



REPUBLIC OF ALBANIA
THE SUPREME AUDIT INSTITUTION OF ALBANIA



ANNUAL PERFORMANCE REPORT 2025



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MESSAGE FROM THE CHAIRMAN OF ALSAI, MR.ARBEN SHEHU

In fulfilling its constitutional and legal mandate, the Supreme State Audit Institution of Albania (ALSAI) presents the 2025 Performance Report, a document that reflects its audit activities, institutional development, and contribution to strengthening accountability, transparency, and good governance in the public sector.

Throughout 2025, ALSAI continued to carry out its functions with professionalism, independence, and commitment, aiming to ensure that the use of public funds and the management of state assets are conducted in accordance with the law and guided by the principles of economy, efficiency, and effectiveness, while serving the public interest. Through audits conducted across different levels of government and within institutions of various types, ALSAI contributed to identifying issues, systemic weaknesses, and risks that undermine sound financial and administrative management in the public sector.

Audit activities were carried out in accordance with international public sector auditing standards, the institution’s methodological framework, and a quality and objectivity oriented approach. The findings and recommendations issued were intended not only to identify violations and irregularities but, above all, to promote sustainable improvements in internal control systems, planning processes, budget execution,

Financial audits revealed deficiencies in the accuracy and completeness of financial reporting, the recognition and presentation of assets and liabilities, as well as in the reconciliation and classification of accounting items. Compliance audits identified persistent weaknesses in the implementation of the legal and regulatory framework, particularly in the areas of public procurement, asset administration, contract management, and budgetary discipline. Performance audits found that, in a number of cases, the focus on measurable results and tangible impact remains insufficient, while information technology audits highlighted the need to strengthen system security and managerial capacities in this field.

Particular emphasis during 2025 was placed on monitoring the implementation of audit recommendations, which represents a key indicator of ALSAI’s impact. The high rate of acceptance of recommendations confirms the institutional recognition of our work; however, the pace and quality of their implementation continue to present a challenge that requires stronger commitment from public institutions. In this regard, ALSAI will continue to reinforce its monitoring mechanisms and institutional dialogue to ensure that accepted recommendations do not remain merely formal commitments but are translated into concrete and measurable improvements.

During the year, ALSAI also continued its efforts to strengthen its professional and institutional capacities through specialized training, the enhancement of audit methodologies, and cooperation with peer institutions and international partners. This approach was aimed at improving audit quality and ensuring the institution’s continuous adaptation to the evolving demands of public administration and contemporary auditing standards.



ALSAI has continued to remain an institution open to Parliament, citizens, the media, and other stakeholders, recognizing transparency and public communication as integral components of its mission. Public trust in supreme audit institutions is built upon professionalism, impartiality, integrity, and consistency in their work; accordingly, these values guided our activities throughout 2025.

The year 2025 marked a significant milestone for ALSAI, commemorating the 100th anniversary of the establishment of this key institution in the field of external public auditing in the Republic of Albania. This centenary represents both an opportunity to reflect on the institution's century-long journey and a recognition of its vital role in strengthening transparency, accountability, and the sound management of public finances.

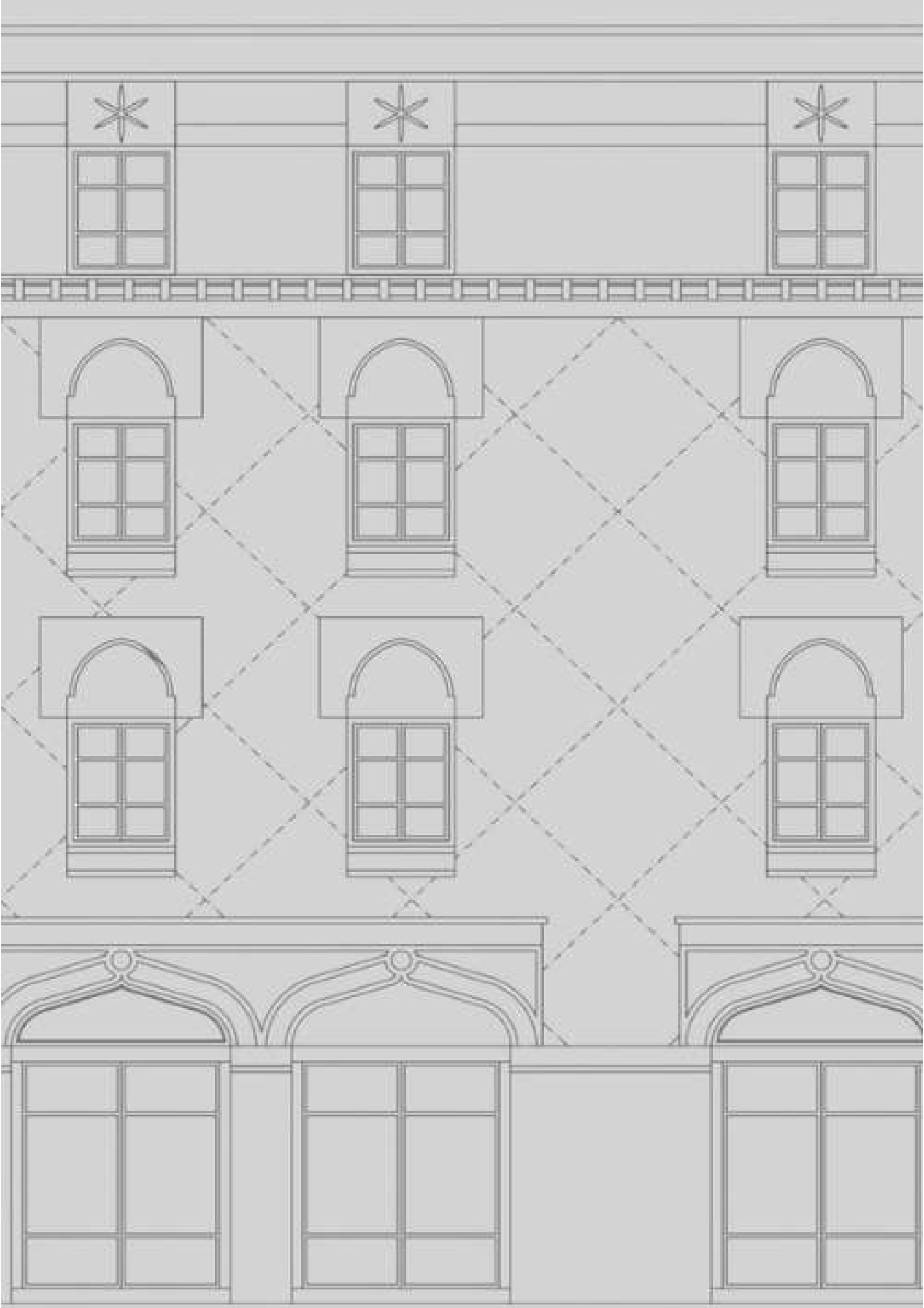
Dear Reader,

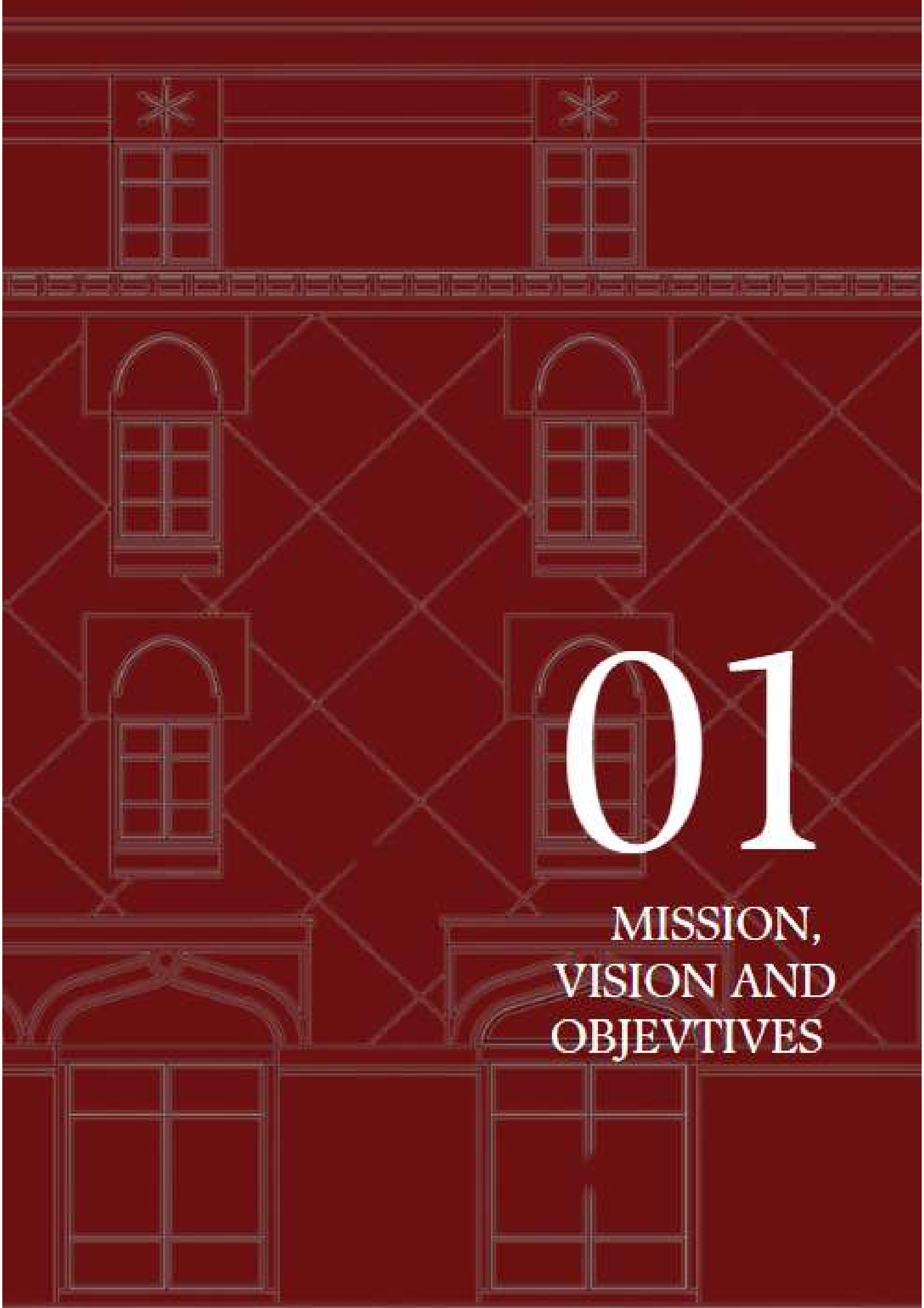
The 2025 Performance Report reflects the commitment of the Supreme State Audit Institution of Albania (ALSAI) to remain a trusted institution serving the public interest. At a time when the demands for accountability, transparency, and the responsible use of public resources continue to grow, ALSAI's role remains fundamental in promoting good governance and strengthening citizens' trust in public institutions.

ALSAI will continue to fulfil its mission with objectivity, professionalism, and independence, remaining an essential oversight mechanism, an institutional partner for continuous improvement, and a steadfast voice in safeguarding the public interest.

Arben SHEHU







01

MISSION,
VISION AND
OBJEVTIVES

1. MISSION VISION & OBJECTIVES



Mission

The Supreme Audit Institution of Albania is an independent, constitutional institution, which, through expertise and qualitative audits, supports the Assembly and informs the public and stakeholders in a continuous, impartial and complete manner on the accountability that the government and public entities show in managing taxpayers' money, with the aim of improving public services.

Vision

The ALSAI is a model institution that leads by example, promotes increased accountability, transparency, improvement of public services, through quality audits and the fight against corruption, strengthening integrity and public trust in the institution.

