments lacked required payment elements, and due to the absence of validation, such payments were misrouted and ended up in the failed payments category. These payments are manually processed by responsible payment officers. Furthermore, not all irregular payments appear in the failed payments category, creating additional workload for staff to verify them.

The Property Tax Information System does not receive payment data in real time through direct integration with respective financial institutions, nor does it validate the UNIREF code at the time of payment initiation.

Consequently, citizens may be unfairly charged interest for late payment, even if they made the payment within the statutory deadline. This penalizes them unfairly and undermines trust in the tax system.

9. PTIS does not accurately reflect the actual invoice status

*The organization must establish procedures to ensure that the completeness and accuracy of application output are assessed prior to the output being used for subsequent processing, including use in end-user processing. It must enable tracking of application output, ensure results are reviewed for reasonableness and accuracy, and ensure completeness and accuracy controls are effective.*¹⁷

The Property Tax Information System lacks controls that ensure the completeness and accuracy of results. In the PTIS, we identified a case where a citizen had outstanding property tax debt of €3,047.92 recorded in the system, while the invoice showed zero debt. Evidence confirms that interest and penalties were being calculated in the system, yet the final invoice displayed a zero balance.

¹⁶ Information Technology Audit Manual – Application Controls, Output Controls

¹⁷ Information Technology Audit Manual – Application Controls, Output Controls

On this parcel, the same taxpayer was registered twice as the owner; one entry (on which the debt was calculated) was deleted but remains in the system, while the other shows a zero invoice.

In certain instances, when a citizen paid more than the outstanding property tax debt and received a refund for the excess amount from the institution, the system incorrectly recorded the payment both as settled and as a prepayment. Additionally, there were instances where regular payments were inaccurately labelled as prepayments, resulting in the debt being cleared and a prepayment being created for the same amount. These errors require manual intervention by responsible officials to be rectified.

This occurs because the system has been built with multiple rewrites of functional code, making it unoptimized and fully consuming its processing capacity. This leads to calculation and data processing errors that are difficult to identify and resolve, even by the developers themselves. Due to the inability to detect and fix these numerous issues in the existing system, the solution proposed by the development team and approved by the MFLT has been to build an entirely new system.

In the absence of a payment, of which the citizen is unaware due to the invoice showing zero, the system begins calculating interest and penalties on the unpaid amount. This happens because the invoice does not reflect the actual debt. As a result, the citizen cannot make timely payment, as the debt is not accurately displayed on the invoice.

10. PTIS does not enable proper presentation and implementation of legal and regulatory requirements

*The organization must establish procedures to ensure that the completeness and accuracy of application output are assessed prior to the output being used for subsequent processing, including use in end-user processing. It must enable tracking of application output, ensure results are reviewed for reasonableness and accuracy, and ensure completeness and accuracy controls are effective.*¹⁸

The PTIS does not support the implementation of several provisions of the Law on Property Tax, including: Article 8 Rules of Classification; Article 25 Payment Deferral; Article 27 Final notice; Article 34 Reimbursement; Article 35 Fines. Additionally, the PTIS does not support the implementation of progressive tax rate calculations. This forces officials to rely on manual processes and issue decisions deferring the implementation of certain parts of the law.

These system deficiencies stem from static code development lacking scalability. They have also been influenced by changes in the development team and the absence of documentation. Therefore, ongoing issues caused by the inability to adapt or scale the code have led the MFLT to initiate the development of a new system.

Manual execution of processes increases the risk of errors and creates the potential for loss of information processed outside the information system.

11. MFLT suffers deficiencies in monitoring and managing audit trails

There should be sufficient audit trails that capture edits and authorization logs for critical transactions; the audit trails should be reviewed periodically to monitor any unusual activities; the audit trails should be

¹⁸ Information Technology Audit Manual – Application Controls, Output Controls

*adequately maintained and protected; unique and sequential numbers or identifiers should be assigned to each transaction.*¹⁹

MFLT does not actively monitor system activities. Within the Property Tax Information System database, there is an audit trail table that records every change, deletion, edit, or activity. However, these trails are not regularly monitored. Developers have access to the audit trail table to review case flows, but monitoring occurs only in exceptional cases, typically when a request is made due to suspicions raised. This monitoring is done to examine how an event unfolded, primarily due to limited resources.

The audit trails in the database do not provide sufficient capability to accurately identify edits of transactions made directly in the database. This is because the identifier number in the table is generated through the internal sequence mechanism (*hibernate_sequence*) used for generating unique identifiers.

Additionally, all activities and history are stored within the Property Tax Information System, but there are instances where the system creates permutations between two columns, confusing the new value with the old one.

