



ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА
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STATE AUDIT OFFICE

Final Audit Report Abstract

Key Entities Covered by the Audit Report

Public Utility Company "Plavaja" Radovich

Audit Subject

Audit of financial statements for 2019 together with compliance audit

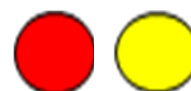
Audit Objective

To obtain reasonable assurance about whether financial statements are free from material misstatement and whether reflected activities and transactions comply with legal regulations.

Key Conditions Identified

- water loss of 63% in the water supply system;
- as of 31.12.2019, PE Plavaja has unpaid liabilities toward the Budget of RNM amounting to 726.000 denars; and
- the profit was presented in a larger amount; while liabilities were presented in a smaller amount based on compensation for water use and water discharge, as a liability towards the Budget of RNM in the amount of 4.464.000 denars.

Audit Opinion*



We expressed adverse opinion on the reality and objectivity of financial statements for 2019 and qualified opinion on the compliance of activities, financial transactions and information with the legal regulations, guidelines and policies in place.

Key Recommendations

- to minimize/eliminate factors that contribute to water loss in the water supply system;
- to regulate obligations towards the state; and
- to correct the amount of declared profit.

Key Systemic Weaknesses

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Comments on Draft Audit Report

We received comments on the Draft Report of the authorized state auditor by the director of PE Plavaja no. 0304-61/3 from 1 April 2021.

Response on Draft Audit Report Comments

The comments refer to activities taken upon audit recommendations for overcoming ascertained conditions.

* unqualified qualified adverse disclaimer of opinion