

EUROSAI TFMA– AUDIT REPORT

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| Audit ID | KA-040/2016/1070 |
| Title | Register and treatment of municipal lands in Slovak Republic |
| Year | 2016 |
| Subject | 32 municipalities, which have not registered lands in their accounts |
| Type | Compliance |
| Type of performance | Performed by single SAI |
| Comments | <p>The SAO SR has carried out controls in 32 municipalities. They were chosen on the financial analysis from the whole amount of municipalities, which had not registered lands in their accounts. The aim of the control was to improve the structure of registering and treating of the lands by consistent asserting control mechanisms at the level of mayor, municipal council, to the municipal controller and external audit. In the main, the control has pointed out that the municipalities do not register their lands in their accounts and so decrease the amount of their whole property. It was a cardinal finding that the control mechanism is ineffective and fails, while the effect of the external audit is very formal, as it do not point out significant defects in registering and reporting lands.</p> <p>The real area of unregistered lands of the chosen municipalities was 5.21 million m². These municipalities in 2015 managed budgetary funds in the amount of 7.40 million EUR and spending in the amount of 7.15 million EUR. The estimated value of unregistered lands was 4.30 million EUR, which emphasizes the importance of a correct property register, compared with the budget. The controllers of SAO SR have found out that none of the controlled municipalities in 2013 and 2014 register their own lands in their accounts. Until the end of the year 2015, there were three municipalities which partially registered their lands and seven municipalities which have valued and registered all their lands. The remaining 22 municipalities have not value and register their lands, whose total land area is 3.66 mil. m², into their accounts. The value of the property of these municipalities would increase by 3.48 mil. EUR, which means in particular municipalities an increase about 11 % - 450 %.</p> <p>SAO SR has found out imperfections also in treating lands, when accounting procedures were not follow correctly, municipalities have not published intentions pf selling or leasing lands, they have not published also contracts and have not inform the land registry about long-term charter of lands. The control systems of municipalities have been</p> |

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| | <p>assessed as ineffective and control mechanisms set in municipalities as insufficient. The check of the municipal controllers work pointed out in particular that registering and treating lands is not controlled, and they were ask not even by the municipal councillors.</p> <p>The SAO SR have reminded the government that it is necessary to continue the reform of the municipal government, which had not been finished. To eliminate incorrect and unverified data in statistical basis, the SAO SR recommends the Ministry of Finance to improve control mechanisms in order to verify data assigned by the data subjects to national information systems.</p> |
| Country | Slovak Republic |