



PERFORMANCE AUDIT

„MULTI-ANNUAL CAPITAL INVESTMENTS“

WHY A PERFORMANCE AUDIT ON CAPITAL INVESTMENTS?

BAM 585 MILLION

The value of multi-annual projects that are being implemented or planned to be implemented in the institutions of BiH at the beginning of 2024.



Research indicates that **THE IMPLEMENTATION OF MOST CAPITAL PROJECTS TAKES MUCH LONGER** than planned, leading to inefficient use of public money.



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WHAT WE LOOKED AT?

Are the multi-annual projects *implemented in a timely manner?*



Have *functional supervision and reporting on the implementation* of multi-annual projects been put in place?

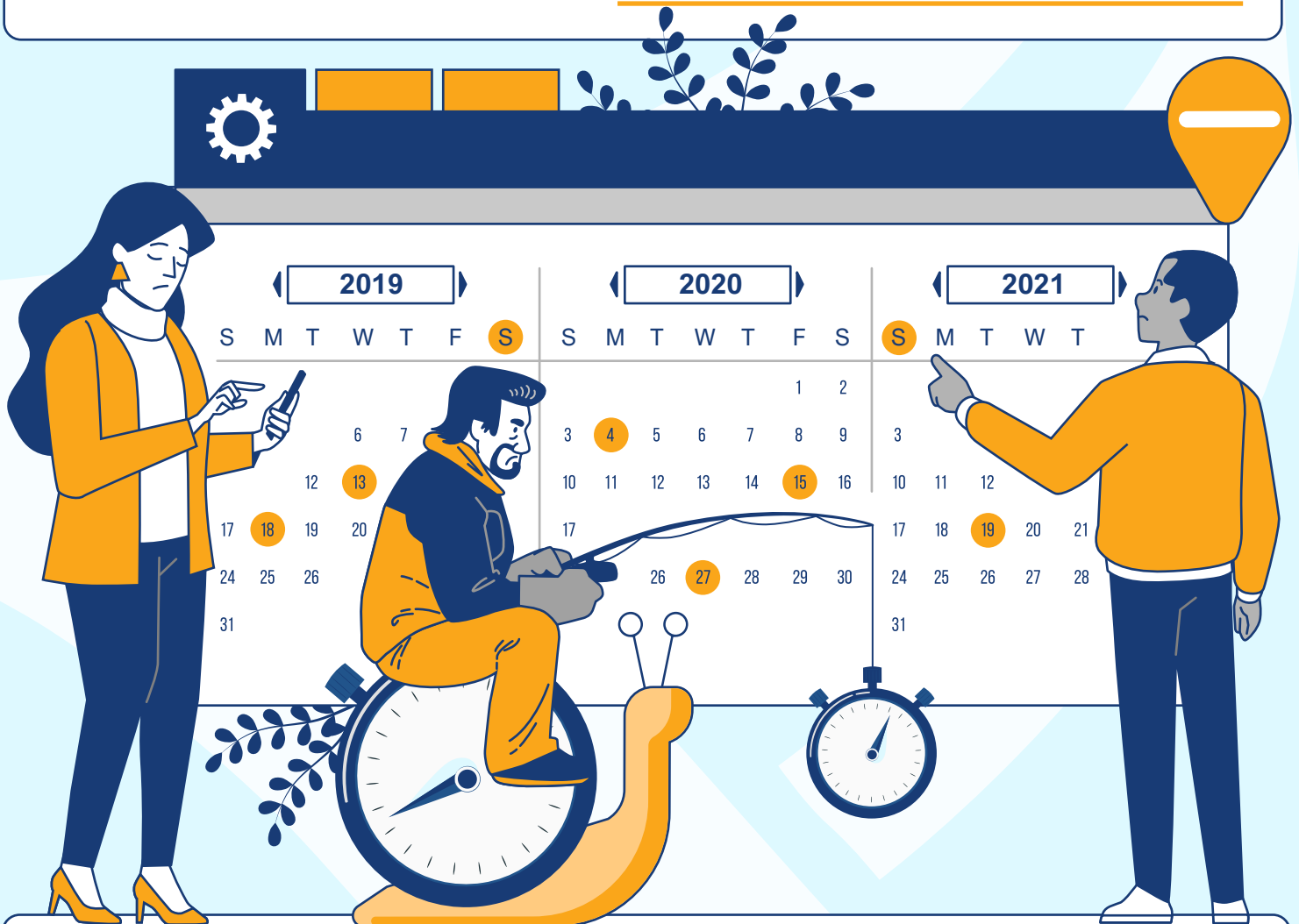


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WHAT WE FOUND?

Although the expected project implementation time was a little longer than 3 years, **THE AVERAGE LENGTH OF PROJECT IMPLEMENTATION IS 7 YEARS**, and the deadlines for their implementation are extended for **ALMOST EVERY OTHER PROJECT**.



The funds execution dynamics was **SLOW**: in the period 2018 – 2022, the average amount of annual **UNUTILIZED PUBLIC MONEY** for multi-annual projects amounted to about **BAM 135 MILLION.**



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WHAT WE FOUND?