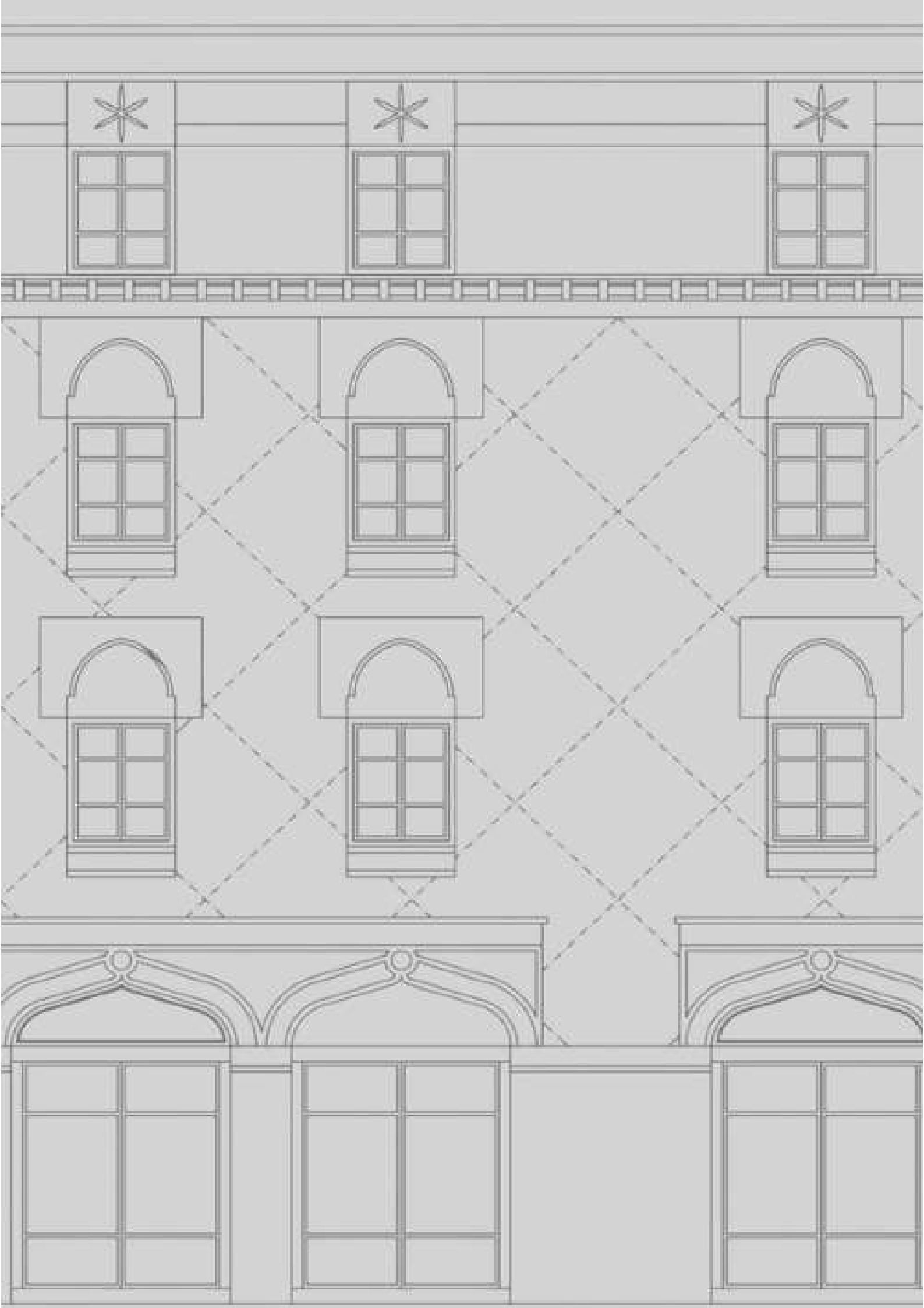
Objectives

Defined in the Institutional Development Strategy 2023-2027, the objectives of the ALSAI, also for 2025, are:

- Increasing and improving the role of the ALSAI, as a supporter of the Assembly for effective accountability and careful and in-depth review of public entities.
- Increasing the impact of audit work on good governance, through improving the level of implementation of recommendations.
- Optimization of professional capacities with the aim of acquiring innovative knowledge in auditing work.

In line with INTOSAI-P 12, "The Value and Benefits of Supreme Audit Institution"— Making a Difference to the Lives of Citizens, ALSAI has embraced the principles that define how the institution should fulfil its mandate to strengthen accountability, transparency, and integrity within government and public sector entities, while upholding the values of: enhancing accountability, transparency, and integrity across public sector institutions; demonstrating relevance and due consideration for citizens, Parliament, and other stakeholders; and serving as a model organization by leading through example.







02

EXECUTIVE SUMMARY

KEY INDICATORS FOR 2025

**190 AUDITS**

In accordance with its legal mandate and institutional strategic objectives, during 2025, ALSAI carried out 190 audits against the 180 planned, including financial audits, compliance audits, performance audits, information technology systems audits, combined audits, follow-up audits on the implementation of recommendations, and thematic audits on specific issues.

Financial	63
Compliance	44
Combined	32
Performance	13
IT	10
Follow up on recommendations	15
Thematic	13

**222 OPINIONS /
MESSAGES /
CONCLUSIONS**

Based on the audit evidence and the auditor's professional judgement, taking into account the assessment of the audit criteria, the materiality of the findings and their pervasiveness, the respective audit opinions, messages and conclusions were issued as follows:

Financial	95*
Compliance	76*
Message	13
IT Conclusions	10
Other conclusions	28

**4994 RECOMMENDATIONS**

For the deficiencies, irregularities and issues identified during the audit engagements, the relevant recommendations for addressing and improving the situation were issued and classified by type as follows:

Organizational Measures	3268
Legislative Improvements	29
Disciplinary	916
Administrative	59
Financial Effects (No.)	722
Economic Damage / Irregularities with Financial Effects (in ALL thousand)	26,210,795

*Opinions/conclusions for financial and compliance audi



KEY INDICATORS FOR 2025



271 AUDITED ENTITIES

In accordance with its legal mandate, ALSAI conducted audits of central government entities, local self-government units, public companies with more than 50% state ownership, foreign-financed investments, and public property administration institutions, as follows::

Central Government	126
Local Self-Government	87
Public Companies	45
Public Property Administration Institutions	13



70% IMPLEMENTATION OF RECOMMENDATIONS*

In fulfilment of its legal obligation, ALSAI conducted follow-up audits on the implementation of 4,348 recommendations issued in previous audits, with the aim of verifying their implementation status. The results are presented as follows:

Accepted Measures, of which:	4294
Fully Implemented	1598
Partially Implemented	645
Implementation in Progress	746
Not Implemented	1305

* The implementation rate includes recommendations that have been fully implemented, partially implemented, and are in the process of implementation.



KEY INDICATORS FOR 2025



STRUCTURE

For the management of Human Resources, ALSAI applies the legal framework in force. Staff recruitment procedures conducted during 2025 were carried out in line with the Institution's Development Strategy 2023–2027 and the approved human resources management policies, with the aim of ensuring that ALSAI has the appropriate staff with the qualifications, skills and experience required to meet both current and future needs.

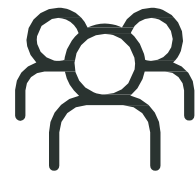
Total staff	215
Total auditing staf	154
Internships at the ECA and GAO	1
ACCA Certification	1
Internships at the ECA and GAO INTOSAI & EUROSAI	2

COMMUNICATION
AND
COOPERATION

In implementation of the revised Communication Strategy 2022–2025, ALSAI continued to publish its audit results, which received extensive coverage in the print and audiovisual media, thereby increasing the visibility of ALSAI's audit work.

Cooperation with domestic and international partners also continued in accordance with the respective agreements.

Published Audit Reports	190
Requests/Complaints Handled	189
Articles/Media Reports on ALSAI	1115
Parallel/Joint Audits	4
New Cooperation Agreements	1
Project with IDI completed	1

PROFESSIONAL
DEVELOPMENT

In fulfilment of its legal obligations, ALSAI successfully implemented the integrated professional development programmed for its employees, in cooperation with domestic partners such as ASPA and international partners, including peer SAIs, INTOSAI, EUROSAI, IDI, CEF, the World Bank, and others.

Training Days per Auditor per Year	28
Training Days per Non-Auditor per Year	21
Training Topics Delivered by International Trainers	34%
Training Topics Delivered by Local Trainers	66%
Conferences and Training Activities	47



2. EXECUTIVE SUMMARY

In fulfilling its constitutional and legal mandate, the Supreme State Audit Institution of Albania conducted 190 audit engagements across public sector institutions during 2025. These included 44 compliance audits, 32 combined audits, 63 financial audits, 13 thematic audits, 13 performance audits, 10 information technology (IT) systems audits, and 15 follow-up audits to verify the implementation of previous recommendations. These audit engagements covered 271 audited entities, comprising 126 central government institutions, 87 local government entities, 13 public property administration institutions, and 45 state-owned companies with government ownership exceeding 50%.

The audits resulted in the issuance of 222 audit opinions, audit messages, and conclusions, including 71 compliance opinions, 95 financial opinions, 18 conclusions from compliance and thematic audits, 13 performance audit messages, 10 IT audit conclusions, and 15 conclusions on the implementation of recommendations.

Of the 76 audits assessing compliance aspects, three identified no material deviations from the applicable legal, regulatory, and sub-regulatory framework. Sixty-eight audits identified material but not pervasive deviations and therefore resulted in qualified opinions, while five engagements concluded with audit conclusions.

Regarding financial reporting, 25 audited entities presented financial statements that fairly reflected their financial position, although 15 of these included matters of emphasis. Three entities received adverse opinions due to material and pervasive misstatements, while the remaining entities, where material but not pervasive misstatements were identified, received qualified opinions.

As a result of the audit work, ALSAI issued 4,994 recommendations, including 29 proposals for improving the legal framework, 3,268 organisational measures, 281 measures for the recovery of financial damage, 441 measures to address irregularities with negative financial effects, and 975 disciplinary and administrative measures. These recommendations aimed to address identified deficiencies, strengthen internal control mechanisms, and enhance institutional accountability, thereby improving the management of public funds and reducing the risk of similar issues recurring in the future.

In accordance with its legal obligations and as a key indicator of the effectiveness and impact of its audit activity, ALSAI continuously conducts follow-up audits to verify the implementation of recommendations issued in previous audits. This process assesses the extent to which audited institutions have implemented the recommendations and ensures that appropriate corrective actions have been taken. During 2025, ALSAI verified the implementation of recommendations issued in 125 previous audits, finding that approximately 99% had been accepted, of which 70% had been fully implemented, partially implemented, or were in the process of implementation by the respective institutions. Although this high acceptance rate demonstrates the relevance and credibility of ALSAI's recommendations, the findings also highlight the need for further improvement in their practical implementation. Accordingly, ALSAI continued to monitor the implementation process within audited entities, requiring concrete measures to ensure the timely and full implementation of recommendations, thereby reinforcing accountability and contributing to improved institutional performance.

The following section presents the key findings identified during the audits, structured according to the respective audit areas, on the basis of which recommendations have been formulated to address the identified issues and improve institutional performance.



Issues Related to the Audit of Financial Statements

The audit found that the annual consolidated financial statements of the State's financial transactions had not been prepared and submitted in accordance with legal requirements and public-sector financial reporting standards. Furthermore, a number of audited entities had failed to prepare consolidated financial statements incorporating their subordinate entities, thereby undermining the principle of fair and complete presentation of the institutions' financial position and performance. The absence of a comprehensive and updated regulatory framework for public-sector financial reporting, which currently relies on an instruction issued in 2018 and amended in 2022, has resulted in weaknesses in the standardization, comparability and quality of financial reporting.

The audit identified shortcomings in compliance with the statutory deadlines for the submission of financial statements, a lack of reconciliations between the financial statements of consecutive years, and financial statements that did not include all transactions relating to the reporting period, thereby undermining the principle of completeness. Shortcomings were also identified in the accuracy and reliability of financial reporting, relating to the misclassification of revenue and expenditure, the failure to recognize revenue in a timely manner in contravention of the accrual principle, and the inaccurate recording of receivables and payables, including the treatment of capital expenditure as operating expenditure, thereby affecting the financial result for the reporting period.

At the same time, a high level of uncollected receivables, which have continued to increase over the years, was identified, along with the incomplete recording of liabilities related to local taxes, infrastructure impact taxes, rental fees and fines, as well as the failure to pursue the statutory procedures for the collection of outstanding liabilities.

With regard to the accuracy and completeness of assets, shortcomings were identified relating to the incomplete recording of assets in the accounting registers; the failure to record assets transferred by Decisions of the Council of Ministers from former communes or the central government due to the absence of ownership titles or their lack of valuation; the failure to account for the value of equity investments; and the incorrect application of depreciation rates, thereby affecting the net value of assets and accumulated funds.

Systemic weaknesses were also identified relating to the failure to transfer and centralize IT systems and infrastructure within the responsible structures; the absence of explanatory analyses accompanying the financial statements; the lack of harmonization between accounting systems and the data reported in the treasury system; and the absence of complete and up-to-date registers of liabilities, including liabilities to suppliers and those arising from court decisions.

As part of the annual inventory process, the audit found that reports on the physical inventory of assets had not been prepared, including assessments of their physical condition, storage conditions and identified discrepancies. Furthermore, the causes of these discrepancies had not been analyzed and the responsible persons had not been identified, while shortcomings were also identified in the procedures for the disposal of assets, contrary to legal requirements and accounting standards.

