



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT OF PUBLIC REVENUES

INTRODUCTION

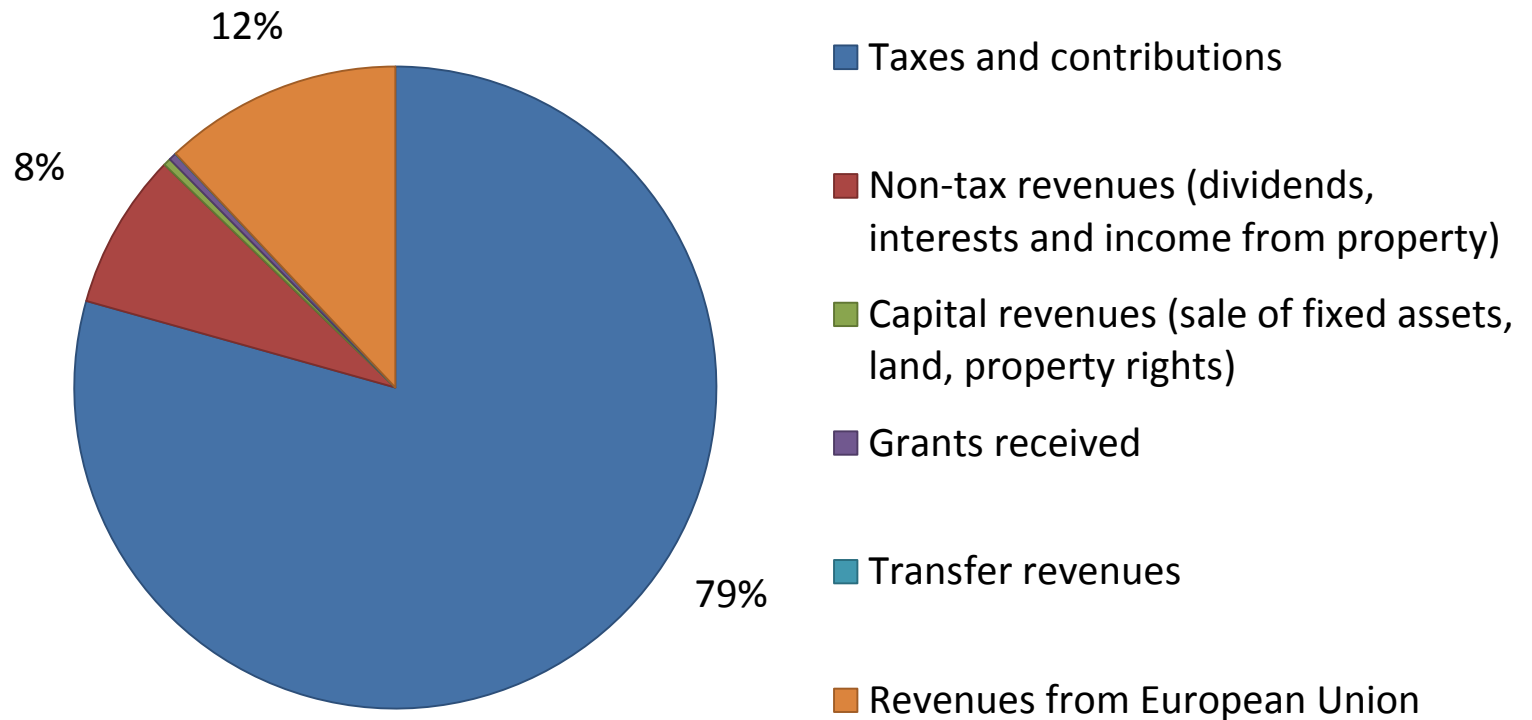
- 5 types of auditing public revenues:
 - State budget
 - Separate audits of taxes: Efficiency and effectiveness of collecting taxes (VAT)
 - Evaluation of Information Systems within Tax Administration
 - Revenues from EU
 - Concessions

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

State budget of Slovenia

Revenues 2013



Taxes and Contributions

- VAT – 47 %, Excise Duties – 24 %, Personal Income Tax – 14 %, ...
- Comparison – reconciliation between records of Tax administration and Public Payments Administration
- Some contributions are not registered as revenues of state budget, they are directly paid to public agencies/funds (principle of the completeness of the budget?)

Taxes - separate audits

Efficiency of 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 – top-down approach
 - Records of Tax administration are insufficient
 - Specialization of tax inspectors is needed
 - Lack of clear and measurable objectives for the Tax Administration

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
 - Poorly prepared investment documentation
 - Irregularities regarding public procurement
 - Two information systems for the book keeping of compulsory duties - manual adding – increased audit risk

Revenues from European Union

- Increasing towards the end of Programming period
- EU funds are first paid to special sub-accounts
- Revenues are only recorded after expenditures had incurred and all controls had been carried out

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

CONCESSIONS

- For the use of public goods
- Performance and regularity audits
 - Implementation of Water Act
 - Forest management
 - Concession fee for university programs
 - Concession fee for healthcare
 - 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