



Non-governmental Organisation Emancipimi Civil Ma Ndryshe  
EC MA NDRYSHE

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#### PRESS RELEASE

### **Municipal government of Prizren misusing municipal budget year after another**

Within the project of overseeing the performance of the municipal executive of Prizren, EC Ma Ndryshe has examined the findings of the Audit Report on the Financial Statements of the Municipality of Prizren for the year ended in 2012 with a retrospective look at the reports for the years 2011, 2010, 2009 and in 2008.

The findings of the Auditor General (OAG) for 2012 have confirmed the concerns raised by EC Ma Ndryshe monitoring staff that local government “does not provide a good performance” in the management of the municipal budget. Likewise, the Auditor in 2011 concluded that “the Municipality has not managed to build a good governance structure.” Audit reports from previous years show that the Municipality of Prizren in most cases has ignored the recommendations of this state authority and continued with violations and mismanagement of public budget.

EC Ma Ndryshe during the review view of Audit reports has noted that the errors of the municipality are being repeated for a long time. In the Audit Report of 2012 it is stated that the recommendations of this state authority for the year 2011 are not addressed to the level required from the municipality, as only 2 (two) recommendations were fully addressed and the other half were not addressed at all. OAG in the year 2010 had issued 10 (ten) recommendations, of which only 2 (two) recommendations in the year 2011 have been fully addressed, while the other 8 (eight) were not addressed at all. In the Audit Report for AFS for the year 2009, the OAG has issued 12 recommendations, of which only 4 (four) were fully addressed in the year 2010. For the year 2008, the Auditor had provided 7 (seven) recommendations and a year thereafter had noticed that the Municipality of Prizren had partially implemented 2 (two) of them, while other 5 (5) have remained unaddressed.

Recommendations of the OAG in most cases have identified numerous shortcomings in relation to the implementation of the budget, collection of own source revenues, public procurement system, liability management and asset management.

For example, although the Audit of own source revenues in 2008 had pointed out that reduction of lease amount for a facility owned by the municipality constitutes a violation of the terms of the contract; the Auditor, again in 2012, has encountered a case where the municipality applies the same practice. Then again, in several cases, the municipality has entered into a lease contracts with leaseholders who have not make any payments, damaging the budget for tens of thousands of Euros. Property tax is a story in itself, for which the Auditor each year has warned of shortcomings that were not properly addressed by the municipality and therefore the liabilities accumulated from property tax over the years exceed the amount of 5 million Euros.

Procurement areas is also associated with many irregularities, which are expressed in particular in failure to adhere to the criteria set out in the tender dossier, payments of services prior to technical reception and violations of different provisions of the Law on Public Procurement. Weaknesses were also identified in the process planning, management and monitoring of contract implementation for capital investments of the municipality. While the distribution of subsidies without defined criteria for beneficiaries, management of municipal assets inconsistent with the Administrative Instruction No. 21/2009, as well as shortcomings in human resources management were just some of the recurred findings of the auditors that were not addressed seriously by the Municipality of Prizren.

Based on this standpoint, EC Ma Ndryshe finds that failure to address the recommendations of the OAG by the Municipality of Prizren has brought for the same problems be recurred over years to the detriment of local budget. EC Ma Ndryshe, same as OAG, expresses concern for all the recommendations for not being enacted by the Municipality of Prizren.

EC Ma Ndryshe recommends that:

- Municipality to display far higher commitment in implementing the recommendations deriving from Audit Reports in the last 5 years;
- Members of the Municipal Assembly to exercise greater pressure on the municipal executive to implement the recommendations of the OAG;
- To undertake earnest actions for improving financial management and control within the Municipality of Prizren, in all the areas identified by the OAG;
- To increase the transparency in decision-making for the purpose of a better management of public money.

EC Ma Ndryshe's project for the oversight of transparency of the executive branch will continue on publicizing monitoring findings through regular press releases and project's website, where the findings will be posted directly by the monitors. So far, all the monitoring findings, including regular press releases and other information relative to local governments of Prizren and Mamuşa/Mamushë, are being regularly published on the project's website: [www.online-transparency.org](http://www.online-transparency.org).

Thank you for your cooperation,

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