With regard to the financial management and control system, the audit identified the absence of an effective internal control system, due to the failure to establish a comprehensive framework of written rules governing its operation and to implement the necessary measures and mechanisms for identifying, assessing and managing risks, ensuring the segregation of duties, continuously monitoring processes, and ensuring compliance with applicable legislation and procedures. Furthermore, quality assessments conducted by the responsible structure within the relevant ministry had limited annual coverage compared with the number of assessments planned each year and the statutory requirements concerning the frequency of such assessments.



The internal audit service did not provide full coverage of all entities falling within the scope of the law. In some cases, complete documentation of inter-institutional agreements for the provision of audit services was lacking. Human and professional capacities were found to be insufficient, highlighting shortcomings in the performance of functions and in the level of professional certification. Deviations from procedural deadlines were also identified, as audit plans were submitted and approved beyond the established deadlines and, in some cases, without a documented and structured risk analysis. A low level of implementation of the annual audit plan was identified, particularly in key areas such as performance audits and information technology audits. Furthermore, an insufficient level of implementation of recommendations was identified, indicating weaknesses in follow-up mechanisms and in ensuring the effectiveness of corrective measures. In conclusion, the shortcomings identified indicate weaknesses in financial internal control systems and in the implementation of the legal framework and financial reporting standards in the public sector. These issues undermine the reliability, completeness and accuracy of financial information, thereby limiting transparency and accountability. As a result, the financial statements do not provide a fair and reliable presentation of the financial position and performance of public institutions, increasing the risk of incorrect decision-making by users of financial information, as well as the risk of mismanagement of financial resources, lack of transparency and reduced effectiveness in achieving institutional objectives.

Issues Related to the Compliance of Public Institutions Activities

During 2025, ALSAI conducted compliance audits, which identified shortcomings in budget planning and execution, the conduct of public procurement procedures, contract implementation, human resources management, as well as other aspects of the activities of the audited entities.

The audit of the budget planning and execution process identified shortcomings at all stages, including delays in the submission of requests, deficiencies in documentation, the submission of requests exceeding the approved expenditure ceilings, and inaccuracies in the preparation of the public investment list, as well as commitments exceeding the three-year limits. During the year, a high number of budget revisions and amendments were made, including normative acts adopted at the end of the year, accompanied by the reallocation of funds and decisions that deviated from the principles of sound fiscal management.

During the execution phase, issues were identified concerning budgetary discipline and compliance with the legal framework, including significant payments for obligations from previous years and the inaccurate and delayed recording of contracts and invoices in the Government Financial Information System. A considerable number of contracts were concluded and recorded late, while contractual commitments undertaken after the established deadlines were also identified, resulting in the accumulation of arrears and the exceeding of budgetary limits.

With regard to on-lending, state guarantees and other loans, the audits found that the obligations of beneficiaries, particularly in the energy, water supply and sewerage sectors and local self-government units, continued to increase due to non-compliance with contractual repayment terms and the lack of effective measures to meet these obligations. Under these circumstances, the State Budget made payments for obligations left unpaid by beneficiaries under state guarantees, particularly those relating to public enterprises in the energy sector, where outstanding and unreconciled mutual obligations continued to be identified. Audits conducted on KESH jsc projects, such as “Energy Power and Dam Safety in the Drin Cascade” and “Improvement of Dam Safety at the Koman Hydropower Plant”, identified delays in loan repayment deadlines, resulting in additional costs to the State Budget and outstanding liabilities owed by KESH jsc to the Ministry of Finance. Furthermore, the rescheduling of instalment payments and the corresponding deadlines was not reflected in amendments to the On-Lending Agreement, resulting in a lack of consistency regarding KESH jsc’s obligations to the State Budget in relation to the respective loan.



Contingent liabilities, including those arising from judgments of the European Court of Human Rights and decisions of international arbitration tribunals, remain at high levels, with an impact on fiscal sustainability. The audit conducted at the State Advocate's Office identified weaknesses in the reporting and administration of these liabilities, accompanied by shortcomings in the control and supervision of the activities of legal representatives, including the handling of cases, as well as issues in the procedures for contracting legal services. The audit found that delays and failures to take action regarding the recognition and enforcement of judgments of the European Court of Human Rights and international arbitration awards have had adverse effects on the management of public funds and have resulted in their use without due regard for economy, efficiency and effectiveness.

Liquidity management was not optimal, as although the Treasury balance remained within the established limits, the inclusion of accounts held outside the Treasury indicated that these limits had been exceeded, while the reserve fund and contingency fund were planned and used contrary to their statutory purposes. Issues were also identified in the reporting and classification of revenue and expenditure, including the overstatement of tax revenue through the recognition of advance payments as revenue for the reporting period, as well as the incorrect classification of funds and transfers that did not meet the statutory criteria.

In the area of public investment, discrepancies were identified between planning and implementation, along with projects included outside the strategic planning documents and an unbalanced distribution of funding over the years. Another issue identified was the concentration of expenditure in December, reflecting a lack of sustainable planning and a short-term approach to budgetary policies.

Audits conducted in **the area of public procurement** identified shortcomings mainly related to the planning of procurement procedures without due consideration of actual needs, issues in calculating the contract value limit, and deficiencies in establishing specific qualification criteria that were not aligned with the nature, scale and complexity of the contract, thereby failing to promote competition and adversely affecting the economy, efficiency and effectiveness of the use of public funds. Irregularities were identified in the preparation of the bills of quantities (BoQs), as certain work items were included without proper justification and in an inaccurate manner. In addition, in some cases, the unit prices for work items were not determined in accordance with the relevant construction manuals and standards. It was also found that the procurement procedure evaluation committees did not include specialists with the appropriate technical expertise. Furthermore, during the bid evaluation phase, shortcomings were identified in the application of the qualification criteria, as economic operators (EOs) that did not meet the criteria established by the contracting authority were qualified. At the same time, cases were identified in which economic operators were disqualified for missing documentation under the same circumstances or for the same deficiencies as those identified in the successful economic operator's bid, resulting in unequal treatment of economic operators and undermining the principles of transparency and competition. Consequently, lower bids were disqualified and the procedures continued with higher bids, resulting in contracts being awarded at values above the optimal level, with an adverse financial impact on the State Budget. With regard to low-value procurement procedures, the practice of splitting procurement funds was identified, thereby circumventing open procurement procedures, contrary to the principles of transparency, competition and equal treatment of economic operators. The audit of the 2023 procurement procedure for the External (Forensic) Audit of the IPARD II Programmed identified a lack of complete documentation substantiating the need for the procedure and shortcomings in the selection of bidding companies, as none of them had experience in forensic audits. Furthermore, the planning of the service did not document the European Union's requirement for the audit to be conducted by an independent international company.



During contract implementation, delays in the completion of contractual obligations, failure to impose penalties, payments for works not performed or carried out in breach of technical specifications, as well as the absence of construction/development permits and technical reviews, were identified. Also Issues were identified in the processes for the acceptance of goods and services, as well as contract amendments carried out in violation of public procurement legislation.

The audit of **human resources management** procedures identified incomplete organizational structures and frequent changes, the absence of key positions, temporary transfers, and overlapping responsibilities. Unlawful dismissals in breach of the law were identified, resulting in adverse financial effects on the State Budget. With regard to court decisions, institutions had not published schedules for the settlement of the respective obligations, while issues were also identified in the recording, planning, and execution of payments to successful litigants. Meanwhile, the Special Committees had failed to take the necessary measures to reinstate successful litigants. The audit also revealed incomplete data in the HRMIS system, missing documentation in personnel files, and the absence of strategic staff training programmes. Recruitment procedures were conducted on the basis of general criteria rather than criteria specifically defined for each position; irregularities in contracts were identified, while the Standing Admission Committee had not operated continuously in accordance with legal requirements. With regard to the activities of collegial boards, shortcomings were identified concerning their composition and functioning, as well as the lack of audit trails or documentation on the activities carried out and their respective contributions, on the basis of which the related payments had been made. In higher education institutions, cases were identified of recruitment and promotion without competitive procedures or performance evaluations, the engagement of academic staff without meeting the legal requirements, as well as shortcomings in payments for additional teaching hours performed by academic staff. Audits conducted in the **healthcare sector** identified deficiencies in the control, monitoring, and management of reimbursable and hospital medicines. The main issues concerned inaccuracies in the declaration and inventory of medicines, discrepancies between data recorded in the system and actual physical stocks, incorrect use of codes and records, as well as weaknesses in the control of stock inflows and outflows, reference prices, and compliance with contractual provisions.

Furthermore, deficiencies were identified in the oversight of pharmaceutical warehouses, pharmacies, physicians, and hospitals, including a lack of on-site inspections and comprehensive verifications, as well as weaknesses in supply chain monitoring. The supply of medicines was affected by delays and prolonged shortages, non-compliance with contractual obligations, failure to impose penalties and administrative measures, as well as cases of hospital medicines being distributed through the open pharmacy network in violation of legal requirements. Deficiencies were also identified in the internal control system, as well as in the planning and financing of medicines, with budget allocations not being based on the actual needs of healthcare services. The provision of medicines for specific treatments was affected by insufficient interinstitutional coordination, outdated clinical protocols, and inadequate controls over their quality and availability. Audits of regional hospitals also identified weaknesses in governance structures and decision-making processes, including the failure to convene meetings of the Governing Boards and the non-functioning of Management Teams, thereby undermining the effectiveness of the control, oversight, and management of hospital operations. It was found that the procedures for the acceptance of medical supplies and equipment were not aligned with the specific type of goods, thus failing to provide adequate assurance regarding the supplies received. With regard to the maintenance of medical machinery and equipment, it was found that the timely identification and prevention of technical failures were not ensured, thereby posing risks to the provision of healthcare services.



Audits conducted **in the area of tax revenue administration and collection** identified issues related to revenue performance, reporting, and collection, including shortfalls in several key revenue items, inaccuracies in the treatment of fines and advance payments, as well as delays in VAT refunds, which resulted in the accumulation of arrears. At the same time, delays and a high number of incomplete audits and investigation cases were identified, along with discrepancies between risk analysis and its implementation in the field, compounded by insufficient coordination. At the level of Regional Tax Directorates, audit reports identified issues that resulted in revenue losses to the State Budget due to irregularities in the fiscal treatment of transactions. These included sales below purchase cost, reference prices, or market prices; unjustified inventory discrepancies treated as transactions without supporting tax documentation; incorrect VAT crediting; irregular practices in the construction sector involving sales invoices below the reference prices established by the relevant Council of Ministers Decisions and costs below the levels established by the National Housing Agency; as well as exempt invoicing prior to the date of reconstruction authorization by the General Directorate of Taxation. Furthermore, unjustified recognition of interest expenses was identified in transactions with related parties conducted in the absence of arm's-length conditions, along with financial liabilities to shareholders that had not been properly analyzed or substantiated. Deficiencies were also identified in desk-based monitoring and oversight processes, including inadequate follow-up of taxpayers with discrepancies between VAT and corporate income tax declarations, a lack of analysis of taxpayers reporting consecutive losses for more than three years, and incomplete verification of discrepancies between customs declarations and data recorded in the tax system. Deficiencies were also identified in the administration of instalment payment agreements for unpaid tax liabilities and in the effective monitoring of certain taxpayers, including those involved in specific processes such as reconstruction. The audits further identified an increase in outstanding tax debt, consisting mainly of long-standing liabilities concentrated in the central region and among inactive taxpayers, while the responsible structures displayed weaknesses in the systems and processes for monitoring and pursuing tax debt. Furthermore, deficiencies were identified in the standardization and documentation of processes, the insufficient use of legal instruments for enforced debt collection, inaccuracies and inconsistencies in official data and reporting, as well as weaknesses in coordination, institutional capacity, and information systems, which limited the effectiveness of tax debt monitoring and reduction.

Audits conducted **in the area of customs revenue administration and collection** identified issues related to revenue performance, which fell below planned targets, mainly due to shortfalls in revenue from import VAT, mineral royalties, excise duties, and customs duties. At the same time, deficiencies were identified in document management and the implementation of controls, including the failure to fully apply measures in response to identified violations and weaknesses in the verification of administrative offences. Weaknesses were also identified in sampling and tariff classification procedures, the lack of comprehensive verification of import VAT exemptions, as well as deficiencies in the supporting documentation for the relevant authorizations. In the activities of customs branches and the customs valuation process, deficiencies and irregularities were identified in import procedures, related to the incorrect application of customs valuation elements, tariff misclassifications, and inaccurate declarations of goods. Furthermore, issues were identified in the administration of customs procedures, including failure to comply with established deadlines, discrepancies in the condition and status of goods, as well as weaknesses in the monitoring of economic operators and the tracking of the destination of goods, particularly with regard to specific products and goods in free zones. The customs valuation process was characterized by insufficient controls over the declared value, origin, and characteristics of goods, as well as a lack of updates to customs reference values.



