

# Decision enacting the Conclusion Ordering the Auditor General of Republika Srpska to conduct Special Audits

nr. 326/04

*In the exercise* of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1.(d) of the last said Agreement, according to the terms of which the High Representative shall “[f]acilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation”;

**Recalling** paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative’s intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian Implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid “by making binding decisions, as he judges necessary” on certain issues including (under sub-paragraph © thereof) measures to ensure the Peace Agreement throughout Bosnia and Herzegovina and its Entities which “may include actions against persons

holding public office”;

***Bearing in Mind*** that Peace Implementation Council at its May 2000 meeting in Brussels urged measures for improved transparency related to public funds and urged measures aimed at removing obstacles to economic reform, mindful of the need to create the conditions for self-sustaining market-driven economic growth to enable Bosnia and Herzegovina to transition away from being a donor dependent economy;

***Considering*** that public enterprises in the Republika Srpska have insufficient mechanisms to safeguard against the waste of public funds, which waste is especially scandalous given the scarcity of such public funds;

***Recognizing*** the high level of professionalism and competence consistently shown by the Supreme Audit Office of Republika Srpska and its ability to mobilize quickly to undertake audits which will identify financial irregularities and in so doing introduce the accountability and transparency needed in order to protect the public’s interests;

***Noting*** that financial support for this undertaking is necessary, given the enormous amount of work it will entail for the Supreme Audit Office of Republika Srpska whose resources are limited;

***Mindful of*** the relevant provisions of the Law on Auditing the Public Sector of Republika Srpska (Official Gazette of Republika Srpska, No. 18/99 and 39/03 as amended by the Law on Amendments to the Law on Auditing the Public Sector of Republika Srpska enacted by the High Representative’s Decision of 16 December 2004)

***Having*** considered and borne in mind all these matters, the High Representative hereby issues the following

## **DECISION**

## **Enacting the Conclusion Ordering the Auditor General of Republika Srpska to conduct Special Audits**

Which is hereby attached as an integral part of this Decision.

The said Conclusion shall be published on the official website of the Office of the High Representative and shall enter into force as a conclusion of the National Assembly of Republika Srpska, with immediate effect, on an interim basis, until such time as the National Assembly adopts this Conclusion in due form, without amendment and with no conditions attached.

The Auditor – General shall send a copy of each report as referred to in Paragraph 2 of Article 2 of the Conclusion to the Office of the High Representative.

This Decision shall enter into force forthwith and shall be published without delay in the “Official Gazette of Republika Srpska ”.

Sarajevo, 16 December 2004

Paddy Ashdown

High Representative

## **Conclusion Ordering the Auditor General of Republika Srpska to conduct Special Audits**

### **Article 1**

The Auditor-General of Republika Srpska (hereinafter: the Auditor – General) shall carry out special audits, pursuant to Article 18 of the Law on Auditing the Public Sector of Republika Srpska (Official Gazette of Republika Srpska, No. 18/99 and 39/03 as amended by the Law on Amendments to the Law on Auditing the Public Sector of Republika Srpska enacted by the High Representative’s Decision of 16 December 2004,

hereinafter: the Law), in the following organizations (hereinafter: Auditees):

1. AD Telekom Srpske

Banja Luka, Vuka Karadzica 6

2. JMDP Elektroprivreda Republike Srpske

Trebinje, Obala Luke Vukalovica 3

3. JP NIRS Bosanski Brod

Bosanski Brod, Svetog Save bb

4. AD Zeljeznice Republike Srpske

Doboj, Svetog Save 71

5. JP Srpske sume Republike Srpske

Sokolac, Romanijska 1/3

6. JODP Srpske Poste

Banja Luka, Kralja Petra Prvog Karadjordjevica 61b

## **Article 2**

For each of the Auditees listed in Article 1, the Auditor-General shall, among others, report:

- whether the financial statements for the calendar years 2003 and 2004 have been made and prepared in accordance with relevant legislation;
- whether the financial statements present a true and fair view of the operations for the calendar years 2003 and 2004 and of the position at the year end,
- on the economy, efficiency and effectiveness with which the organization has used its resources in discharging its functions.

The Auditor-General shall submit the reports to the National Assembly of Republika Srpska.

### **Article 3**

Within 20 days after this Conclusion comes into force, the Auditor – General shall estimate, pursuant to Article 15 of the Law, the audit fees necessary to conduct each special audit ordered in Article 1 of this Conclusion.

Each Auditee shall pre-pay 50% of the audit fees estimated in relation to that respective Auditee.

The amount of the audit fees to be pre-paid shall be paid within 15 days after the issuance of the payment bill.

The pre-paid audit fees shall be deducted from the total audit fees to be paid by each Auditee after the completion of the special audit.

### **Article 4**

This Conclusion shall enter into force forthwith and shall be published without delay in the "Official Gazette of Republika Srpska".