The absence of complete and reliable audit trails, along with the lack of regular monitoring, increases the risk of manipulation, unauthorized changes, or undetected errors. Furthermore, the inability to identify direct edits in the database, combined with the use of the sequence mechanism (*hibernate_sequence*) to generate unique identifiers makes it difficult to distinguish between legitimate transactions and those manually altered, compromising the integrity and reliability of the data.

12. PTIS lacks standardisation and harmonisation of user management

*Application data must be protected in accordance with security standards and the IT audit manual. Effective logical and physical access controls must be implemented, as defined in the Information Security domain, to ensure authentication, authorization, and access monitoring.*²⁰

At the MFLT, accounts have been created without any standardization, and this practice continues. Although the MFLT drafted a policy in 2021, this policy remains applicable only to PTIS accounts. The MFLT uses a form for registering a new official with designated roles. The request is first submitted by the municipality to the Property Tax Department, where it is completed with the relevant data. It is then reviewed and approved by the director, and subsequently forwarded to the IT officer with administrative rights in the system. The IT officer then registers the account and assigns the requested roles. The IT officer who registers the account typically uses practices such as *name.surname*, or an initial of the first name combined with the surname, or vice versa. However, in some cases, different formats are used, since there is no standardization and accounts are neither integrated with nor validated against a domain.

¹⁹ Information Technology Audit Manual – Application Controls, Application Security Controls

²⁰ Information Technology Audit Manual – Application Controls, Application Security Controls

Furthermore, when municipal officials forget their passwords, they send a sealed and signed request via email, which is then signed by the director of the Property Tax Department. The IT officer resets the password in the system and forwards the generated password via email to the official, instead of it being delivered directly through the system. Only after receiving the credentials can officials change their passwords.

From the system's development in 2008 until the approval of the Electronic Account Management Policy in 2021, there was no policy for user standardization or domain integration. The lack of updates to this policy has also been influenced by staff shortages. The Property Tax Information System does not automatically generate passwords. Instead, the responsible official could create new passwords independently through the system without completing a form, directly through the system in an automated manner.

The lack of proper access control and a centralized credential management mechanism increases the risk of users having more access than necessary, as well as duplicate and unclear account names, making user monitoring more difficult. Sending passwords via email also increases the risk of unauthorized access. Additionally, there is no guarantee that the password is used exclusively by the intended recipient.

4 Conclusions

The Property Tax Information System (PTIS) plays a significant role in the administration of property tax and offers opportunities for process improvement. However, the system does not fully guarantee the provision of high-quality, accurate, complete, and reliable data. Weaknesses in system development and operation, the absence of standardized procedures for testing and approvals, and insufficient controls have negatively impacted data integrity and the efficient management of property tax. This has increased the risk of miscalculations, incorrect payment distribution, and difficulties in accurately identifying taxpayers.

Procurement and Development

The lack of a standardized procedure for organizing the testing process of developments and changes in the application has resulted in the Ministry of Finance, Labor and Transfers (MFLT) failing to establish sufficient internal controls to ensure that each development implemented in the Property Tax Information System (PTIS) fulfills its intended purpose and operates in accordance with defined requirements.

Additionally, insufficient control over the deployment of changes in the production environment results in MFLT failing to ensure that only approved changes are introduced into the live system, due to the absence of monitoring, approval, and/or rejection processes prior to implementation. Furthermore, ineffective management of development requests prevents MFLT from establishing an effective process that would enable accurate tracking of request status and priority. This limits the ability to allocate and utilize available resources optimally.

Application Controls

Significant shortcomings in the application controls of the Property Tax Information System (PTIS) negatively affect data accuracy, completeness, and process efficiency. Input data from the integration with the Cadastral Register and the Survey System are often inaccurate and not properly synchronized, resulting in duplicate taxpayer records, ownership mismatches, and reliance on manual data entry, which increases the risk of errors. The lack of compensating controls at the municipal level creates opportunities for errors in registering primary residence status or the applicable tax rate.

The system does not provide sufficient controls for transaction processing and validation, resulting in incorrect distribution of debt payments and the unjust imposition of penalties and interest on taxpayers. Failure to use the actual payment date, delays, and processing failures due to the lack of UNIREF validation create situations where taxpayers may be unjustly charged interest despite making timely payments within the statutory deadline. These weaknesses also appear in the invoices failing to accurately reflect taxpayer obligations, which may lead to unjust interest or penalty calculations in the following year, while the lack of monitoring prevents automatic identification of problematic cases.

Technical limitations of PTIS, due to the inability to expand or adapt the existing codebase, have hindered the implementation of several provisions of the Law on Property Tax, compelling MFLT to develop a new system. Moreover, although the system records audit trails for every action, these are not regularly monitored, limiting MFLT's ability to timely detect and prevent unauthorized actions or errors.