Weaknesses were also identified in cooperation between the responsible structures and in the exchange of information on prices and market indicators, along with inadequate documentation of actions taken by the customs administration and the incomplete performance of technical and laboratory verifications. Outstanding customs debt increased and consisted mainly of long-standing liabilities, while the processes for its monitoring and collection displayed significant weaknesses in the implementation of procedures, the timely undertaking of recovery actions, and the use of legal instruments for enforced collection. Deficiencies were also identified in the monitoring and follow-up of outstanding liabilities, the management and updating of information, as well as coordination between the responsible structures, which limited the effectiveness of the customs administration in recovering outstanding liabilities and reducing the stock of customs debt.

Audits conducted **in the area of food safety** found that Albania's official food safety control system displayed fundamental and systemic deficiencies throughout the entire food chain, including import controls, inspections, traceability, laboratory testing, and product disposal, thereby exposing consumers to significant and persistent health risks. The main issues concerned inadequate documentation of controls, sampling close to product expiry dates, delays in addressing international notifications through the Rapid Alert System for Food and Feed (RASFF), poor traceability of products of animal and plant origin, inadequate documentation of disposal processes and non-compliance with environmental requirements, as well as failure to comply with regulatory requirements and European Union standards. Significant deficiencies were also identified in laboratory accreditation, with only approximately half of the laboratories having accredited tests, while most of these tests were concentrated within a single department. Other key areas, including microbiology, water monitoring, residue monitoring, and animal health, had minimal coverage by accredited analyses (less than 5%), while areas such as veterinary medicinal product control and plant pest diagnostics had no accredited tests.

These deficiencies significantly undermined the reliability and effectiveness of the food safety system, increasing the risk of unsafe, contaminated, or non-compliant products being placed on the market and consumed. Consequently, public health protection remained inadequate, as the responsible institutions lacked the necessary capacity to prevent and identify risks and to take timely action to withdraw products posing a risk to consumers from the market. At the same time, with regard to the provision of food services to patients admitted to hospital institutions, it was found that requirements concerning hygiene, traceability, and the monitoring of food storage conditions were not fully complied with. From a nutritional perspective, the use of a standardized menu that was not differentiated according to patients' specific dietary requirements and needs was also identified.

Audits conducted in the **environmental sector** identified deficiencies in compliance with the legal and regulatory framework, as well as weaknesses in the performance of monitoring and oversight functions by the responsible institutions. Specifically, in concession activities in the energy sector and among entities engaged in mining activities, deficiencies were identified in compliance with environmental requirements, including failure to comply with permit conditions, technical requirements, and obligations concerning the protection of natural resources. Issues were also identified in the environmental impact assessment process, including inadequate documentation and public consultation, as well as insufficient on-site monitoring and inspections. In the management of urban waste at local disposal sites, deficiencies were identified in the procedures followed, continuous monitoring, environmental controls, and comprehensive documentation, resulting in environmental pollution and non-compliance with legal obligations.



The audit of pollution in the Artificial Lake of Tirana found that there was no water circulation system or sewerage network plan, while microbiological analyses had not been conducted and no measures had been taken to identify the sources of pollution. Interinstitutional cooperation was ineffective, while lake cleaning activities were limited to the removal of waste and vegetation, without interventions to eliminate the sources of pollution. Furthermore, the mandatory monitoring of water quality indicators had not been carried out. The audit of protected area management found that inspection processes had not been fully implemented and documented. For several protected areas, only some of the management plans were currently in force, while the validity periods of the remaining plans had expired. Furthermore, the protected areas had not been registered with the local cadastral offices, hindering the assessment of the actual condition of environmental infrastructure and the effective monitoring of compliance with legal obligations.

Audits conducted in the area of **state property** administration and use identified deficiencies within the structure responsible for the development of state property through investment projects. These included weaknesses in the regulatory and methodological framework for the identification, selection, and management of project proposals, a lack of investment profitability analyses, and failure to ensure the continuity of projects already initiated. Within the structure responsible for the administration and monitoring of the use and privatization of public property, deficiencies were identified in the preparation of action plans, as well as a lack of documentation and reporting on the progress of privatization processes. Weaknesses were also identified in the monitoring of lease agreements and the use of state property, including inadequate follow-up of contractual obligations and a lack of verification of the implementation of investments. Furthermore, deficiencies were identified in the administration and monitoring of state-owned companies and assets under liquidation. The audit of expropriation practices within the responsible structure identified discrepancies between the approved land areas and the actual areas specified in the projects, resulting in the overvaluation of properties and an unjustified increase in expropriation costs, with financial implications for the State Budget. Furthermore, deficiencies were identified in documentation, compliance with statutory deadlines, and transparency in the process of compensating property owners. With regard to the activities of the institutions responsible for territorial oversight and monitoring, it was found that the rate of enforcement of decisions on the demolition of illegal structures remained low compared with the number of decisions issued. The absence of periodic work plans and preventive inspections at different stages of construction was also identified, indicating a lack of standard procedures for the timely detection of deviations. Furthermore, deficiencies in interinstitutional coordination were reflected in inadequate responses to reports requiring inspections, particularly with regard to protecting the territory against illegal construction in areas or sites of national importance. Deficiencies were also identified in the process of imposing administrative measures, including failure to issue the relevant decisions, incorrect calculation of fines, and the application of legal provisions that did not correspond to the nature of the violations identified.

Audits conducted **in the area of energy generation, distribution, and supply** found that energy losses in the network remained high (ranging from 12% to over 33%). The lack of work plans and inspection orders in areas with the highest losses, particularly among private entities, indicated insufficient focus on inspections and an approach that was not fully risk-based, thereby failing to ensure the prevention of non-technical losses and improvement of the situation.



Delays and failure to comply with the deadlines established in the relevant regulations were identified in the process of new electricity connections and modifications to existing connections, negatively affecting the financial position of energy companies. Furthermore, the acceptance of civil works in the energy sector was not carried out in compliance with the requirements of the legislation in force.

Audits conducted **in the area of water supply, sewerage, and water resource management** found that, out of 14 (fourteen) water supply companies, only 6 (six) had laboratories, resulting in the failure to conduct drinking water analyses and, consequently, to ensure water safety for citizens. The expropriation process for major projects, such as the “Improvement of the Greater Tirana Sewerage System,” progressed slowly and without significant progress. Furthermore, there was no centralized register of water supply and sewerage projects to facilitate coordination and resource management. At the level of individual projects, such as “Municipal Infrastructure V,” are:

Delays in implementation and unjustified payments for completed components were identified, resulting in additional costs to the State Budget. Deficiencies were also identified in the planning and documentation of works and maintenance activities related to irrigation and drainage canals, as well as a lack of inspection records. Audits conducted within the structures responsible for the administration and maintenance of irrigation, drainage, and flood protection infrastructure identified deficiencies in the preparation and implementation of action plans, the documentation of on-site controls and inspections, and compliance with the technical rules and criteria governing the maintenance and operation of this infrastructure. Furthermore, the thematic audit of the flood situation in the city of Vlora identified deficiencies in the management of irrigation and drainage infrastructure, as pumping stations and drainage canals were operating with significant shortcomings, including the absence of backup pumps and generators, deteriorated power lines, and canals that had not been cleaned for extended periods. The main factors contributing to the emergency situation included the lack of technical documentation, inadequate maintenance, and the failure of critical infrastructure capacities to function effectively.

Audits addressing sensitive **social issues** at the Tirana Infant Home and the Albanian Adoption Committee found deficiencies in the management of records concerning children’s meetings with family members and in compliance with statutory deadlines for declaring children abandoned, resulting in prolonged stays in residential care and delays in their inclusion in adoption procedures. Issues were also identified in adoption procedures, including deficiencies in the selection of applicants, a lack of supporting documentation, and the non-functioning of the register recording the history of adoption proposals and refusals. Furthermore, institutional structures such as the Executive Secretariat and the Governing Council did not operate at the required frequency. Following the completion of adoption procedures, the monitoring system did not function effectively due to systematic delays and inadequate reporting and documentation.

The audit conducted within the structure responsible for **promoting employment and developing vocational skills** for the labour market identified weaknesses in the planning, organization, and documentation of the monitoring process for labour market programmes. These included the absence of annual plans, objectives, and priorities, as well as the lack of a risk-based approach to selecting entities for monitoring. At the same time, deficiencies were identified in the verification and documentation of the results of vocational training programmes, including a lack of documentation concerning the certification of participants.



The audit of **artistic projects** identified deficiencies in their design and implementation, as the contracts lacked essential provisions, including penalties, deadlines, the rights and obligations of the parties, and provisions concerning ownership and copyright. Deficiencies were also identified in the documentation of processes, including the publication of calls through unofficial channels, the absence of an audit trail and complete project documentation, as well as irregularities in the procedures for the acceptance of goods.

The audit identified deficiencies **in the monitoring of tourism projects**, including a lack of monitoring records maintained by the responsible structure concerning implementation reports and supporting documentation. Specifically, there was no evidence of periodic verifications, detailed reporting on physical and financial progress, or documentation of measures taken in cases of deviations from approved plans, highlighting insufficient control over and follow-up of project implementation. Furthermore, irregularities were identified in the contract-signing process, as contracts had been concluded without the required delegation of authority.

Performance Audit Issues

Performance audits focused on areas of high public interest, including safety and well-being, infrastructure, the environment, education and innovation. etc.

In the area of safety and well-being, deficiencies were identified in ensuring product quality and in the design and implementation of social policies, affecting the protection of public health and the sustainable development of human capital.

The audit of bottled water quality identified deficiencies in production and certification procedures, including the approval of permits for the use of water resources, the licensing of establishments, and the monitoring of compliance with the relevant requirements. Analyses were not fully conducted in accordance with legal requirements, laboratories were not accredited, capacities were limited, and testing did not cover all mandatory contaminants. Controls were fragmented, with significant gaps throughout the production and market placement stages, due to insufficient interinstitutional coordination, a lack of technical guidelines, and partial compliance with legal obligations. Furthermore, the lack of cooperation in conducting microbiological analyses and the failure to report cases of non-compliance undermined the functioning of the official control system.

The audit on population ageing found that the implementation of policies on employment, skills, and social inclusion was partial, with measures only partly implemented and indicators showing a downward trend. The results of youth programmed were not fully reflected, while the objectives for the inclusion of older persons had not been achieved. National strategies on migration, employment, and youth development remained limited due to the lack of a sound statistical basis and detailed analyses, including regional, gender, and demographic analyses, projections of the working-age population, and data on rural employment. As a result, the relevant policy documents served more as general guidance than as instruments for measurable policymaking, hindering sustainable policy planning and the efficient use of public resources and limiting institutional intervention in areas at high risk of emigration. Furthermore, the lack of analysis of economic, seasonal, and skilled emigration, as well as its links with education and youth employment, reduced the effectiveness of measures aimed at preserving human capital and preventing youth emigration and brain drain.

The audit of community-based care for older persons and the decentralization of services found that the basic mechanisms for identifying and assessing needs did not function effectively across all audited municipalities. As a result, the process of identifying older persons in need was partial, non-standardized, and dependent on ad hoc staff initiatives.



Consequently, the provision of community-based services was neither uniform nor proportionate to identified needs, with differences in service packages, a lack of transportation, and disruptions in the continuity of services provided in older persons' homes, thereby reducing the effectiveness of community care policies.

In the environmental sector, issues were identified in water management, environmental pollution, and the monitoring of environmental indicators, directly affecting quality of life and public health.

The audits found that bathing water quality in Albania remained among the lowest in Europe, with 2023 recording the poorest performance in recent years. This was mainly due to limited urban wastewater treatment capacity, which covered only around 20% of the population in the nine audited municipalities and decreased further during the tourist season. The situation was also linked to the limited capacity of the pipeline network, non-compliance by economic operators with legal obligations concerning wastewater treatment, as well as systematic deficiencies in bathing water quality monitoring, public information, and the implementation of the legal framework aimed at ensuring water quality. The sewerage network in the city of Tirana was found to have been designed for the direct discharge of untreated wastewater into the Lana River, while individual wastewater discharges predominated in suburban areas. At the same time, investments by the Tirana Water Supply and Sewerage Company (UKT) were mainly focused on water supply rather than on the sewerage network.

