

Annual Financial Report for the year 2014

Budget Organization code: 101

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Secretary of the Assembly: **Ismet Krasniqi, Assembly Building, office N-122**

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Date: 31st of December 2014

1) Introduction: (Please provide a textual summary of the main developments in the budget of your organization. Do not cross the space provided below!)

The budget of the Assembly of the Kosovo Republic, allocated according to the Law on Budget 04/L-233 of the Kosovo republic for the year 2014 is 9.388.157€, whereas the final budget is 8,014,195€, according to the following economic categories: Salaries and Diems 5,534,723 €

Goods and services 1,318,201€, utilities 187,500€, subventions and transfers 30,000 € and capital expenses 943,421 €. Most of the budget of the Assembly of the Kosovo Republic is for Salaries and Diems with 69.06%, goods and services with 16.45%, capital expenses with 11.77%, utilities with 2.34 and subventions and transfers with 0.37%.

Thus the allocated budget for the year 2014 is: Salaries and Diems 5,534,723€, Goods and Services 1,318,201 €, Utilities 187,500€, Subventions 30.000 € and capital Investments 943,421 €.

The overall evaluation indicates that the level of implementation of the budget of the Assembly of the Republic of Kosovo for the year 2014 is 80.73% of the final budget.

The allocation of funds is done according to the cash flow plan by the Directory for Budget and payments in cooperation with the Management of the Assembly. This report will present in details the expenditures arising from the Assembly budget for the year 2014, as well as their comparison with the same period of the year 2013.

b) Salaries and Diems:

(Please, attach the organizational chart of your organization as an Annex to this financial report, and fill in the additional table regarding the payment structure in point 4f) of this report).

The category of Payments and Diems participates in the Assembly budget with 5,534,723 or 69.06% of the allocated budget of the Assembly, and as such are divided into three Programs: Assembly Members 3,429,618 €, Administration of the Assembly 1.761.796 € and Political Supporting Staff 343,309€; the amount spent in this category in this year is **4.932.396, 97 or expressed in percentage** is 89.12% of the allocated annual budget for this category. In the category of Salaries and Diems for the Members of the Parliament, in this year due to the Parliamentary elections an amount of 1,000,000 €, according to the Law on Deputies and the Rules of Procedure of the Assembly, was allocated for the payment of MPs who will not be reelected, however, due to the parliamentary elections and the delays in the constitution of the Assembly, the major part of the above stated amount has been returned to the Government, as savings.

c) Goods and Services:

The category of Goods and Services participates in the annual budget with 1,318,201€ or with 16.45% in the Assembly budget, and as such are divided into three Programs: Assembly Members 429,250€, Administration of the Assembly 849,150 € and Political Supporting Staff 39,801€. The rate of the budget expenses in this economic category for the year 2014 is 966.859,57€, expressed in percentage 73.35% of the budget in this category compared with the annual budget of the Assembly for goods and services.

d) Utilities:

The category of utilities participates in the budget of the Assembly with 187,500 or 2.34% of the Assembly budget; these funds are allocated in the program of the Assembly Administration. The rate of the budget expenses in this economic category for the year 2014 is 143.626,16 €, expressed in percentage 76,46% of the budget for this category.

e) Capital investments:

The category of Capital Investments participates in the Assembly budget with 943,421€, or with 11.77%, these funds are allocated in the program of the Assembly Administration. The rate of budget expenses in this economic category for the year 2014 is 420.335,65 €, or expressed in percentage 44.55% of the annual budget in this category.

f) Subvencionet dhe Transferet:

The category of Subventions and transfers participates in ten -monthly budget with 30,000 € or with 0.37% in the Assembly budget; these funds are allocated in the program: Assembly Members. The ratio of budget expenses in this economic category for the year 2014 is 6.800 €, or expressed in percentage 22.67 % of the annual budget in this category.

3) Summary:

Please, briefly present the concluding remarks on the budget of your institution, or views on future developments.

The Financial Independence is one very important and essential element, since the Parliament should have a complete control of its financial means, in order to plan and complete its activities. Administrative independence includes the decisions of the Parliament for its internal issues, and cannot exist without financial independence. Thus, the proper parliamentary control over the Government cannot exist without financial and budgetary independence of the Parliament itself. In the year 2012, a Communiqué of the Feasibility Study Commission for the Stabilization - Association Agreement between the European Union and Kosovo, among others, came to conclusion that the Assembly and its Committees must conduct their scrutiny (oversight) over the Executive, and that the financial and administrative independence of the Assembly from the Government should be strengthened. The Twinning Project recommendations regarding the 5th Component have paid a great importance to the drafting of a Law on Assembly, where the financial independence of the Assembly, both in planning as well as in the execution of the budget, will be clearly defined. This year we have been granted a donation from the European Union for a Twinning Light contract for drafting the Law on Assembly, and from the experts in question we have received the draft law on Assembly, the Rules of Procedure of the Assembly and some other Regulations, which would regulate the issues of the Financial and Administration Independence of the Assembly, as well as some other important issues such as: IT and the personnel, etc.

