

# **PERFORMANCE AUDIT REPORT ON *MANAGEMENT AND DISPOSAL OF FOOTBALL STADIUMS AND PLAYGROUNDS OWNED BY LOCAL SELF-GOVERNMENT UNITS***

(October 2019)

## **SUMMARY**

The State Audit Office conducted 21 performance audits on management and disposal of football stadiums and playgrounds owned by local self-government units. The audit covers 127 towns and 428 municipalities (on the area of 20 counties) and the City of Zagreb.

The subject of the audit was management and disposal of football stadiums and playgrounds owned by local self-government units for 2017 and 2018, i.e. keeping records of football stadiums and playgrounds, normative management and disposal arrangements, management and disposal and supervision of the management and disposal of football stadiums and playgrounds. In this audit, the term football stadiums and playgrounds includes sports buildings with grass (natural or artificial) grounds for playing big football, 90 to 120 m long and 45 to 90 m wide, with or without a grandstand.

The audit found, inter alia, that:

- Local units did not take actions to record ownership of individual football fields and did not submit to the competent ministry an application for a document eligible for the registration of ownership rights

- Data on the value of individual football stadiums and playgrounds are not recorded in the analytical bookkeeping of local units

- The annual inventory of assets and liabilities of local units did not list soccer stadiums and playgrounds or did not establish values for the soccer fields listed

- Individual local units did not establish an asset registry or did not enter the data prescribed by the State property register Regulation, the Property register is not programmatically connected with other records, nor are the data on football stadiums and playgrounds from the Register of assets consistent with the data from business records

- Mutual rights and obligations of the local unit and the football club on the management or use of football stadiums and playgrounds have not been established

- Local units do not systematically analyse and evaluate the effects of the activities performed in relation to the management and use of football stadiums and playgrounds, the influence of the management and use of football stadiums and playgrounds on the local community, and determine how management can be improved

- Local units have not determined the powers and responsibilities of individual holders of functions of management and disposal of football stadiums and playgrounds, supervision of management and use of football stadiums and playgrounds, reporting on achieved goals and effects of management and use, and undertaking measures in case of non-performance of tasks and non-fulfilment of set objectives.

Based on the audit of the established facts, applying the established criteria, the State Audit Office assessed that the management and disposal of football stadiums and playgrounds owned by local units in 46 cities and 79 municipalities are effective, requiring some improvements, as certain deficiencies have been identified that do not significantly affect the management and management of football stadiums and playgrounds, while in the City of Zagreb, 74 cities and 222 municipalities are partially effective, as irregularities and omissions have been identified regarding the recording and management of data on football stadiums and playgrounds, the normative management and disposal arrangements, the management and disposal of football stadiums and playgrounds, and the functioning of the internal control system to monitor the management and disposal of football stadiums and playgrounds and significant improvements are needed. 134 local units were not rated because they do not own football stadiums or playgrounds.

The State Audit Office gave the following orders and recommendations:

- In cooperation with competent authorities of the Republic of Croatia, undertake activities to record ownership of football stadiums and playgrounds
- To manage the analytical bookkeeping of football stadiums and playgrounds by type, quantity and value (purchased and written off) and with other necessary data
- At the end of each financial year, list football stadiums and playgrounds, list their individual values and reconcile the bookkeeping situation recorded in the general ledger with the actual situation set out in the list
- Establish a register of assets and record football stadiums and playgrounds owned or co-owned by local units in the Register of assets and specify in the Register of assets the data prescribed by the Regulation on the Register of State assets; link the Register of assets programmatically with other records (main ledger, analytical records and other auxiliary records); reconcile data on football stadiums and playgrounds from the Register of assets with data from business records
- When giving football stadiums and playgrounds to manage and use football clubs, establish mutual rights and obligations of local units and football clubs on the manner of management and use, manner of covering management costs, supervision of management and use and other elements of management of interest to local units, with the aim of maintaining, preserving and improving the functionality of football stadiums and playgrounds
- Analyse and evaluate the effects of management and use of football stadiums and playgrounds in order to determine the efficiency of management and use, identify and address management and use problems, determine the impact of management and use on the local community and determine how the management and use of football stadiums and playgrounds can be improved; establish criteria and indicators of efficiency and principles of effective management and disposal of football stadiums and playgrounds and other assets owned by the local unit
- Establish the powers and responsibilities of individual holders of the management and disposal functions of football stadiums and playgrounds, control over the management and use of stadiums and playgrounds, reporting on the achieved objectives and effects of management and

use, and take measures in case of non-performance of activities and failure to meet the set objectives, thus increasing the responsibility of the holders of management functions for the systematic and efficient management of public resources and thus meeting public needs.

The State Audit Office is of the opinion that the implementation of these orders and recommendations for recording data on football stadiums and playgrounds would be guided by regulations, regulate the management and disposal of football stadiums and playgrounds by standards, manage and dispose of football stadiums and playgrounds with the attention of a good master and achieve the objectives of the internal control system, thus increasing the efficiency of management and disposal of football stadiums and playgrounds owned by local units.