Other critical weaknesses relate to user management and access security. The lack of implementation of a standardized policy or procedure for creating and administering user accounts, the absence of domain validation, and the sending of passwords via email increase the risk of data compromise and make activity tracking more difficult. These shortcomings expose the system to misuse and undermine its overall security posture.

5 Recommendations

We recommend that the Ministry of Finance, Labor and Transfers (MFLT), in coordination with the municipalities, take the following actions:

1. **Testing Procedure**, MFLT should ensure the approval and implementation of a detailed procedure for the testing process, clearly defining the format, method, and responsibilities, while eliminating conflicts of responsibility. The procedure should also specify the required form of test documentation.
 2. **Approval and Rejection of Developments**, MFLT should ensure the approval and implementation of a procedure for change management, clearly defining responsibilities for approving or rejecting changes and eliminating conflicts of responsibility.
 3. **Request Management and Handling**, MFLT should ensure the approval and implementation of a procedure for handling requests, which defines responsibilities and guides officials in determining request priority, criticality, resolution status, and the provision of feedback.
 4. **Input Data from the Kosovo Cadastral Agency**, MFLT, in coordination with the Kosovo Cadastral Agency, should ensure that, under the data migration agreement, only validated and accurate taxpayer data is provided, using valid personal identification numbers and preventing duplication of taxpayer records.
 5. **Input Data from the Survey System**, MFLT should ensure that the integration between the Survey System and PTIS enables the registration of complete data in the PTIS database. It should also ensure that the map versions in PTIS and the Survey System are identical and properly synchronized.
 6. **Compensating Controls**, MFLT should enable access to PTIS for municipalities to apply compensating controls for reviewing and validating property registrations in PTIS.
 - 6.1. **Municipalities** should implement compensating controls through a dedicated role for reviewing and approving data registration in PTIS.
 7. **Proportional Payment Distribution**, MFLT should ensure that PTIS proportionally distributes debt payments, including in cases where a taxpayer has multiple properties listed on one invoice. It should also ensure accurate payment allocation and correct debt reflection in future system developments.
 8. **Payment Registration**, MFLT should ensure that PTIS receives accurate data for completed payments, including the exact time of payment initiation, a complete and correct UNIREF code, and all other required payment details.
 - 8.1. MFLT should establish agreements for integration with financial institutions to receive real-time payment timestamps and enable UNIREF validation for payment processing.
-

9. **Invoice Status Reflection**, MFLT should ensure that PTIS accurately reflects the actual status of invoices and payments, ensuring proper synchronization between the data shown to taxpayers on invoices and the data viewed by officials in PTIS. Technical issues causing erroneous prepayments and duplicate payment records should be eliminated
10. **Implementation of Statutory Requirements**, MFLT should ensure that new developments in PTIS enable accurate reflection and implementation of all statutory and regulatory requirements through scalable code that allows application expansion in line with business needs.
11. **Audit Trails**, MFLT should ensure accurate and complete audit trail data in both the application and the database, and establish continuous and systematic monitoring of audit logs to ensure timely detection and prevention of unauthorized actions or errors.
12. **User Accounts**, MFLT should ensure the implementation of a procedure for user account management, standardize user account naming conventions in a unified format, consider integration or validation with domain services (Active Directory), and enable system functionality that allows users to generate their own passwords.

Annex I. Audit Design

Risk Areas and Indicators of Audit Issues

Property tax is comprehensive and holds particular importance for citizens, businesses, municipalities, and central-level institutions. Due to the significance of this system, the National Audit Office has previously conducted audits related to it. Additionally, the NAO has performed data assessments from this system during financial and compliance audits.

Therefore, the issues identified in this system relate to the following:

- After payment of the property tax invoice through the e-Kosova platform, the debt in the Property Tax Information System remains unchanged and is not reduced.
- Inaccurate implementation of government decisions in the system, such as the decision to suspend interest and penalties for the year 2020, which was not correctly reflected in the system.
- Errors in tax calculation for certain property categories.
- Incorrect allocation of prepayments.
- Discrepancies in system calculations. In the case of one taxpayer, inconsistencies were identified in calculations between properties within the Property Tax Information System.
- Incorrect implementation of the tax forgiveness policy. The decision to forgive tax for the year 2023 (up to €100) was not applied for certain taxpayers.
- Discrepancies in financial reporting, such as:
 - Mismatches between the Property Tax Information System and the Treasury system.
 - Mismatches between individual taxpayer accounts and charge/collection reports.
 - Discrepancies in the application of tax deductions (e.g., application of the €10,000 deduction for each property designated as a primary residence).