* 15 % of the annual budget allocated according to the Law No. 04-L-233 is cut according to the Decision of the Government no. 07/172 dated on 27th of February 2014.

4) Tables:

a) Incomes:

Please fill in the table with the necessary information.

Economic code	Economic category	The planned incomes/Predicted for this period	incomes carried from the previous year	Incomes collected during the reporting period
The Assembly of the Kosovo Republic does not generate incomes				

b) Expenses:

Economic code	Economic category	Budget and Expenses 2013				Budget and Expenses for the year 2014				% of the expenditure compared with 10=8/7
		The final annual budget in 2013	Expenses 2013	5=4/3	% eof expenditure	The annual budget with the Budget Law (2014)	The budget after cuts	Annual expenses		
1	2	3	4	5=4/3		6	7	8	10=8/7	
11000	Salaries and Diems	5,334,367.00	5,096,023.46	95.53		6,556,332.00	5,534,723.00	4,932,396.97	89.12	
13000	Goods and Services	1,631,854.00	1,562,754.87	95.77		1,550,825.00	1,318,201.25	966,859.57	73.35	
13200	Utilities	198,500.00	183,972.48	92.68		221,000.00	187,850.00	143,626.16	76.46	
21000	Subsidies and Transfers	60,000.00	59,900.00	99.83		30,000.00	30,000.00	6,800.00	22.67	
30000	Capital Investments	896,072.00	637,691.82	71.17		1,030,000.00	943,421.00	420,335.65	44.55	
	Total	8,120,793.00	7,540,342.63	92.85		9,388,157.00	8,014,195.25	6,470,018.35	80.73	

Due to the delays in the constitution of the Assembly, in the program of the deputies and political supporting staff in the category of salaries and Diems, we have a saving of 1,021,609€; these financial means have been returned to the Government during the process of the savings evidencing in this economic category. It must be noted that with the decision of the Kosovo Republic Government, the budget for goods and services and utility expenses is cut for 15%, and in this report is taken as a final budget.

Goods and services

4. c) DETAILS OF EXPENDITURES BY ECONOMIC CODES

13000	GOODS AND SERVICES Name of the economic category	Planned 2013	Annual expenses 2013	% of expense	Planned 2014	Annual expenses 2014	% of expense
13100	Travel expenses	371,029.00	340,052.37	91.65%	210,000.00	150,420.34	71.63%
13130	Travel expenses within the country	15,500.00	12,102.70	78.08%	10,000.00	9,617.40	96.17%
13140	Travel expenses abroad	355,529.00	327,949.67	92.24%	200,000.00	140,802.94	70.40%
13200	Utility expenses	198,500.00	183,972.48	92.68%	187,500.00	143,626.16	76.60%
	Electricity	115,000.00	114,895.74	99.91%	100,000.00	93,131.96	93.13%
	Water	15,000.00	13,442.95	89.62%	10,000.00	9,890.39	98.90%
	Waste	6,000.00	3,639.55	60.66%	30,000.00	2,492.95	8.31%
	Central heating	-	-				
	Telephone expenses	62,500.00	51,994.24	83.19%	47,500.00	38,110.86	80.23%
13300	Telecommunication services	110,400.00	109,694.77	99.36%	74,600.00	61,290.73	82.16%
13310	Expenses for Internet	2,300.00	2,250.00	97.83%	3,600.00	3,600.00	100.00%
13320	Mobile phone expenses	107,100.00	106,898.36	99.81%	70,000.00	57,574.83	82.25%
13330	Postal expenses	1,000.00	546.41	54.64%	1,000.00	115.90	11.59%
13340	Expenses for using the optical cable						
13400	EXPENSES FOR SERVICES	95,925.00	85,016.46	88.63%	80,000.00	57,252.37	71.57%
13410	Education and training services	11,200.00	11,152.40	99.58%	10,000.00	8,588.00	85.88%
13420	Representation and advocacy services			0.00%			
13430	Various health services			0.00%			
13440	Different intellectual and advisory services	10,200.00	7,970.00	78.14%	10,000.00	1,920.00	19.20%
13450	Printing services, non marketing	15,000.00	13,645.00	90.97%	15,000.00	12,226.00	81.51%
13460	Other contractual services	53,525.00	46,548.23	86.97%	35,000.00	26,989.37	77.11%
13470	Technical services	6,000.00	5,700.83	95.01%	10,000.00	7,529.00	75.29%
13780	Expenses for membership		-			-	
1350	Purchase of furniture and equipment (less than 1000 EUROS) (subtotal)	101,400.00	100,161.40	98.78%	157,350.25	47,296.79	30.06%
13501	Furniture (less than 1000 euros)	13,300.00	13,291.00	99.93%	5,000.00	-	0.00%
13502	Telephones (less than 1000 euros)	1,710.00	1,707.23	99.84%			
13503	Computers (less than 1000 euros)	53,100.00	52,912.78	99.65%	127,350.25	26,980.00	21.19%
13504	Hardware for Information Technology (less than 1000 euros)						
13505	Copying machines (less than 1000 euros)						
13506	Special medical equipment (less than 1000 euros)						
13507	Police Service Equipment (less than 1000 euros)						