The Kashar Urban Wastewater Treatment Plant remained out of operation, while, according to reports by the National Environment Agency, the Lana River was classified as Class V – Poor Status, with pollution indicators exceeding the permitted limits as a result of urban wastewater discharges. The audit of the Patos-Marinza oil extraction area found that environmental conditions did not comply with the requirements of environmental legislation, with several ecological pits operating without permits and hazardous waste management not being carried out in accordance with the legal framework. Furthermore, structured environmental monitoring and relevant data were lacking, while investments aimed at improving environmental indicators were minimal. At the same time, the responsible institutions had not conducted comprehensive analyses of the impact on public health, while the available data were found to be inaccurate and unreliable.

In the area of infrastructure, audits identified deficiencies in dam safety, accessibility for persons with disabilities, and penitentiary infrastructure conditions, limiting the effective functioning of facilities, increasing risks to communities and the environment, and hindering the provision of safe and rehabilitative services. The audit of dams identified a lack of accurate data on their total number, classification according to risk level, and the determination of safety distances, while only a limited number of large dams had technical records and emergency preparedness plans. The control, monitoring, and reporting of dam conditions and safety in Albania were affected by the failure to establish and ensure the functioning of all supervisory structures, as well as by incomplete and unclear monitoring and reporting systems. The condition of dams had not improved over the years, reflecting a lack of sustainable investment and institutional attention to their safety. Due to inadequate strategic planning, ineffective use of monitoring equipment, and failure to utilize foreign funding, efforts to rehabilitate dam infrastructure remained limited. The absence of a comprehensive national assessment increased the risk of structural damage and potential consequences for surrounding communities and the environment.



The audit of accessibility for persons with disabilities (PWDs) identified a lack of mandatory standards in planning and building permit procedures, while interventions aimed at improving accessibility had been implemented in a fragmented manner and without a structured plan, often accompanied by shortcomings in implementation and maintenance. In the area of public road transport, the audit identified the absence of a legal framework harmonized with EU and UN standards, a lack of clear requirements for adapting services to the needs of persons with disabilities, as well as insufficient information and guidance tools to facilitate their use of public transport.

The audit of the treatment and reintegration of convicted persons found that the penitentiary system did not ensure adequate conditions and comprehensive rehabilitative treatment in accordance with relevant standards, while the use of financial resources was not geared towards achieving sustainable funding objectives for penitentiary institutions. Infrastructure was deteriorated, and investments had focused mainly on security and transport rather than on improving living conditions, education, and vocational training. As a result, the system operated more as a custodial structure than as an effective mechanism for rehabilitation and reintegration.

In the area of education, deficiencies were identified in ensuring safety and psychosocial support in schools, affecting the effectiveness of the educational environment and the provision of inclusive services for students.

The audit of the role of school security officers found that communication with the management of educational institutions was not documented, while activity planning and reporting were limited, inaccurate, and incomplete, with a lack of coordinated plans for addressing security-related issues. Furthermore, inadequate logistical support for this function limited the effective performance of duties, while insufficient reporting hindered information sharing with other stakeholders and undermined the functioning of school safety mechanisms. The audit of psycho-social services in schools found that the established system does not ensure the provision of consistent and inclusive services for all students, operating predominantly in a reactive rather than preventive manner. The non-standardized involvement of psychologists and social workers, recruitment constraints and gaps in service coverage, as well as strategies and a regulatory framework that are not harmonized and are often inconsistent with the law, have created difficulties in service delivery and imposed barriers on the professionals and institutions responsible for its implementation.

In the field of technology and innovation, the audit of online shopping in Albania highlighted that the activities of law enforcement institutions are characterized by insufficient and often only partially functional control and oversight mechanisms, leaving room for informality and abuse. Coordination among institutions remains weak, despite the existence of cooperation agreements, which have not been effectively utilized for information exchange and joint actions.

The audit of cybersecurity in the e-Taxation infrastructure found that there was no methodology in place for identifying operators of critical and important information infrastructures, nor were there adequate legal and technical mechanisms for the effective management of data registers by the General Directorate of Taxation. Several other shortcomings were also identified, including non-compliance with the minimum distance requirement between the primary and secondary sites, a lack of documentation on cybersecurity and end-user training, and vacancies within the structures responsible for monitoring.



Issues Related to Information Technology Auditing

Information technology audits have aimed to assess the security, functionality, continuity, and management of information systems in public institutions, with a focus on data management and ensuring the delivery of services to citizens. The audits have covered various central and local institutions, identifying recurring issues and structural weaknesses in information technology management. One of the most widespread issues relates to weaknesses in information technology management, accompanied by a lack of formalized policies, procedures, and regulations. The audits have also identified weaknesses in cybersecurity, as well as the absence of basic security controls, such as firewalls, antivirus software, encryption, and monitoring mechanisms. In some cases, users have unrestricted administrative privileges, while system activities are not adequately traceable, thereby increasing exposure to cyber risks and security incidents. From an organizational and human resources perspective, the audits revealed a lack of specialized information technology capacities and dedicated structures for system administration and security. In some institutions, IT functions are performed by personnel without the relevant professional background or by staff employed under temporary contracts. Furthermore, training and professional development programmes for IT staff and end users are lacking, negatively affecting the effective management of information systems.

The audits also identified shortcomings in data management and protection, including a lack of encryption, inadequate access controls, and the absence of documented procedures for data backup and recovery. In some cases, clear responsibilities for data management have not been established, posing risks to the integrity, confidentiality, and availability of information.

Another issue concerns the functionality and effective use of information systems. The audits identified cases of systems with limited accessibility and deficiencies in role-based access controls, as well as instances where information systems had been replaced by manual processes. The lack of technical documentation and procedures for system development and maintenance, together with weaknesses in controlling changes to source code, has adversely affected the quality and reliability of information systems. Furthermore, IT systems audits revealed a lack of business continuity and disaster recovery plans, as well as the absence of documented procedures for data backup, log monitoring, and incident management. In some cases, discrepancies were also identified between the legal framework and its practical implementation, along with a lack of clarity in the allocation of institutional responsibilities for system administration and cybersecurity. These shortcomings adversely affect effective IT governance and inter-institutional coordination.

As part of its audit activities, the ALSAI referred cases involving suspected criminal violations to the competent judicial authorities. During 2025, the ALSAI filed eight criminal complaints concerning cases in which audits identified serious acts or omissions constituting violations of the law. In addition to these criminal complaints, the ALSAI, upon the request of law enforcement authorities, forwarded 43 additional case files relating to matters requiring further investigation.

In terms of institutional organization and management, within the framework of the annual monitoring of the Institutional Development Strategy 2023–2027, ALSAI continued, throughout 2025, to implement its strategic objectives aimed at strengthening its constitutional role, increasing the impact of its audit work, and developing the professional capacities of its staff. The implementation of the Strategy was supported by the approved Action Plan and systematically monitored to assess the level of achievement of the objectives, sub-objectives, and specific activities.



In implementing Strategic Goal No. 1, “Enhancing and improving ALSAI’s role in supporting Parliament in ensuring effective accountability and the careful and thorough scrutiny of entities using public funds,” ALSAI continued to consolidate the strategic and operational planning of audits by applying updated methodologies and strengthening its focus on high-risk areas. The institution developed and implemented the 2025 Annual Audit Plan, continued to conduct performance audits in support of the Sustainable Development Goals, and strengthened the implementation of International Auditing Standards. A significant development was the launch of the implementation of the Quality Management System, in accordance with the revised ISSAI 140, as well as the updating of guidelines and manuals supporting the quality of audit processes. In parallel, ALSAI maintained regular interaction with the Parliament of Albania by continuously providing final audit reports, reports on the implementation of recommendations, and periodic statistical bulletins. Furthermore, hearings were held with the Parliamentary Subcommittee on Public Sector Audit concerning the implementation of recommendations arising from selected audits. Following these hearings, reports containing recommendations addressed to the audited institutions for implementation were prepared, thereby contributing to enhanced accountability, transparency, and implementation of ALSAI recommendations, as well as to strengthening institutional dialogue.

In implementing Strategic Goal No. 2, “Increasing the impact of audit work on good governance by improving the level of implementation of recommendations,” ALSAI enhanced the impact of its audit work by improving institutional communication, transparency, and public access to information, as well as through the systematic follow-up of the implementation of previous recommendations, which remains one of the areas with a direct and measurable impact on the fulfilment of the institution’s mission. To this end, thematic audits on the implementation of recommendations were conducted with the aim of enhancing institutional accountability and awareness, as well as improving transparency and accountability within the public administration. The institution submitted a considerable number of final audit reports and other important documents to Parliament and expanded the publication of informative and promotional materials. Communication with the public, the media, and stakeholders was strengthened through the publication of audit reports, statistical and informational bulletins, as well as announcements on institutional activities on the official website, which has been further developed and consolidated in both Albanian and English. Throughout 2025, the Monthly Information Bulletin and the consolidated Annual Bulletin were published regularly. In parallel, the institution’s digital presence was enhanced through updates to the official website and the use of visualizations and infographics, as well as through the activation of social media platforms such as LinkedIn, Facebook, and Instagram, enabling real-time communication with the public. The handling of citizens’ requests, complaints, and reports continued to be an integral part of the institution’s activities and was also reflected in audit planning, based on the significance and public sensitivity of the issues raised.

In implementing Strategic Goal No. 3, “Optimizing professional capacities with the aim of acquiring innovative knowledge in audit work,” ALSAI continued to invest in the professional development of its audit and non-audit staff through periodic assessments of training needs and the implementation of structured programmes in cooperation with national and international partners. Throughout 2025, a large number of training topics were delivered, involving a considerable number of employees and exceeding the annual targets. The institution also continued its participation in internship programmes and strengthened its human resources management policies, including performance appraisal, the updating of professional data, and career advancement as instruments for capacity building.



ALSAI continued to play an active role internationally as a member of INTOSAI and EUROSAI, expanding and deepening cooperation with national and international partners and working towards the implementation of the most advanced auditing standards and practices. In this context, new Memoranda of Understanding were signed, and cooperation was intensified with peer institutions and international partners, including the Office of the Auditor General of Norway, the Turkish Court of Accounts, the National Audit Office of Kosovo, the State Audit Office of North Macedonia, the European Court of Auditors (ECA), the National Audit Offices of the United Kingdom and Sweden, and the INTOSAI Development Initiative (IDI), among others, with the aim of strengthening capacities and benefiting from best practices. Parallel and joint audits were conducted, as well as audits supported by peer institutions. In 2025, ALSAI participated in a wide range of activities, including meetings, training programmed, conferences, workshops, seminars, and various sessions, held both in person and online. These engagements facilitated the exchange of experiences and best practices and contributed to strengthening professional capacities, with the aim of enhancing transparency and interaction with citizens.

For 2026, ALSAI aims to continue implementing the 2023–2027 Strategy by further strengthening strategic audit planning, the implementation of international standards, institutional cooperation, and the use of digital communication tools to enhance transparency. At the same time, the institution will continue to invest in the professional development of its staff and expand cooperation with international partners, with the aim of ensuring high-quality public auditing with a significant impact on good governance and accountability.

Throughout 2025, ALSAI continued to demonstrate a sustained commitment to strengthening its professional and institutional capacities, considering human resources a key element in ensuring the quality of its audit activities. Human resources management was oriented towards the implementation of the applicable legal framework and INTOSAI international standards, as well as the adoption of best practices for developing audit capacities in support of the achievement of the institution's strategic objectives. The staff structure in 2025 remained stable and focused on the institution's core audit function. Of the 215 employees in post, 154 were audit staff, accounting for approximately 72% of the total workforce, while the remainder comprised managerial and support staff. ALSAI staff possess a high level of expertise in various fields, including finance, economics, law, engineering, and other professional disciplines, ensuring a multidisciplinary approach to the audit process. ALSAI continued to invest consistently in staff capacity building through continuous training, international programmes, and professional certifications, with the aim of improving audit quality and adapting to contemporary developments in the field.

Some staff members have participated in specialized international programmes and hold recognized professional certifications, contributing to the enhancement of institutional expertise. Meanwhile, the institution has continued to implement important gender equality policies, achieving a balanced ratio between women and men, as well as significant representation of women at managerial levels. Overall, the structure and management of human resources throughout 2025 demonstrate ALSAI's continued investment in staff development and professionalism. The balance between experienced and younger staff contributes to improving audit quality and strengthening the institution's role as a reliable body in the oversight of public finances.



Regarding Internal Budgetary and Financial Aspects, the ALSAI, Pursuant to Law No. 115/2024 “On the 2025 State Budget” and the subsequent normative acts, the budget approved for 2025, including the foreign grant, amounted to ALL 644,493 thousand, allocated among personnel expenditure, expenditure on goods and services, and capital expenditure. The total budget execution amounted to ALL 633,386 thousand, representing an execution rate of 98%. The planned budget for “Wages and Social Insurance Contributions” amounted to ALL 554,100 thousand, with an approved staffing level of 243 employees. Expenditure under this item amounted to ALL 547,664 thousand, representing an execution rate of 99%. This item includes the salaries of ALSAI’s staff, as well as the engagement of experts, in accordance with the provisions of the Organic Law on ALSAI and the ALSAI Institutional Development Strategy 2023–2027. Compared with the actual 2024 expenditure of ALL 525,934 thousand, expenditure under this item was approximately 4% higher.