The review of problem indicators identified from various sources, meetings held with responsible individuals to identify issues in the Property Tax Information System, and our assessments based on the Active IT Audit Manual for identifying high-risk areas from the received documentation, point to the core issue: the Property Tax Information System has shortcomings in application development and control.

System Description

Ministry of Finance, Labor and Transfers (MFLT)

Pursuant to the Regulation on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries, the Ministry of Finance, Labor and Transfers (MFLT) is responsible for: preparing, drafting, approving, implementing, evaluating, and overseeing public policies; drafting legal acts; drafting and approving secondary legislation; defining mandatory standards in the field of public financial management, internal control, and auditing for the public sector; accounting and financial reporting standards for the private sector and public enterprises; public debt; public procurement; macroeconomic and fiscal policies; and state aid, in accordance with the Constitution and applicable legislation. The Ministry operates and maintains property tax registers and publishes information related to property tax. It conducts property valuations and issues assessed valuation certificates. It performs tax assessments and applies enforcement measures for unpaid property tax liabilities. It conducts regular controls and annual inspections of municipalities regarding activities, outcomes, and compliance with legislation governing the property tax process, and undertakes necessary measures in cases where violations are identified.

MFLT consists of 18 departments, including the Property Tax Department. Through this department, it leads and supervises the implementation of the Law on Property Tax and secondary legislation issued for its enforcement across all municipalities in Kosovo. This department comprises three divisions: the Inspection Division, the Property Tax Legal Affairs Division, and the Information, Education and Support Services Division.

Municipalities - Each Municipality shall be responsible for the administration of the property tax process for immovable properties located within the territory of the Municipality. The Municipality has the following responsibilities: registers and manages property tax data in the property tax registers as it is defined in the sub-legal act issued by the Ministry of Finance pursuant to paragraph 5 of Article 14 of Law No. 06/L-005, classifies immovable properties, inspects immovable properties, carries out administrative investigations to determine the taxpayer according to this Law, cooperates with the Ministry of Finance for appraising immovable properties, issues tax bills, collects and uses measures of enforced collection of property tax liabilities, reviews and decides on the requests for deferring the payment of tax liabilities, reviews and decides on complaints, reimburses the taxpayer or the debtor, and ascertains the violation and imposes the respective fine. The structural organization of units for the administration of property tax in the Municipalities and principles of tax administration shall be determined by sub-legal act by the Ministry of Finance in cooperation with Municipalities. For sampling purposes, the audit team selected the Municipality of Prishtina, specifically the Directorate of Property within the Municipality of Prishtina.

