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PRESS RELEASE

Municipality of Mamuşa/Mamushë to implement the recommendations of the Auditor General

In the framework of the project for overseeing the work of the executive of Mamuşa/Mamushë Municipality, EC Ma Ndryshe, during September, has reviewed the issue of the findings in the Report of the Auditor General (can be found at the following link, http://www.oag-rks.org/repository/docs/MAMUSHE_Report_ENG_45216.pdf) on the financial statements of the Municipality of Mamuşa/Mamushë for the year 2012.

This audit report has identified weaknesses in some areas of financial management, which should be addressed by the Municipality of Mamuşa/Mamushë. The OAG's conclusion is that the internal control system of the municipality is not properly designed and implemented in order to eliminate evident weaknesses.

Regarding the revenues of the Municipality of Mamuşa/Mamushë, the OAG has found shortcomings in the billing system, in collection of own source revenues and weaknesses in an automated billing system.

Furthermore, at the Expenditures column, the procurement remains as a challenging issue. According to the OAG the Expenses for Procurements no. 626 12 017 236, 626 12 018 236 and 626 12 003 236, are presented as capital expenditures, rather than as expenditure for goods and services as per respective nature. "Had these expenses been classified in the proper category, the budget for goods and services would have been exceeded by EUR 11 thousand", states in the Auditing Report.

As per the Subsidies and Transfers the OAG has found the Municipality does not have written policy on subsidies that will contain criteria and the procedures for subvention allowance, while there were deficiencies also in the category of Assets.

Another concern appearing in the OAG's Report is the fact that of 11 main recommendations set out a year ago, only one (1) has been resolved and three (3) were partly resolved in 2012, while others remain to be addressed in the future.

On the other hand, in order to improve the functioning of the financial management system and internal controls, the OAG recommended the Municipality to ensure:

- A comprehensive list of its property, plant and equipment of the Municipality;
- Establishment of an automated billing system for all types of taxes;
- Measures to be taken to increase the collection of revenues from various taxes; and
- Full compliance with the Law No. 04/L-042 'Law on Public Procurement in Kosovo'.

In the report is noted that management of the Municipality was given the possibility to comment on the findings presented in this report and that the management has agreed to make all efforts to address all of the OAG's recommendations.

According to the findings and conclusions of the OAG, EC Ma Ndryshe recommends the Municipality of Mamuşa/Mamushë to:

- Show commitment to the implementation of 9 recommendations given by the OAG in the last report and recommendations of previous years;
- Establish an Audit Committee and an Internal Audit Department;
- Improve the management standards of public money, and
- Allow the members of the Municipal Assembly to exercise control and supervision of the municipal budget spending.

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 the 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.

Thank you for your cooperation,

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