The planned budget for “Goods and Services” amounted to ALL 72,900 thousand, of which ALL 69,439 thousand was spent, representing an execution rate of 95%. This budget was used to cover the institution’s administrative needs. Compared with the actual 2024 expenditure of ALL 71,374 thousand, expenditure under this item was approximately 3% lower.

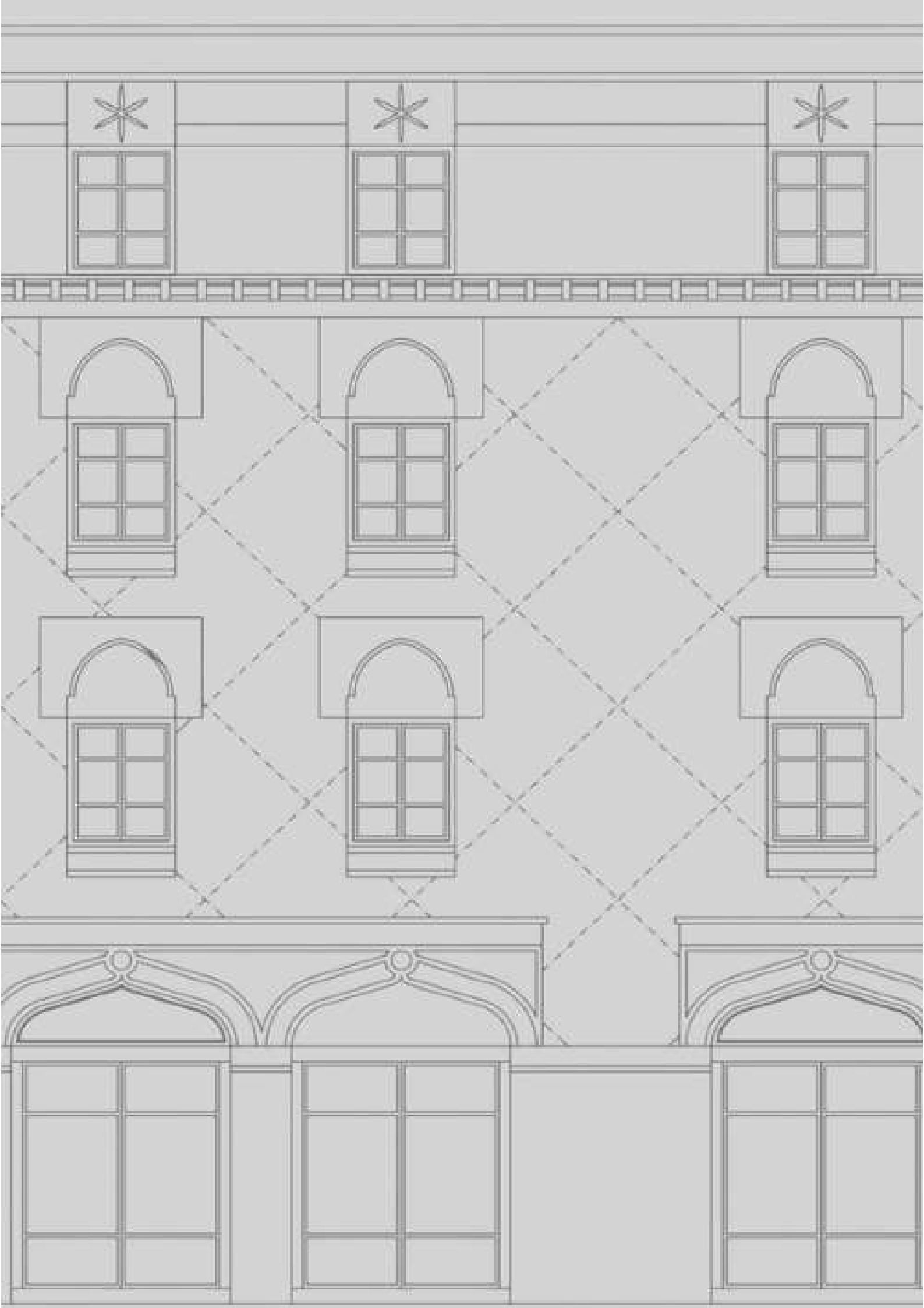
A significant share of expenditure, amounting to ALL 39,582 thousand, consisted of travel and subsistence expenses for domestic and international travel related to the performance of audit activities across the country, accounting for 54% of the planned expenditure under this budget item. This budget item also included expenditure related to the celebration of the 100th anniversary of the establishment of ALSAI, an institution that, for a century, has contributed to strengthening the culture of accountability and improving governance in the management of public finances. During the 2025 financial year, a “Special Fund” amounting to ALL 1,500 thousand was allocated by the Ministry of Finance to cover expenses related to employees’ retirement, bereavement, and illness. Of this amount, ALL 1,163 thousand was spent during the reporting period, representing an execution rate of 78%.

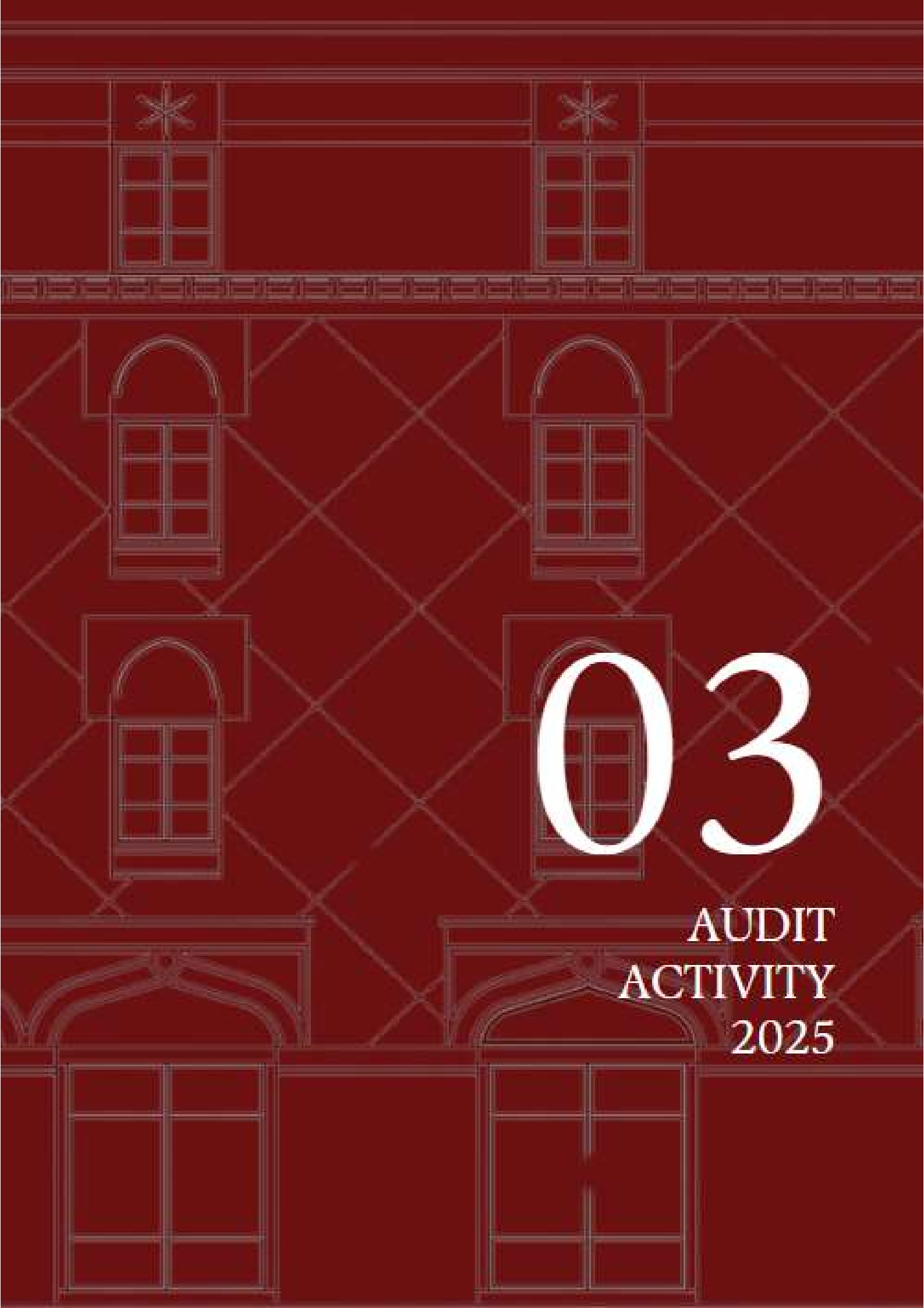
The planned budget for “Capital Investments Financed from Domestic Sources” amounted to ALL 10,950 thousand, of which ALL 10,349 thousand was spent, representing an execution rate of 95%. In 2025, ALSAI carried out procurement procedures for the purchase of a vehicle, IT equipment and office equipment, as well as for the reconstruction of the institution’s building. The allocation of investment funds to these projects was considered necessary to ensure the continued and effective performance of ALSAI’s audit activities.

This amount was supplemented by a grant of ALL 273 thousand carried forward from previous years and the remaining portion of the foreign grant for the implementation of the project “Strengthening External Audit Oversight of Concessions and Public-Private Partnerships in Albania,” financed by the Swiss State Secretariat for Economic Affairs (SECO), which was fully utilized in the amount of ALL 4,770 thousand, representing an execution rate of 100%.

The 98% budget execution rate demonstrates that, throughout 2025, ALSAI continued to carry out its institutional management activities, supported by effective internal governance and well-functioning internal control systems, while ensuring compliance with internal control standards. This contributed to sustainable institutional development and the achievement of strategic objectives at the expected level, while further consolidating the reforms undertaken in accordance with international auditing standards, the recommendations of the EU Progress Reports, constitutional obligations, and the expectations of Parliament, the public, and all stakeholders.







03

AUDIT
ACTIVITY
2025

3.1 COMPLIANCE AUDITS

Compliance auditing involves providing an objective, professional, and independent assessment of the extent to which the audited entity complies with applicable rules, laws and regulations, policies, established codes, or agreed-upon terms and conditions. This type of audit is primarily based on ISSAI 100 on the Fundamental Principles of Public-Sector Auditing, ISSAI 400 on the Fundamental Principles of Compliance Auditing, the operational standard ISSAI 4000 on the implementation of compliance audit procedures, as well as the INTOSAI Principles (P1, P10, and P12), which define its mandate and significance.

Compliance auditing aims to assess whether the activities, financial transactions, and information of a public sector entity are, in all material respects, in compliance with the applicable regulatory framework, including laws, secondary legislation, policies, contractual terms and conditions, and other relevant requirements.

An opinion is a clear statement expressed in a standardized format and may be unmodified, qualified, adverse, or a disclaimer of opinion, as follows:

Unmodified Opinion, issued when no material of non-compliance with the audit criteria have been identified.

Qualified Opinion, issued when compliance deviations are material but not pervasive.

Adverse Opinion: issued when compliance deviations are material and pervasive.

Disclaimer of Opinion, issued when the auditor is unable to obtain sufficient appropriate audit evidence regarding compliance, and the possible effects are material and pervasive.