The Council of Ministers of BiH and the Ministry of Finance and Treasury of BiH **FAILED TO ESTABLISH FUNCTIONAL SUPERVISION AND REPORTING** on multi-annual projects - the reports do not provide detailed information and analysis of the reasons behind the non-utilization of the approved budget funds, and **NO ADDITIONAL CHECKS AND IDENTIFICATION OF ACCOUNTABILITY OF THE INSTITUTIONS THEMSELVES WERE MADE.**



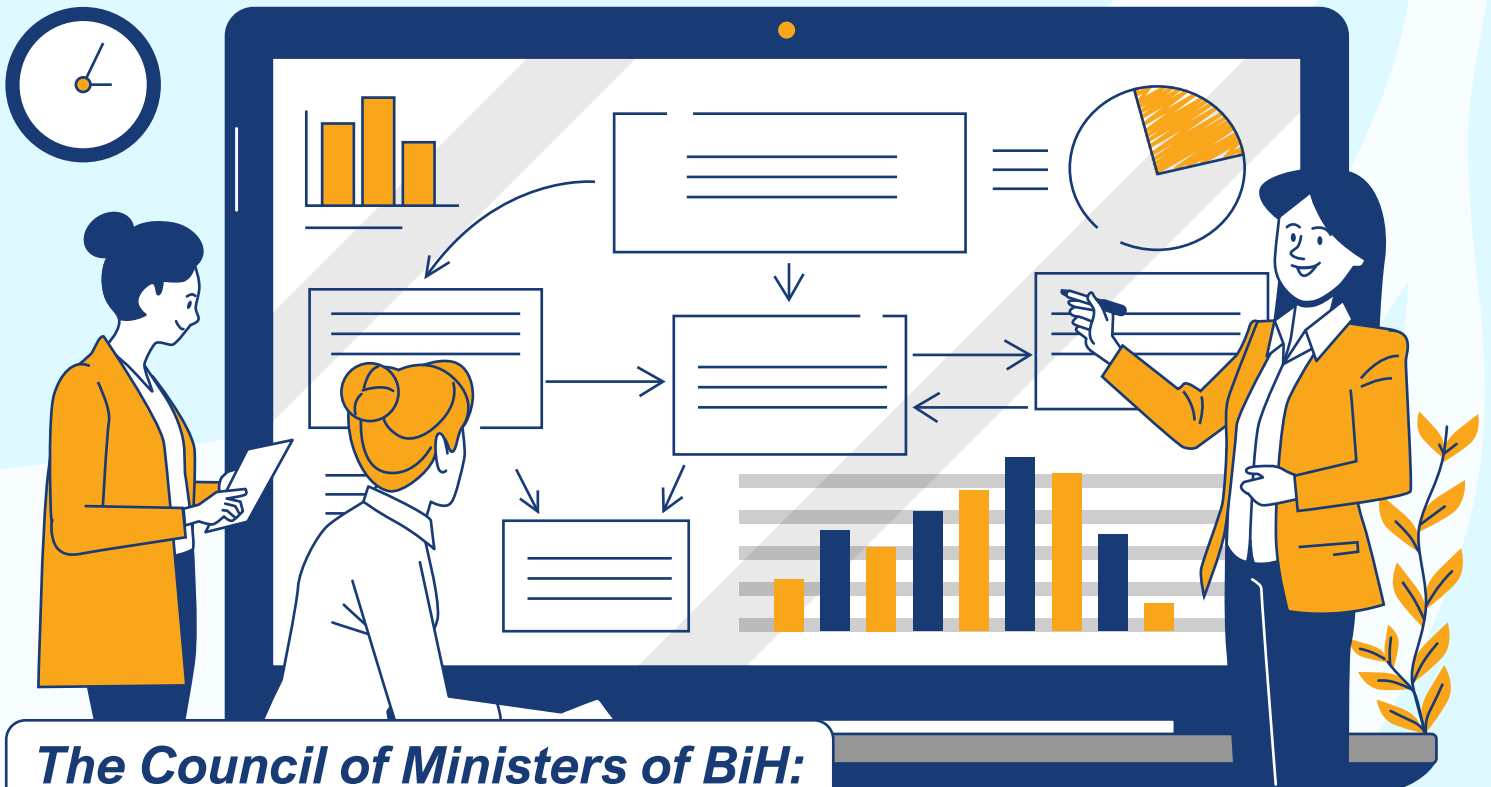


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WHAT COULD BE CHANGED?

Managing the multi-annual capital projects in the institutions of BiH could be more efficient if:



The Council of Ministers of BiH:

Sought to provide **A STOCK-TAKING OF THE PROCESS** with the aim to improve the implementation of multi-annual projects and ensure the **UNIFORMITY OF DECISIONS** on approving the capital investment projects.

The Ministry of Finance and Treasury of BiH:

Improved the **MONITORING OF THE IMPLEMENTATION** of multi-annual projects, **ANALYZED THE REASONS FOR DELAYS** and reported thereof to the Council of Ministers of BiH.



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WHAT COULD BE CHANGED?



The Institutions of BiH:

Provided **DETAILED INFORMATION ON THE DYNAMICS OF PROJECT IMPLEMENTATION**, regularly reported to the Ministry of Finance and Treasury of BiH and the Council of Ministers of BiH with **DETAILED REASONING FOR DELAYS** in the implementation of multi-annual projects.

Read more about this audit in the complete report available on the website of the Audit Office www.revizija.gov.ba



URED ZA REVIZIJU INSTITUCIJA BiH
КАНЦЕЛАРИЈА ЗА РЕВИЗИЈУ ИНСТИТУЦИЈА БИХ
AUDIT OFFICE OF THE INSTITUTIONS OF BOSNIA AND HERZEGOVINA

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