



**Non-governmental Organisation Emancipimi Civil Ma Ndryshe
EC MA NDrySHE**

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PRESS RELEASE

The Auditor General corroborates concerns of the civil society on poor governance of Prizren Municipality

Office of the Auditor General of the Republic of Kosovo in the past few days published the 2011 Annual Audit Report for the Municipality of Prizren. We are deeply alarmed that the findings of this report indicate the incapacity of Prizren Municipality for good governance and transparency when it comes to public money. Once again, the annual audit report has highlighted many facets of bad governance that civil society has already been speaking about a long time now.

The Auditor General has ascertained several areas of poor governance in the municipality of Prizren. According to the Auditor, municipality has failed to build a good governance structure and that the management of the municipality should coin a more positive attitude towards the organization's internal controls. An overall assessment is that 10 recommendations were given for the year 2010 by the Auditor, where the municipality has addressed only two recommendations fully, whereas the remaining eight were not tackled at all.

Moreover, the auditor concludes that the municipality has not achieved to entirely reconcile the budget with spending dynamics in time periods and has not established appropriate mechanisms of control over own source revenues. From 60 samples tested by the Auditor, that cover over 6 million of the payments of expenditures through procurement procedures, it was observed that in 17 samples the municipality has undertaken procurement procedures which are not in accordance with the Law on Public Procurement. Conducting of procurement procedures, after activities are performed, is a practice that is not recognized by law and as such should not happen. Also, making payments without achieving the contract's objectives indicates a poor financial management according to the Auditor's report for Municipality of Prizren.

EC Ma Ndryshe expresses its concern that Prizren Municipality has no special regulations on the purposes and procedures for granting subsidies. The absence of such regulation raises the risk that public money is not spent for proper purposes. While, in the financial management, another shortcoming is that the municipality did not manage its assets in accordance with Administrative Instruction No. 21/2009 on Inventory and Management of Government Property. Therefore, the Auditor's conclusion is that the municipality has not been able to promote and implement the requirements of The Public Internal Financial Control (PIFC). Another difficult area, which is also monitored by the EC Ma Ndryshe project on municipal transparency, is the internal audit, where the handling of audit recommendations is not satisfactory.

In the summary, the Office of the Auditor General for Municipality of Prizren for the year 2011 has adopted

the following conclusions:

- The municipality has not been able to build a good governance structure.
- Management of the municipality should conduct a more positive attitude towards the organization's internal controls.
- Monitoring of contracts is incomplete and insufficient.

As a conclusion, EC Ma Ndryshe calls upon the executive of Prizren Municipality, with special emphasis the Mayor, to promptly implement the recommendations arising from the Audit Report for 2011, which are in line with the observations and recommendations of civil society organizations that oversee the work of Prizren Municipality. The management of public money is the most important component of good and democratic governance. At the same time, transparent decision-making is an indispensable precondition for better management of public money and combating corruptive affairs in local governance. EC Ma Ndryshe will continue to closely monitor the transparency of Prizren Municipality (with a focus on municipal executive), since transparency is at the very heart of good governance and proper management of public money.

The project of EC Ma Ndryshe for the transparency oversight of the executive branch shall keep on publicizing the monitoring findings through regular press releases and, starting from July, through the project's website, in which the findings shall be posted directly by the monitors. By now, all the findings from the monitoring, including regular press releases and other information relative to local government of Prizren, are published on regular basis on the project's website: www.online-transparency.org.

Thank you for your cooperation,

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