44
Audits



44
Opinions/
Conclusions

39 qualified opinions

5 conclusions



3.1 COMPLIANCE AUDITS

At the Ministry of Finance, on the Planning and Execution of the 2024 Budget

Based on the compliance audit conducted for the period from 1 January 2024 to 31 December 2024, ALSAI concluded that the activities of the audited entity presented material but not pervasive deviations from the applicable legal, sub-legal, and regulatory framework. Accordingly, **a qualified opinion** was issued. During the budget planning process within the line ministries, delays were identified in the submission of requests, shortcomings in completing the required templates, and additional requests submitted during the technical phase that exceeded the final expenditure ceilings. The detailed list of public investments for the 2024–2026 period, forming part of the draft Law “On the 2024 State Budget” submitted to Parliament, contained inaccuracies and included commitments exceeding the three-year expenditure ceilings. During 2024, after 15 November, 427 budget revisions involving 4,952 transactions were carried out. With regard to budget execution and compliance with applicable deadlines, 6,651 payment cases amounting to ALL 10,585.2 million were identified, relating to invoices issued during the 2007–2023 period but paid using the 2024 budget. Advance payments amounting to ALL 453,840 thousand were made for four contracts of the Albanian Development Fund. Furthermore, 27 cases were identified in which the date and registration of the procurement order in the system related to the 2024 budget year, while the corresponding contracts dated from previous years. In an additional 231 cases, the procurement order was registered in 2024, although both the contract and the procurement order related to previous years, indicating that the procurement procedures had been completed before the procurement orders were registered in the Government Financial Information System (SIFQ). A total of 7,868 contracts, amounting to ALL 46,620.41 million for 2024 and with a total multiannual contracted value of ALL 117,214.39 million, were registered late. A total of 31,315 invoices, amounting to ALL 65,525.08 million, were submitted to the Treasury beyond the 30-day deadline from the supplier’s invoice date. Furthermore, 2,501 contracts amounting to ALL 18.17 billion for 2024, with total commitments of ALL 72.39 billion, were concluded after 15 October. Although the Treasury Single Account (TSA) balance as at 31 December 2024 amounted to ALL 115,039.76 million, including balances in ALL and foreign currencies, and appeared to be within the established limit when compared with the two-month cumulative average of planned total budget expenditure, the inclusion of balances held in special accounts outside the Treasury Single Account resulted in this limit being exceeded by ALL 25,163.19 million. The Reserve Fund and Contingency Fund were planned above the statutory ceiling of 3% of total expenditure, while their use did not comply with budget planning principles or with their intended purpose of covering unforeseen expenditure. New liabilities amounting to ALL 4,283 million were incurred by sub-borrowing entities under subsidiary loan agreements, while outstanding liabilities relating to state guarantees owed to the State by beneficiary entities increased by ALL 760 million. Budget funds were reallocated without an identified source of financing. Specifically, the Council of Ministers approved an additional year-end holiday bonus for pensioners by reducing the funds allocated for the permanent indexation of pensions and exceeding the initially planned appropriations only a few days before the end of the budget year, a measure subsequently formalized through the final normative act. Funds amounting to ALL 6,300 million, recorded under the item “Transfer to the Pension Fund Account at the Bank of Albania,” were classified as budget expenditure, although the transfer from the Treasury Single Account to the special account did not meet the criteria for such classification. The total cost of reconstruction funds allocated under Decisions of the Council of Ministers adopted during the 2020–2024 period amounted to ALL 122,794 million, while actual expenditure for the same period amounted to ALL 100,030 million, resulting in a difference of ALL 22,764 million that had not been planned as expenditure for future budget years.



The increase, by Decision of the Council of Ministers, in the unconditional transfer for Reconstruction Funds was found not to be in compliance with the law on local self-government finance. Funds deposited in the expropriation account were transferred to another account and classified as budget revenues without meeting the legal criteria for such treatment. The same conclusion was reached regarding the amount of ALL 7,900 million, reported as the “Financial Result of the Social Insurance Institute (ISSH)” under tax revenues in the fiscal indicators table. Public investment projects were detailed through normative acts despite not having been included in the 2024–2026 Medium-Term Budget Programmed (MTBP) or in the list of public investments submitted with the 2024 Draft Budget. A significant portion of the funds disbursed immediately following the approval of Normative Act No. 5 of 19 December 2024 was used to cover outstanding payments from previous months. Cases were identified in which contracting authorities initiated procurement procedures for amounts exceeding the funds available under the three-year allocation of the approved budget, while the project duration, according to the procurement database of the Public Procurement Agency (PPA), was shorter than the funding allocation period (six months, one year, or two years). For ongoing projects carried over from previous years, it was found that the allocation of financing did not follow the established priorities during the initial budget breakdown, nor did it comply with the requirements for allocating at least 20% and 30% of the budget in the respective years of project implementation. With regard to foreign-financed capital expenditure, inaccurate planning and inadequate management of funds for foreign-financed projects were identified, accompanied by significant changes during the year, the absence of budget plans for certain projects, budget overruns, and the use of capital investment funds for non-capital expenditure, including salaries and operating expenses.

Furthermore, the audit identified adverse effects on the administration and use of public funds in terms of economy, efficiency, and effectiveness, amounting to a total of ALL 5,100,769 thousand. These effects resulted from payments from the State Budget for non-performing state guarantees, the creation of new liabilities arising from subsidiary loan agreements due to non-repayment by beneficiary entities, and additional costs in the form of interest and late-payment penalties resulting from the failure to execute judgments of the European Court of Human Rights in a timely manner.

At the Ministry of Agriculture and Rural Development (MARD)

Based on the *compliance audit* conducted for the period from 1 January 2023 to 31 December 2024, as well as on the implementation of public works contracts for the period from 1 January 2019 to 31 December 2024, the Supreme Audit Institution of Albania (ALSAI) identified material but not pervasive deviations from the applicable legal, sub-legal, and regulatory framework, resulting in a **qualified opinion**. The audit found that the acts issued by the Ministry of Agriculture and Rural Development during the audited period did not identify the entities responsible for their implementation and monitoring, nor did they provide clear information on the structures required to implement them. Furthermore, a large number of regulatory acts were issued within a relatively short period, creating a risk of overlap. The approved pesticide limits for certain agricultural products were found to be several times higher than EU standards, while some did not specify maximum permitted levels of use. A comparison of List No. 1 of Plant Protection Products (PPPs) authorised for use by the Ministry of Agriculture and Rural Development with the list of PPPs published by the EU revealed that, during the 2022–2024 period, 10 (ten) PPPs banned in the EU were in circulation in Albania.



The audit of agricultural land leasing found that, of the 673 agricultural land parcels administered and leased out by MARD, only 102 parcels, or 15%, had registered property titles in the name of MARD. Furthermore, the 102 agricultural land parcels for which property titles were held in the name of MARD had not been recognised as an increase in the value of assets, resulting in their understatement in the financial statements. Cases were also identified involving the termination of contracts, requests for contract amendments, failure to carry out investments in accordance with contractual terms, and issues related to the ownership of leased agricultural land. These issues arose because the procedures for the prior verification of the legal status of properties subject to lease had not been carried out before the contracts were concluded. The audit of public procurement procedures identified deficiencies related to technical specifications and the formulation of qualification criteria, which were insufficiently justified and not aligned with the nature and subject matter of the procurement. The audit of the implementation of public works contracts identified discrepancies related to unexecuted quantities of works, for which compensation for damages amounting to ALL 19,053 thousand was recommended. In addition, adverse effects on the economic, efficient, and effective management of public funds amounting to ALL 206,962 thousand were identified. These resulted from the failure to put completed and accepted investments into operation, payments made pursuant to court decisions concerning former employees, fuel expenditure, and issues related to the leasing of agricultural land.

At the Ministry of Health and Social

Based on the *compliance audit* conducted for the period from 1 January 2023 to 31 December 2024, the Supreme Audit Institution of Albania (ALSAI) identified material but not pervasive deviations from the applicable legal, sub-legal, and regulatory framework, resulting in a **qualified opinion**. The audit found that the Medium-Term Budget Programmed was submitted late, certain projects were initiated or implemented without complying with the approval cycle and planned amounts, and some public investment allocations were not included in the MTBP or the list of public investments. The audit also identified the failure to establish a monitoring group for the implementation of foreign-financed projects and the failure to recognize outstanding VAT refund liabilities in the accounting records. In the area of public procurement, deficiencies were identified in the formulation of qualification criteria, including the incorrect application of the value requirement for demonstrating similar works, the lack of justification for the required number of employees and machinery, and the establishment of identical and repetitive criteria regarding the availability of support staff. Furthermore, economic operators were found to have been unjustly disqualified, resulting in an adverse financial effect amounting to ALL 6,620 thousand. Regarding the implementation of contracts for goods and services, on-site verification revealed a lack of the necessary control activities during the planning stage and subsequently during the verification and acceptance of delivered items. Discrepancies were identified between the quantities requested and actual needs, resulting in the functional and physical capacities of the units being exceeded. The audit of the implementation of public works contracts identified discrepancies related to unexecuted quantities of works, for which compensation for damages amounting to ALL 5,019 thousand was recommended. Furthermore, inadequate oversight was exercised over the implementation and monitoring of contracts for the supply of medicines, with responsibility for these processes being delegated to subordinate hospital institutions. Final court decisions related to the dismissal of employees were enforced in the amount of ALL 49,566 thousand, resulting in an adverse financial effect.



At the Ministry of Education

Based on the *compliance audit* conducted for the period from 1 January 2022 to 31 December 2024, the Supreme Audit Institution of Albania (ALSAI) identified material but not pervasive deviations from the applicable legal, sub-legal, and regulatory framework, resulting in a **qualified opinion**.

The audit identified deficiencies in the budget planning and programming process, including delays in the submission of the Medium-Term Budget Programme, the initiation of projects outside the MTBP cycle, budget reallocations, foreign-financed investments not planned under the MTBP, the failure of certain subordinate units to submit budget requests in the required formats, and a lack of coordination between the structures responsible for the management and monitoring of capital expenditure. Furthermore, liabilities were not recognised at the time they were incurred but rather at the time of payment, while invoices were settled beyond the statutory deadline. Irregularities were identified in public procurement procedures concerning the composition of evaluation committees and the registration of minutes, deficiencies in documentation, the disproportionate establishment of specific qualification criteria, the qualification of economic operators based on non-accredited certificates used as technical qualification criteria, and the failure to verify technical capacities in accordance with the requirements of the tender documents. The audit of low-value procurement procedures identified deficiencies in technical specifications, the absence of signed conflict-of-interest declarations, deficiencies in the documentation submitted, and the failure to properly inventory procurement files. Deficiencies were also identified in the inventory-taking and disposal of assets, including the disposal of hazardous equipment without recycling and delays in the disposal of assets. Regarding contract implementation, discrepancies were identified between the quantities requested and the technical specifications/contract ceiling value without supporting documentation, the failure to establish committees and the absence of minutes for determining estimated contract values and technical specifications, a lack of traceability and incomplete recording of assets in warehouses, as well as deficiencies in documenting the receipt and issue of goods, thereby undermining transparency and the verification of compliance with contractual requirements. The audit of a foreign-financed project concerning energy efficiency in schools identified deficiencies in coordination between the implementing structures and those responsible for investment planning. Furthermore, several educational facilities undergoing reconstruction were included in the project, rendering the energy efficiency report inapplicable and undermining the project's feasibility and implementation.

The audit also identified adverse effects on the economic, efficient, and effective management of public funds amounting to ALL 26,118 thousand. These resulted from the lack of supporting documentation for fuel expenditure, irregularities in the payment of per diems and travel expenses, the failure to follow asset management procedures and the enforcement of court decisions concerning employees who had been unlawfully dismissed and the enforcement of court decisions concerning employees who had been unlawfully dismissed.

At the Ministry of Tourism and Environment

Based on the *compliance audit* conducted for the period from 1 January 2023 to 31 December 2024, the Albanian Supreme Audit Institution (ALSAI) identified material but not pervasive deviations from the applicable legal, sub-legal, and regulatory framework, resulting in a **qualified opinion**.



The audit found that no measures had been taken to reinstate dismissed employees to their previous positions or appoint them to equivalent positions, while final court decisions had either been only partially enforced or not enforced at all. Furthermore, liabilities were not recognised at the time they were incurred but rather at the time of payment, while invoices were settled beyond the statutory deadline. The audit of employee recruitment identified the establishment of general criteria for the recruitment of employees according to their respective positions. The audit also identified foreign-financed investments that had not been planned under the Medium-Term Budget Programme (MTBP), as well as the failure of certain subordinate units to submit budget requests in the required formats. Irregularities were identified in public procurement procedures, including issues related to the composition of committees and the failure to register the minutes concerning the acceptance of services, the preparation of tender documents and specific qualification criteria that were not aligned with the subject matter of the procurement, as well as discrepancies and deficiencies in the documentation submitted by the successful bidder. Furthermore, the audit identified economic damage amounting to ALL 1,852 thousand, excluding VAT, resulting from incorrect calculations, unexecuted works, and discrepancies between the quantities of works reported in the final payment statement, measurement books, and the works actually carried out on site during contract implementation. The audit also identified adverse effects on the economic, efficient, and effective management of public funds amounting to ALL 29,125 thousand. These resulted from an unjustified procurement procedure for the rental of a vehicle during the warranty period, as well as the enforcement of court decisions concerning former employees.

At the Social Insurance Institute

Based on the *compliance audit* conducted for the period from 1 January 2024 to 31 December 2024, the Albanian Supreme Audit Institution (ALSAI) found that the activities of the audited entity deviated from the applicable legal, sub-legal, and regulatory framework. These deviations were material but not pervasive, resulting in **a qualified opinion**.