13508	Traffic equipment (less than 1000 euros)						
13509	Other equipment (less than 1000 euros)	35,000.00	32,250.39	92.14%	25,000.00	20,316.79	81.27%
1360	Other purchases - GOODS AND SERVICES (subtotal)	192,000.00	186,732.44	97.26%	120,000.00	114,924.52	
13610	Office supply	192,000.00	186,732.44	97.26%	120,000.00	114,924.52	95.77%
13620	Supply with food and drinks (non official lunches)						
13630	Medical supplies						
13640	Cleaning supplies						
13650	Supply with clothing						
13660	Accommodation						
13670	Ammunition and firearms						
13680	Insurance tickets (banners)						
13681	Seals						

1370	DERIVATIVES AND FUELS (subtotal)	279,900.00	279,320.31	99.79%	170,000.00	163,631.53	96.25%
13710	Oil						
13720	Central heating oil	204,500.00	204,330.44	99.92%	120,000.00	118,623.35	98.85%
13730	Heating oil					-	
13740	Oil fuel						
13750	Coal						
13760	Wood						
13770	Fuel for the generator	10,400.00	10,331.62	99.34%	10,000.00	9,999.50	100.00%
13780	Fuel for vehicles	65,000.00	64,658.25	99.47%	40,000.00	35,008.68	87.52%

1380	Advance Accounts (subtotal)	-		-	-		-
13810	AA Advance for small money (petty cash)						
13820	Advances for official travels						
13821	Advances						
13830	Advances for goods and services						
13850	Advances - for embassies						

1395	REGISTRATION AND INSURANCE SERVICES (subtotal)	31,000.00	20694.41	66.76%	35,000.00	25,259.53	72.17%
13951	Vehicle Registration and Insurance	21,000.00	20694.41	98.54%	25,000.00	17,759.53	71.04%
13953	Insurance of the buildings and other	10,000.00		0.00%	10,000.00	7,500.00	75.00%

1400	MAINTENANCE (subtotal)	285,500.00	284,692.62	99.72%	285,000.00	253,181.52	88.84%
14010	Vehicles maintenance and repair	38,500.00	38,357.20	99.63%	40,000.00	20,678.96	51.70%
14020	Maintenance of buildings	171,000.00	170,939.50	99.96%	175,000.00	173,957.16	99.40%
14040	Maintenance of Information Technology	40,000.00	39,867.50	99.67%	40,000.00	35,850.40	89.63%
14050	Maintenance of furniture and equipment	36,000.00	35,528.42	98.69%	30,000.00	22,695.00	75.65%

1420	Marketing expenses (subtotal)	45,200.00	44,567.90	98.60%	40,000.00	29,292.80	73.23%
14210	Advertisements and announcements	9,200.00	9,138.00	99.33%	10,000.00	6,883.00	68.83%
14220	Edition of Publications	1,000.00	995.00	99.50%		-	

14230	Expenditures for public information	35,000.00	34,434.90	98.39%	30,000.00	22,409.80	74.70%
1430	Representation expenses (subtotal)	117,726.50	111,790.69	94.96%	128,103.00	45,812.25	35.76%
14310	Official lunches	117,726.50	111,790.69	94.96%	128,103.00	45,812.25	35.76%
14410	Court decisions (injunction)	31.50	31.50	100.00%	18,498.00	18,497.19	
					10,631.00	10,630.79	
14420					7,867.00	7,866.40	
Total expenditures for goods and services and utilities		1,828,612.00	1,746,727.35		1,506,051.25	1,110,485.73	73.73%

Explanation:

