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PRESS RELEASE

Municipality of Mamusha risks its own financial sustainability

EC Ma Ndryshe, within its project for online monitoring of transparency of the executive branch of Municipality of Mamusha, analyzed the contents of the Annual Financial Report for 2014.

Based on the data presented in this Report, it stems that the debts that should be collected by the Municipality of Mamusha, coupled with bills unpaid by the Municipal Government as a consequence of lack of funds, threaten the financial sustainability of this local government.

EC Ma Ndryshe monitors have found that overall debts that should be collected by the Municipality of Mamusha during 2014 have reached a total of Euro 166 thousand compared to 2013 when the debt went to the tune of Euro 150 thousand.

The biggest uncollected debts stand with property and municipal taxes, that make up a portion of own-source revenues of the Mamusha Municipality. The improvement of collection rates for property tax in 2014 was insufficient to lower the amount of collectable debts. This occurred because the collection of municipal taxes (from companies) was rather low, which had an impact of increasing the amount of uncollected debts.

The debts that need to be collected on behalf of property tax for 2014 dropped from Euro 80 thousand, as it was 2013, to Euro 75 thousand.

Whereas the debts that need to be collected on behalf of municipal taxes for 2014 increased to Euro 91 thousand from Euro 70 thousand, at the end of 2013. Billed municipal tax for 2014 was nearly Euro 23 thousand 500 whereas only Euro 2 thousand 200 have been collected during the year.

Thus, the total debt that should be collected is Euro 166 thousand. It is worth mentioning that this is a higher amount than the Euro 146 thousand, which the Municipality of Mamusha has spent in 2014 for the construction of roads.

On the other hand, the Municipality of Mamusha also ended 2014 with unpaid bills in the amount of Euro 26 thousand, with a justification that they lack funds, with Euro 19 thousand are in the goods and services part, Euro 6 thousand are in the municipal expenses part and Euro 1 thousand are subsidies part.

Based on these findings, EC Ma Ndryshe estimates that Municipality of Mamusha is facing serious challenges when it comes to collecting this own source revenue. The failure to address this problem from year to year may threaten the economic self-sustainability of this municipality.

Remarks about this were also addressed by the Office of Auditor General in its Audit report for 2013 (which may be found at the following link:<http://oag->

[rks.org/repository/docs/3_Report_Mamushe_13_ALB_FINISHED_READY_FOR_PRINT_876199.pdf](#)), and this institution has recommended that “the Mayor should systematically monitor the budget performance on a monthly basis and identify and address barriers to the planned levels of budget execution. Where the initial budget assumptions are found to be inaccurate, this should be addressed in the final budget”.

According to OAG “the Mayor should ensure that the plan for own source revenues is realistic and corresponds to the opportunities for revenues collection. Furthermore, he should ensure that all necessary measures are taken to collect these revenues”.

The risk that OAG foresees is that “Inadequate budget planning and a low budget execution and realization levels may result in failure to meet the objectives of the Municipality and in current year obligations being financed by the subsequent year budget”.

Taking all these findings under consideration, EC Ma Ndryshe recommends that the Municipality of Mamusha:

- Takes immediate measures to improve the collection of own source revenues;
- Drafts an appropriate plan for efficient collection of debts, as well as payment of unpaid bills and discuss the same with the public;
- To accurately implement the recommendations of OAG without any delay.

The project of EC Ma Ndryshe for monitoring the transparency of the executive branch shall continue to publish findings from monitoring through regular press releases as well as through the webpage of the project, where all of the findings are directly posted by the monitors. The findings of monitoring, including regular press releases and a host of other information relating to the local governments of Prizren, Mamusha and Prishtina are already regularly being published on the webpage of our project at www.online-transparency.org.

Thank you for your cooperation,

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