



ДРЖАВЕН ЗАВОД ЗА РЕВИЗИЈА
ENTI SHËTETËROR I REVIZIONIT
STATE AUDIT OFFICE

Final Audit Report Abstract

Key Entities Covered by the Audit Report

Municipality of Kumanovo

Audit Subject

Audit of financial statements together with compliance audit of the Core budget account (630) for 2020

Audit Objective

To obtain reasonable assurance about whether financial statements are free from material misstatement, and whether activities and financial transactions contained in the financial statements are in accordance with the legislation.

Key Conditions Identified

- incorrect basis for calculation of real estate sales tax;
- unspecified age structure of claims based on property taxes and utility fees, and lack of measures for timely collection thereof;
- 14.490.000 denars less in the municipal budget for 2020 based on compensation for maintaining public cleanliness.

Audit Opinion*

We expressed qualified opinion on the reality and objectivity of financial statements and qualified opinion on the compliance with legal regulations, guidelines and policies in place for 2020.



Key Recommendations

- to update zones in line with the degree of construction defined in the Decision for determining zones for construction objects;
- to determine the legal possibility for collection of claims based on property taxes and utility fees;
- to pay the collected fee for maintenance of public cleanliness from PE "Cistota I zelenilo" on a monthly basis to the municipal budget account.

Key Systemic Weaknesses

Weaknesses in the Law on Communal Fees in tariff numbers 9 and 10, the communal tax for use of streets and roads and maintenance of public lighting. Weaknesses in the Law on Property Tax for harmonization of the real estate register of municipalities with the register kept by AREC of RNM.

Comments on Draft Audit Report

We have not received comments on the Draft Audit Report

Response on Draft Audit Report Comments

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* unqualified qualified adverse disclaimer of opinion