



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT OF PUBLIC REVENUES

IN THE REPUBLIC OF SLOVENIA

NEVENKA CUKON MAVEC





1994



2001



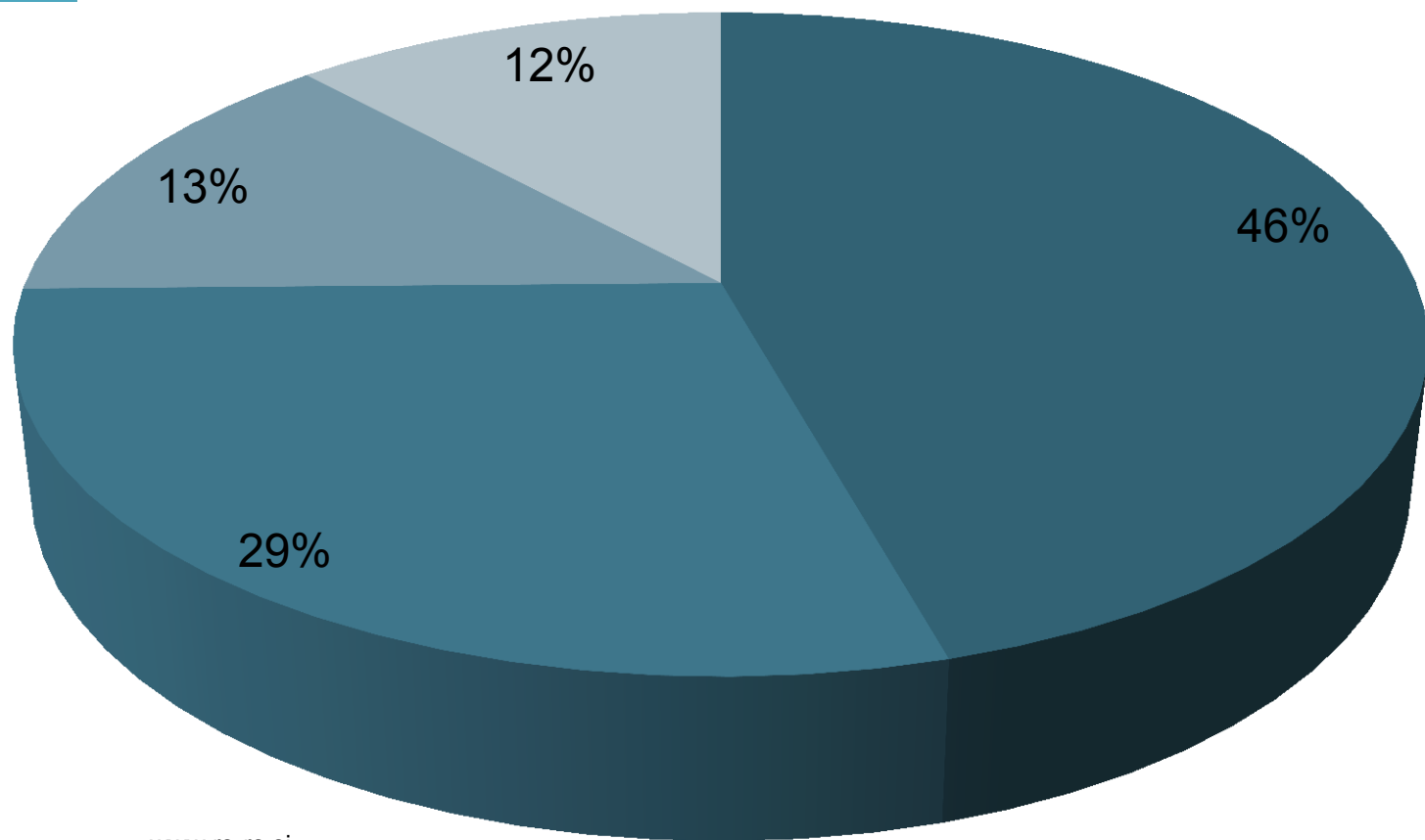
2013



CENTRAL GOVERNMENT ACCOUNT REVENUES

RS
RS

- STATE BUDGET REVENUES
- PENSION FUND
- HEALTH FUND
- LOCAL GOVERNMENT BUDGETS REVENUES



INTRODUCTION

- 5 types of auditing public revenues:
 - State budget
 - Separate audits of taxes: Efficiency and effectiveness of collecting taxes (VAT)
 - Evaluation of Information Systems within Tax Administration
 - Revenues from EU
 - Revenues from other duties (environment duties, concessions)

AUDITING REVENUES OF STATE BUDGET

- Carried out each year
- Cash basis of accounting
 - Easier to audit
 - Problems – audit risks
 - Not appropriate - unfinished information system and lack of competency in the use of information system within Tax Administration



Tax
Administration

Public
Payments
Administration





EFFICIENCY OF THE VAT COLLECTION

- Audited period: from 2002 to 2007
 - Audit report issued in the middle of 2008
- Conclusions
 - The Tax Administration or Ministry of finance did not estimate the VAT gap (only the Statistical Office did – top-down approach)
 - The Court estimated the VAT gap (based on the results of the tax inspections in the year 2006) to be 6,4% of all revenue from VAT – down-top approach
 - Records of Tax administration are insufficient
 - Specialization of tax inspectors is needed
 - Lack of clear and measurable objectives for the Tax Administration
 - [http://www.rs-rs.si/rsrs/rsrseng.nsf/I/K286A9B56DF934AA9C1257728003DAD77/\\$file/Efficiency_of_VAT_collection_Slovenia.pdf](http://www.rs-rs.si/rsrs/rsrseng.nsf/I/K286A9B56DF934AA9C1257728003DAD77/$file/Efficiency_of_VAT_collection_Slovenia.pdf)

Taxes - separate audits

INFORMATION SYSTEMS

- Tax administration information system
 - Effectiveness of the modernization
 - not effective (put on hold – unfinished – increased audit risk)
 - Within the audit of the state budget
 - Significant deficiencies within tax book keeping system
- Customs administration information system
 - Contract management and the support of the excise procedures
 - Two information systems for the book keeping of compulsory duties - manual adding – increased audit risk

REVENUES FROM EUROPEAN UNION – Separate audits

- EU funds in the annual financial statement of the state budget
- Transfers from the budget of EU
- Advance payments from the EU funds as an income of the budget of the RS

EFFICIENCY OF THE PREPARATION OF THE BUDGET

- One of the chapters was dedicated to assessment of assumptions taken by the Institute of the macroeconomic analysis and development in forecasts of economic trends, which serve as a basis for the preparation of the state budget and the formulation of the economic policy
 - Assumptions and forecasts were valid and not of less quality than those made by EU Commission, OECD, IMF
 - Revenues based on laws that were not yet adopted were taken into account in forecasting

CONCESSIONS

- For the use of public goods and public services
- Performance and regularity audits
 - Implementation of Water Act
 - Forest management
 - Charging and using the environmental tax for pollution of environment due to waste disposal
 - Infrastructure and public utilities
 - Public service of electricity distribution system operator
 - Levying environmental tax for waste electric and electronic equipment