Property Tax Department

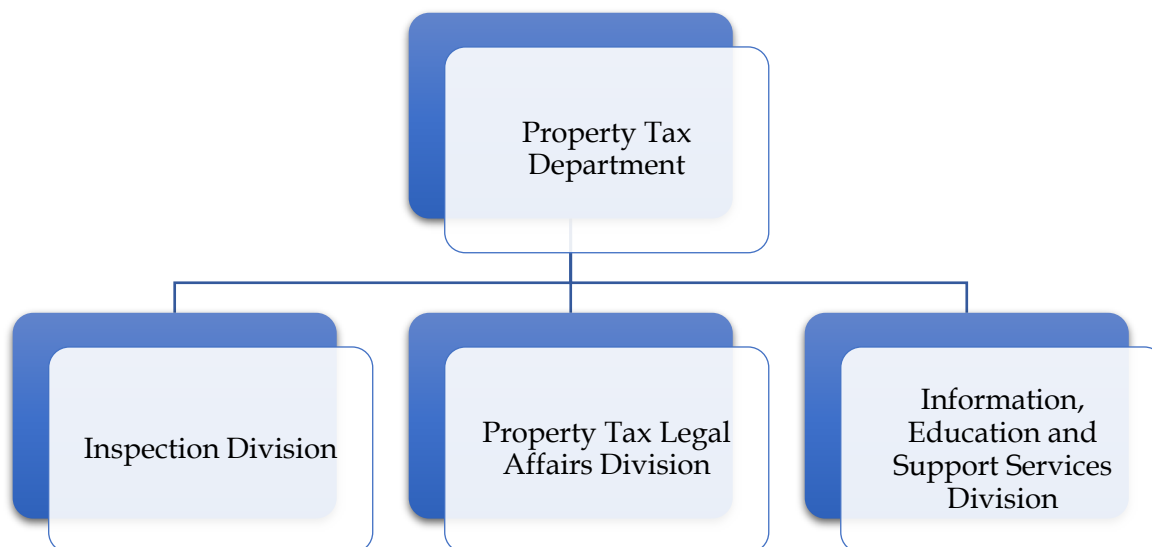


Figure 3. Property Tax Department and its divisions

Property Tax Department - The mission of the Property Tax Department shall be to develop and draft public property tax policies, as well as to ensure and administer the property tax collection process through cooperation with relevant structures. The duties and responsibilities of the Tax Policy Department shall be: Developing property tax policies, in cooperation with the relevant departments of the Ministry; Conducting regular, ad-hoc audits and annual inspections of municipalities regarding the activity, results and implementation of the legislation governing the property tax process; Utilizing the measures of compulsory collection of unpaid property tax liabilities in accordance with applicable law; Operating and maintaining relevant property tax records; Entering and updating data in the property tax registers for which it is responsible according to the property tax legislation; Assisting and supervising the Property Tax Offices in the municipalities regarding the entry, updating and correction of data in the property tax registers; Conducting tax assessment, providing support for preparing property tax invoices and authorizing municipalities to issue invoices; Assisting municipalities in the overall property tax administration process and interpreting the legislation governing property tax; Approving in cooperation with the Information Technology Systems Management Department the access to the system of the officers of the Property Tax Offices in the municipalities and other public authorities; Cooperating and exchanging information with all public authorities, legal/natural persons or bodies under their administration or which possess the necessary information for the proper administration of property tax; and Cooperating with the Information Technology Systems Management Department for the operation, development and advancement of the Property Tax Information System.

The following divisions are part of this Department:

- Inspection Division;
- Property Tax Legal Affairs Division; and
- Information, Education and Support Services Division.

Information Technology Systems Management Department



Figure 4. Information Technology Systems Management Department and its divisions

Information Technology Systems Management Department - The mission of this Department shall be to plan, develop, administer, monitor, maintain and implement efficient and effective Information Technology services for the Ministry through cooperation and coordination with internal and external institutions.

Duties and responsibilities of this Department shall be: Developing policies, procedures, projects and strategies for the normal and high-quality functioning of the Ministry's IT; Developing and implementing technological policies and procedures in line with those of the organization to ensure the efficient operation of specific departments; Implementing policies and instructions issued by the Ministry in accordance with the legal framework; Preparing the annual work plan and planning for the implementation of new projects, maintenance of existing systems and planning of the necessary hardware and software for the Ministry; Cooperating with departments in drafting, implementing and maintaining policies, objectives, and short-term and long-term planning in the area of IT; Developing, administering, monitoring and maintaining the general network, system and applications of the Ministry; Developing the Strategic Plan and the advancement of information technology systems in the Ministry and its agencies; Cooperating and holding regular meetings with the organizational units of the Ministry to address requests for advancement, development, administration, improvement, change, treatment and resolution of Ad-hoc problems that may arise concerning IT systems; Providing and taking care of official communication through the electronic system, which is realized through e-mail; Cooperating and coordinating with the agencies of the Ministry in the area of IT; and Cooperating and coordinating with the Information Society Agency (ISA) and other institutions in the area of IT.

The following divisions are part of this Department:

- IT Infrastructure and Security Division;
- IT Operations Division; and

- Applications Management Division.

Municipality of Pristina - Property Directorate

Some of the duties and responsibilities of the Property Directorate are: Manages with the municipal property; Keeps records of the land and property owned by the Municipality; Develops the procedure of expropriation of the land, privately and socially owned land for the planned parcels of public interest according to the urban plans of the Municipality; Agrees and signs contracts that provide the necessary land for the realization of the public interest; Issues decisions on the registration of the property rights, on behalf of the Municipality, and in the properties without owner. Examines and decides on the requests of ordinary citizens and legal persons in administrative procedures, for regulating property rights related to municipal property; Develops administrative procedures, according to official duties for the preservation of municipal property and other municipal interests; Drafts the necessary material for the Board of Directors, the Policy and Finance Committee and the Municipal Assembly; Collaborates closely with the Directorate of the line, for geodetic and property records; Identifies, classifies and evaluates real estates; Coordinates work with the competent directorate for construction and cadastre works, in terms of construction permits and cadastral data; Performs other work, according to applicable laws within the area of activity of the Directorate. For the purpose of exercising the functions determined by the legal provisions in force, the Property Directorate is organized in these sectors:

1. Property Sector;

2. Property, Expropriation and Exchange Sector.

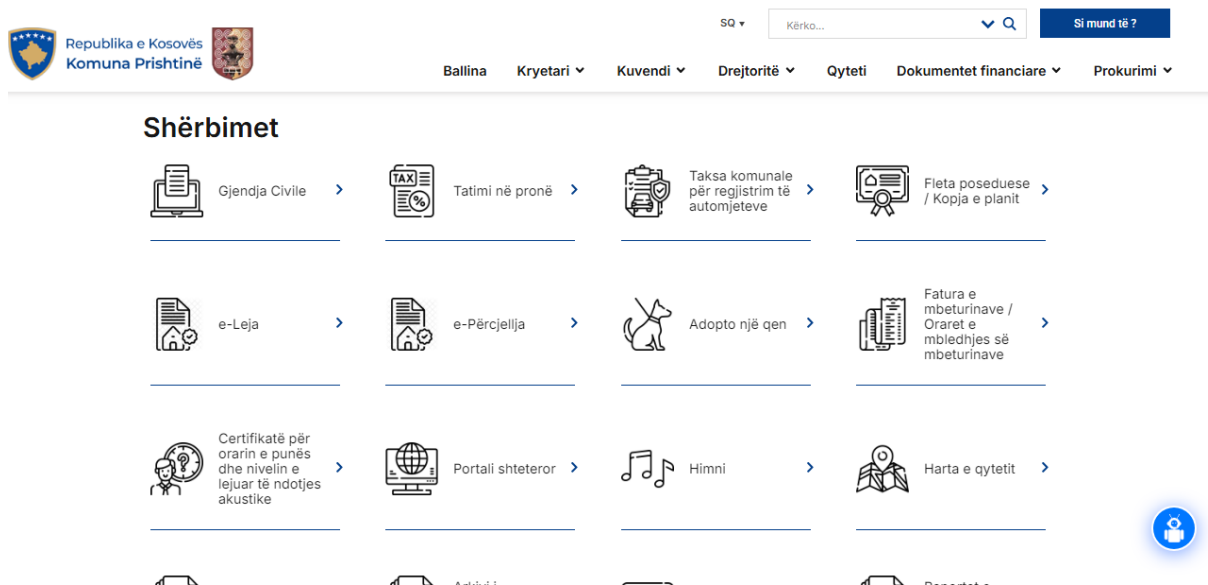


Figure 5. Property tax services provided by the Municipality of Prishtina

Audit Scope and Audit Questions

Audit Scope

The scope of this audit will cover the Ministry of Finance, Labor and Transfers (MFLT), with a particular focus on the Property Tax Department. This department is responsible for leading and overseeing the implementation of the Law on Immovable Property Tax and the sub-legal acts issued for its enforcement in all municipalities in Kosovo. The audit will also include the divisions within the Property Tax Department: the Inspection Division, the Property Tax Legal Affairs Division, and the Information, Education and Support Services Division. Additionally, the audit will cover the Information Technology Systems Management Department and the Property Directorate of the Municipality of Prishtina.

The audit will focus on procurement, development, and application controls of the Property Tax Information System, an information technology system, the Property Tax Information System. The audit will cover the period from January 2024 until its completion.

Audit Questions

To address the audit objective, we have formulated the following questions:

1. *Does MFLT ensure that projects of the Property Tax Information System achieve their intended objectives through proper development?*
2. *Does MFLT manage the configuration of work products related to development?*
3. *Does the application contain appropriate input validation controls to ensure the acceptance of accurate, reliable, and complete data?*
4. *Do the application controls ensure data integrity, validity, reliability, and transaction completeness?*
5. *Does the application include controls that ensure the completeness and accuracy of results?*
6. *Is the information in the Property Tax Information System secure against misuse?*

Audit Criteria²¹

The criteria applied in this audit derive from the Active IT Audit Manual²² and international standards for information security²³.

To assess the identification of needs and the addressing of development requests for the Property Tax Information System, the following criteria have been established:

²¹ For more information, consult ISSAI 300, Criteria, p. 7.

²² The Information Technology Audit Manual is a product of the EUROSAI Working Group on Information Technology (WGITA) and the INTOSAI Development Initiative (IDI), developed to define the rules and standards for Information Technology Auditing - see also the Information Technology Audit Manual.

²³ Information Security Management System ISO/IEC 27000/01.

-
- MFLT should conduct testing on IT systems and base the acceptance or rejection of the system on the results.²⁴

- Only authorized and approved changes should be present in the production environment.²⁵

To evaluate whether the Property Tax Information System includes application control mechanisms that enable secure and reliable logical (software-level) access to the information system, the following criteria apply:

- Validation rules must be comprehensive, documented, and implemented into the application entry (input) interfaces. Various data entry methods must be documented; invalid data must be properly rejected by the application; validation criteria must be updated appropriately and with authorization; comprehensive controls must exist, such as registration and authorization rules, in case of essential input controls; and there must be proper documentation and controls for application inputs.²⁶
- Applications should establish authorization levels for transactions, which must be enforced through various controls; there should be a proper segregation of duties in data entry; and compensating controls should exist in cases where segregation of duties is not feasible.²⁷
- Application transactions should run according to the expected behavior.²⁸ They must be performed in a controlled and reliable manner, ensuring compliance with business rules, configuration parameters, and anticipated processing scenarios.²⁹
- The organization must establish procedures to ensure that the completeness and accuracy of application output are assessed prior to the output being used for subsequent processing, including use in end-user processing. It must enable tracking of application output, ensure results are reviewed for reasonableness and accuracy, and ensure completeness and accuracy controls are effective.³⁰
- There should be sufficient audit trails that capture edits and authorization logs for critical transactions; the audit trails should be reviewed periodically to monitor any unusual activities; the audit trails should be adequately maintained and protected; unique and sequential numbers or identifiers should be assigned to each transaction.³¹
- Application data must be protected in accordance with security standards and the IT audit manual. Effective logical and physical access controls must be implemented, as defined in the Information Security domain, to ensure authentication, authorization, and access monitoring. Additionally, the application must have a documented disaster recovery plan, including secure

²⁴ Information Technology Audit Manual – Procurement and Development

²⁵ Information Technology Audit Manual – Procurement and Development

²⁶ Information Technology Audit Manual – Application Controls, Access Controls

²⁷ Information Technology Audit Manual – Application Controls, Access Controls

²⁸ Information Technology Audit Manual – Application Controls, Processing Controls

²⁹ Use of COBIT guidelines (especially DSS05 and BAI09) for process control and ensuring the reliability of transaction processing.

³⁰ Information Technology Audit Manual – Application Controls, Output Controls

³¹ Information Technology Audit Manual – Application Controls, Application Security Controls

backup and recovery mechanisms, as defined in the BCP/DRP domain. Security and recovery plans must be regularly tested to ensure business continuity and information protection.³²

Audit Methodology

To answer the audit questions and support the audit conclusions, the following methodology will be applied:

To assess the identification of needs and addressing of user requests, as well as the application of legal/sub-legal acts in the Property Tax Information System, the following will be conducted:

- Review of requests to determine whether they specify the author, date, priority, cost, risk, and other key elements. Review and analysis of requests or comments from business owners, government, decision-makers, or stakeholders, to determine whether all perspectives have been gathered and summarized for appropriate analysis (acceptance, deferral, rejection, etc.). Review of the traceability matrix to determine whether approved requests have been assigned to development projects and tracked through implementation.
- Review of policies and procedures for request development, approval, and acceptance of work. Review of application development testing reports.

To assess whether the Property Tax Information System includes application control mechanisms that enable secure and reliable logical access to the information system, the following will be conducted:

- Analysis of rules, requirements, application documentation, and interviews with responsible business process personnel to determine which validation rules must be ensured in the business process under evaluation. Review of whether validation rules are well-designed and documented. Verification of whether input validation controls are implemented, execution of the application in a test environment, and testing of various input interactions.
- Inspection and confirmation of whether the system design provides an authorized usage list. Verification through inspection of the authorization list that authorization levels are well-defined for each transaction group. Evaluation of whether authorization rules for data entry, modification, acceptance, rejection, and misuse are well-designed and defined. If a task segregation table exists, analysis of how core tasks and job functions are distributed, and which transactions are permitted, followed by review of the user list and access privilege list.
- Identification of services offered on the platform and grouping them by service importance. Review of platform documentation to verify its adequacy and ensure integrity and reliability throughout the transaction processing cycle.
- Creation of an input data checklist to determine whether any preliminary review exists for the services offered. Identification of whether the Property Tax Information System

³² Information Technology Audit Manual – Application Controls, Application Security Controls

integrates with core systems and validates data from source systems. Evaluation of whether output data after processing in the Property Tax Information System are accurate and complete, and whether errors are identified.

- Analysis and review of policies and procedures for audit trail maintenance and verification methods. Verification of audit trails and related documents to confirm that they are effectively generated and maintained. Identification of authorized individuals for deletion or revocation of audit trails. Ensuring that access to audit trails is restricted and only authorized individuals can access them. Evaluation of whether audit trails are protected from modification and whether unique identifiers exist for each transaction. Assessment of whether the Property Tax Information System maintains the necessary integrity and reliability.
- Review and analysis of system documentation to determine whether system information is secure against misuse. Interviews with IT staff to assess their understanding of the security mechanisms implemented in the application.

Relevant Documents

Laws

Law No. 06/L-005 on Immovable Property Tax

Regulations

Regulation (GRK) No. 06/2020 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries

This Regulation defines the areas of administrative responsibility of the Office of the Prime Minister and of the Ministries in the Government of the Republic of Kosovo.