As it is seen from the above table in the economic category of goods and services, in the actual year we have smaller expenses in all economic categories, due to the fact that in the last seven months of the year, the political part of the Assembly had not had activities and as a result of this we have had smaller expenses in all categories. However, the savings that have been identified up to now cannot reflect something bad, because these savings at the end of the year have gone as surplus in the state budget. It must be emphasized that beside the fact that there are savings due to the delays in the constitution of the Assembly, there are also delays in the procurement procedures in some very important points, some of them are: Selection of external auditors for auditing of the annual financial statements of the political parties, supply with drinkable water, etc. It must be noted that the comparative report between the planned budget and the spent budget is done by comparing it with the final budget, respectively, after the cuts that are made in the budget with a decision of the Government, and the same ones are adapted in all economic categories.

4.d) CAPITAL INVESTMENTS: DETAILS OF EXPENDITURE BY PROJECTS

Capital Investments		Budget 2013				Budget 2014		
30000	Name of the economic category	Planning 2013	Final budget SIMFK 2013	Expenses 2013	% of expense	Budget 2014	Expenses 2014	% of expense
Total Capital Investments		1,030,000.00	896,072.00	637,691.82	71.17%	943,421.00	420,335.65	44.55
Project code	Capital expenses	1,030,000.00	896,072.00	637,691.82	71.17%	943,421.00	420,335.65	44.55
8001	"Villa Germia" Restaurant	10,000.00	-	-	0.00%	-	-	-
12907	Stairs against fire	5,904.00	9,904.00	4,840.00	48.87%	20,000.00	18,782.00	93.91
10198	Purchase of vehicles for the needs of the Assembly	130,000.00	-	-	-	30,000.00	29,749.20	-
12609	Updating and independence of the ICT system	200,000.00	103,000.00	103,200.00	98.29%	66,000.00	66,000.00	100.00
12559	Renovation of the Annex (roof and facade)	238,189.00	240,511.00	240,510.83	100.00%	-	-	-
12979	Modernization and the supply with digital technology of the Conference halls and plenary hall	250,000.00	290,000.00	144,870.00	49.96%	327,421.00	305,804.45	93.40
13431	Renovation of the building and of the existing installations	185,907.00	185,907.00	79,566.00	42.80%	450,000.00	-	-
13432	Automatic garage doors	10,000.00	9,750.00	9,750.00	100.00%	-	-	-
13795	Purchase of surveillance cameras	55,000.00	55,000.00	54,954.99	99.92%	-	-	-
13877	Digitalization of the archive	-	-	-	-	50,000.00	-	-

splanation

Renovation of the building and of the existing installations, which as an activity has begun in March, while the archive digitization project started with delay, and so far the procurement procedures are not yet completed. So in general, in the capital projects have significant delays in procurement procedures.

4.e) SUBSIDIES AND TRANSFERS: DETAILS OF EXPENDITURE ACCORDING TO ECONOMIC CODE

4.e) SUBSIDIES AND TRANSFERS; DETAILS OF EXPENDITURE ACCORDING TO ECONOMIC COE							
21000	SUBSIDIES AND TRANSFERS Name of the economic category	Budget 2013			Budget 2014		
		Planning	Annual expenses	% of expense	Planning	Annual expenses	% of expense
Total subsidies and transfers		60,000.00	59,900.00	99.83%	30,000.00	6,800.00	22.67%
2100	SUBSIDIES	60,000.00	59,900.00	99.83%	30,000.00	6,800.00	22.67%
21110	Subsidies for public entities	60,000.00	59,900.00	99.83%	30,000.00	6,800.00	22.67%
21120	Subsidies for public entities						
21200	Subsidies for Non-public entities						
2200	TRANSFERS	-	-	-	-	-	

4.f) Staff and salary structure

Level	The approved positions with the Law on budget	Filled positions	The final budget for salaries and diems	The spent budget for salaries and diems for the reporting period	% of realization
1	2	3	4	5	6
Members of the Parliament	120	118+48	3,429,618.00	3,047,889.73	88.87%
Administration of the Assembly	185	170	1,761,796.00	1,668,084.05	94.68%
Political Supporting Staff	33	18	343,309.00	216,423.19	63.04%
Total	338	306+48	5,534,723.00	4,524,862.06	81.75%

Remark:

To the number of employees in December, we have this situation:

We have 110 deputies in the Fifth Legislature, as well as 48 deputies who receive the transitional salary and a part of deputies who are elected in Government positions and who receive salary until the 8th of December 2014.

In the program of Assembly Administration the number of employees is taken on December 2014.

In the program of the Political Supporting Staff the number of employees is taken on December 2014.