Regulation (GRK) No. 07/2020 Amending and Supplementing Regulation No. 06/2020 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries

Regulation (GRK) No. 06/2020 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries

This Regulation defines the areas of administrative responsibility of the Office of the Prime Minister and of the Ministries in the Government of the Republic of Kosovo.

Regulation (OPM) No. 02/2023 on Internal Organization and Systematization of Jobs in the Ministry of Finance, Labor and Transfers

The purpose of this Regulation shall be to define the internal organization and systematization of jobs in the Ministry of Finance, Labour and Transfers.

Annex II Letter of Confirmation

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
 QEVERIA VLADA GOVERNMENT
 MINISTERIA E FINANCËVE, PUNËS DHE TRANSFEREVE / MINISTERIA E FINANCA, LABOUR AND TRANSFERS

KËNAJ DOKUMENTI ËSHTË PËR
 02/150
 PËRSHIRËSISHTË
 2606/25
 22.08.25

PROFITIMI/PËRSHIRJA/PROFIT



REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
 ZYRA KOMBËTARE E AUDITIMIT
 NACIONALNA KANCELARIJA REVIZIJE / NATIONAL AUDIT OFFICE

DATA E SHËRBYESISHTËSISHTËS
 02.08.2025

Mbajtës Org. Org. Je. M. Org. U. M.	Shif. Klasif. Klasif. Kod Class. Code	Nr. Prot. Br. Prot. Prot. No.	Nr. Stranica Br. Stranice No. Pages
06	47	1454	1

Republika e Kosovës

Republika Kosova-Republic of Kosovo

Qeveria - Vlada - Government

Ministria e Financave, Punës dhe Transfereve

Ministarstvo Finansija, Rada i Transfera - Ministry of Finance, Labour and Transfers

DATË/A:	22.08.2025
REFERENCË:	/ 2024
PËR/ZATO:	z. Samir Zymberi, Drejtor i Departamentit të Auditimit të Teknologjisë Informative, Zyra Kombëtare e Auditimit
NGA/OD/FROM:	z. Arton Ahmeti, Sekretar i Përgjithshëm i Ministrisë së Financave, Punës dhe Transfereve
TEMA/SUBJEKAT/SUBJECT:	Letër konfirmimi për pajtueshmërinë me gjetjet e Auditorit të Përgjithshëm për raportin e auditimit të teknologjisë së informacionit Sistemi i Tatimit në Pronë

I nderuar z. Zymberi,

Përmes kësaj, konfirmojmë se:

- Kemi pranuar draft Raportin e Zyrës Kombëtare të Auditimit për raportin e auditimit të teknologjisë së informacionit Sistemi i Tatimit në Pronë (në tekstin e mëtejshëm "Raporti");
- Lidhur me të gjeturat dhe rekomandimet e dhëna pajtohem, dhe nuk kemi ndonjë koment shtesë për përmbajtjen e Raportit;
- Ju njoftojmë se brenda 30 ditëve nga pranimi i Raportit përfundimtar, do t'ju dorëzojmë një plan të veprimit për zbatimin e rekomandimeve të dhëna, i cili do të përfshijë edhe afatet kohore dhe stafin përgjegjës për zbatimin e tyre.

Me respekt,

Arton Ahmeti

Sekretar i Përgjithshëm i Ministrisë së Financave, Punës dhe Transfereve



KOMUNA E PRISHTINËS/OPSTINA PRISTINA
 21-08-2025
 NR. BR. 14-470/03-126475/25



REPUBLIKA E KOSOVËS/REPUBLIKA KOSOVA
REPUBLIC OF KOSOVO

KOMUNA E PRISHTINËS/OPSTINA PRISTINA
MUNICIPALITY OF PRISTINA



LETËR E KONFIRMIMIT			
Niveli Org. / Org. Unit	Strukt. Klasif. / Klasif. Code	Nr. Prot. / Br. Prot. / Prot. No.	Nr. Seriales / Sr. Seriales / No.
06	47	1447	1

Për pajtueshmërinë me të gjeturat e Auditorit të Përgjithshëm për raportin e auditimit të teknologjisë së informacionit Sistemi i Tatimit në Pronë, dhe për zbatimin e rekomandimeve.

Për: Zyrën Kombëtare të Auditimit

Vendi dhe data:
Prishtinë, 20.08.2025

I nderuar,

Përmes kësaj shkrese, konfirmoj se:

- kam pranuar draft raportin e Zyrës Kombëtare të Auditimit Sistemi i Tatimit në Pronë;
- 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.

Kryetar i Kryeqytetit

Për
Përparim Rama






○ National Audit Office of Kosovo
● Arbëria District,
St. Ahmet Krasniqi, 210
10000 Pristina
Republic of Kosovo