The reported revenues also included non-tax revenues, while the reconciliation of revenues with the Ministry of Finance revealed a discrepancy between the data reported by the Social Insurance Institute (SII) and the General Directorate of Taxation (GDT). The audit also found that the number and value of debtors for social insurance contributions had increased, particularly in the private sector. The scheme continued to operate at a deficit, despite an improvement compared with the previous year. Furthermore, a lack of cooperation between the SII and the GDT was identified regarding the electronic transmission of data and the collection of payroll records from previous periods. The audit of the meetings of the Administrative Council found that the notification and documentation of meetings did not comply with the provisions of the SII Statute. Similarly, the audit of the SII Administrative Council Decisions identified inconsistencies between the law and the SII Statute regarding the level of the reserve fund. Inspections had not been planned in certain Regional Social Insurance Directorates (RSSIDs) with a significant number of beneficiaries, not all relevant files had been inspected, and recommendations to suspend benefit payments in accordance with the law had not been implemented, resulting in delays in the recovery of unduly paid amounts. Breaches of the statutory deadlines for granting pensions and discrepancies between the data recorded in the PAMC and CMIS information systems were also identified. Furthermore, the audit identified adverse effects on the economic, efficient, and effective administration and use of public funds amounting to a total of ALL 47,929 thousand, resulting from compensation payments pursuant to court decisions and deficiencies in the process of controlling and certifying benefits.



At the State Advocate's Office

Based on the compliance audit conducted for the period from 1 January 2023 to 31 December 2024, the Supreme Audit Institution of Albania (ALSAI) found that the activities of the audited entity presented material but not pervasive deviations from the applicable legal and regulatory framework, resulting in a **qualified opinion**. This was due to inaccuracies in the reporting of the liabilities of the Republic of Albania towards claimants, as the annual reports of the Ministry of Finance and debt records did not include the interest accrued on the amounts established by judgments of the European Court of Human Rights (ECtHR) or international arbitration awards. The audit identified deficiencies in the control and oversight of the activities of State Advocates. Inspections were limited to thematic reviews focusing on individual State Advocates rather than offices as a whole, thus failing to ensure effective transparency and accountability. Updating case files in the electronic system was a focus of the inspections; however, no conclusions were reached regarding the percentage of files registered, nor was a clear deadline established for completing this process, thereby increasing the risk of insufficient statistical information on court decisions and international arbitration cases. The functioning of the collegial bodies, namely the Consultative Council for ECtHR Cases and the Collegium of the State Advocate's Office, presented deficiencies during the 2023–2024 period, with a limited number of meetings held and a failure to fulfil their legally prescribed purpose, thus preventing the provision of effective guidance and advice on the resolution of legal proceedings and the protection of the State's interests. The structures responsible for budget preparation had not established the necessary mechanisms for identifying and assessing actual needs, as they had failed to analyse expenditure from the previous year and to ensure that budget requests were based on the institution's actual costs and priorities. Internal audit services had not been ensured, a Risk Management Strategy had not been developed, employee performance evaluations had not been carried out, and staff shortages had hindered the proper segregation of duties within the Directorate of Finance and Support Services, thereby increasing the risk of mismanagement and conflicts of interest. During the audited period, court decisions concerning former employees amounting to ALL 5,668 thousand were enforced, while economic damage amounting to ALL 83 thousand was identified as a result of payments made without adequate supporting documentation. The failure of the respective institutions, including the Ministry of Finance and the Council of Ministers, to take action regarding the recognition and enforcement of court decisions and international arbitration awards continues to create a high risk of further adverse effects on the State Budget, requiring increased attention from the State Advocate's Office in its supervisory capacity. The State Advocate's Office, in cooperation with the responsible institutions—the Ministry of Justice, the Ministry of Finance, and the Council of Ministers—continues to have pending ECtHR judgments in six cases against Albania, involving compensation amounting to EUR 17,968,650. The audit of arbitration awards in which the Republic of Albania was the successful party identified seven awards, four of which were decided in Albania's favour. However, only two awards, amounting to EUR 10,091,648.7 and USD 325,000, had been recognised by the Tirana Court of Appeal.



Regarding cases before international arbitration courts and the related awards in which the Albanian State was the unsuccessful party, as of December 2024, four cases were identified with total financial effects amounting to EUR 180,125,882, of which EUR 11,580,103.86 related to legal and representation costs. Only one of these awards, amounting to USD 12,577,852, had been recognised by the Court of Appeal but had not been enforced, resulting in EUR 60,776 in interest due to delays in enforcement.

Regarding the enforcement of judgments of the European Court of Human Rights against Albania, judgments amounting to ALL 30,404 thousand became final and were enforced during 2023 and 2024. Furthermore, with regard to ECtHR judgments that became final during 2024, amounting to a total of EUR 88,000, the necessary measures for their enforcement through the relevant Decisions of the Council of Ministers had not been taken, creating a risk of late-payment penalties due to delays in their enforcement.

At the National Food Authority

Based on the compliance audit conducted for the period from 1 January 2019 to 31 December 2024, the Supreme Audit Institution of Albania (ALSAI) identified material but not pervasive deviations from the applicable legal, sub-legal, and regulatory framework, resulting in a qualified opinion. These deviations were related to findings concerning control, traceability, import, and disposal processes for food products of animal and plant origin, where significant deficiencies were identified in the implementation of the legal and procedural framework by the responsible institutions. The audit identified deficiencies in the documentation of inspection procedures, as in many cases the administrative documentation did not provide a complete audit trail of the actions undertaken during official controls. The lack of complete documentation limits the ability to verify whether all elements required by the relevant legislation and standards were examined during inspections. Furthermore, irregularities were identified in inspections involving support teams from central structures, as the relevant documentation did not clearly specify their duties and responsibilities during the inspection process, thereby undermining transparency and accountability in the conduct of these controls. The audit also found that the procedures followed for sample collection did not always ensure the effectiveness of official controls, as in a significant number of cases samples were collected within very , close to the expiry dates of the products. This practice limited the ability of the responsible authorities to intervene in a timely manner in cases of non-compliant results, making it difficult to take measures to withdraw products from the market and increasing the risk that potentially unsafe products could remain in circulation for consumption. The audit also identified issues in the operation of the laboratories of the National Food Authority, which were not accredited in accordance with the relevant international standards for laboratory testing in the field of food safety. During the audited period, these laboratories received 43,916 samples and analysed 89,370 analytical parameters. The lack of accreditation limited the reliability and acceptability of the analytical results produced by these laboratories. The audit found that deficiencies were identified in the complete and timely implementation of legal and administrative procedures by the responsible structures in handling notifications received through the Rapid Alert System for Food and Feed (RASFF). In particular, delays or failures to take immediate action were identified regarding the notification of the relevant institutions, the blocking of products identified as posing food safety risks, and the adoption of appropriate measures for their withdrawal from the market or disposal.



Furthermore, the audit found that the procedures followed for handling international notifications concerning products containing pesticide residues above the permitted levels had not been fully implemented and documented. In this context, deficiencies were identified in the traceability of products throughout the food chain, as well as a lack of an audit trail and supporting documentation for verifying the measures taken, including the disposal of products identified as non-compliant. The audit of the import and management processes for products of animal origin identified significant deficiencies in the accompanying documentation and in the verification of product traceability. The audit of the egg import process found that no complete linkage had been established between the producer code stamped on the eggs, the product code indicated on the label, and the commercial barcode recorded in the fiscal documentation, thereby weakening product traceability throughout the food chain. Furthermore, comprehensive food safety controls were not carried out in all cases prior to the release of products for free circulation. The audit of disposal procedures identified deficiencies in maintaining complete documentary records of the treatment and final disposal processes for products, creating a risk of insufficient transparency and limiting the ability to verify whether these products had been treated or disposed of in accordance with legal requirements and food safety standards. In some cases, disposal reports had not been signed by all representatives of the responsible institutions, the location of burial sites had not been clearly specified, and documentation concerning land ownership, site plans, and technical studies assessing the suitability of the sites was lacking. Furthermore, no assessments had been documented regarding the potential impact on groundwater, compliance with required distances from water sources or surrounding structures, or potential environmental risks associated with the decomposition process. Cases were also identified in which entities responsible for the collection, transportation, or disposal of waste were not licensed to handle the relevant categories of veterinary biological waste. In some cases, contracts for the provision of services, waste transfer documents, dispatch notes indicating the quantities of products disposed of, and invoices for the services provided were missing. Furthermore, no on-site verification had been documented to confirm that the quantities disposed of corresponded to the data recorded in the disposal reports. The audit found that plant products sampled under the pesticide residue monitoring plan for products of plant origin contained pesticide residues exceeding the permitted levels, as well as pesticides banned in the Republic of Albania and the European Union. The audit also identified delays by the National Food Authority in taking measures to trace and manage products found to be unsafe or non-compliant with food safety standards, creating a risk that potentially hazardous products might not be withdrawn from the market in a timely manner or managed in accordance with the procedures established by legislation. Furthermore, a lack of effective coordination and communication between the responsible control structures was identified, limiting the institutional response in cases requiring prompt intervention to protect consumer health. The audit identified issues related to the establishment of maximum residue limits for substances that were not aligned with European Union requirements, with permitted limits being set above those applicable in the EU. These regulatory discrepancies, combined with weaknesses in the implementation of control mechanisms, may adversely affect food safety, consumer protection, and the credibility of products in the domestic market, particularly where such products are not permitted to be marketed internationally. The audit identified weaknesses in the implementation of procedures for monitoring and managing the treatment of products of animal origin derived from infected animals, as well as in ensuring product traceability throughout the processing and marketing stages.



Specifically, deficiencies were identified in the documentation and monitoring of compliance with veterinary requirements for the treatment of meat obtained from sanitary slaughter, as well as in the traceability of products and confiscated materials.

The audit also identified irregularities in the documentation of procedures followed for the disposal, confiscation, or treatment, under specific veterinary conditions, of food products or products of animal origin. The lack of complete documentary records concerning the treatment and final disposal of products created a risk of insufficient transparency and limited the ability to verify whether these products had been disposed of or treated in accordance with legal requirements and food safety standards.

At the National Coastal Agency

Based on the *compliance audit* conducted for the period from 1 January 2023 to 31 December 2025, the Albanian Supreme Audit Institution (ALSAI) identified material but not pervasive deviations from the applicable legal, sub-legal, and regulatory framework, resulting in a **qualified opinion**. The audit found that a significant number of revisions had been made to the budget funds administered by the institution without adequate analysis or justification of the related budget requests. Contracts for the lease of beach areas were approved between the National Coastal Agency (NCA), private entities, and the respective municipalities without complete legal documentation concerning tax obligations, without ensuring the presence of lifeguards on every day of the tourist season, thereby compromising the safety of beach areas, and without documenting, through photographic evidence, the actual condition of the accommodation facilities concerned. The inspections carried out revealed that the relevant files did not contain photographic evidence demonstrating compliance by the inspected entities with their obligations. Furthermore, in cases where violations were identified, the prescribed administrative measures were not properly applied, and inspections were not always accompanied by orders requiring the correction of the identified violations. Irregularities were identified in public procurement procedures, including the preparation of tender documents and specific qualification criteria that were not aligned with the subject matter of the procurement, as well as discrepancies and deficiencies in the documentation submitted by the successful bidder. Furthermore, the audit identified economic damage amounting to ALL 19,319 thousand due to the failure to apply the penalties stipulated in cleaning service contracts. The audit also identified adverse effects on the economic, efficient, and effective management of public funds amounting to ALL 13,997 thousand, resulting from the failure to impose administrative measures for violations identified during inspections, the disqualification of economic operators without comprehensive legal analysis and justification, and expenditure arising from court decisions concerning former employees who had been dismissed from employment.

At the General Directorate of Public Property

Based on the *compliance audit* conducted for the period from 1 January 2023 to 31 December 2023, the Supreme Audit Institution of Albania (ALSAI) found that the activities of the audited entity presented material but not pervasive deviations from the applicable legal and regulatory framework, resulting in a **qualified opinion**. The audit found that structured action plans had not been developed for the privatisation of state-owned commercial companies, in both strategic and non-strategic sectors, or for the administration and disposal of state-owned assets.



Furthermore, no reports, analyses, or periodic updates had been prepared on the progress of the privatisation and sale of state property, while the available information was found to be incomplete, unstructured, and outdated, particularly with regard to the monitoring of lease agreements and the use of public property. The audit found that the structures responsible for the administration and monitoring of state property had not fully followed the procedures established in the legal and contractual framework. In particular, they had failed to calculate penalties for tenants' non-compliance with contractual obligations and had not verified the implementation of investments or the achievement of employment levels stipulated in the contracts. With regard to the monitoring of joint-stock companies with 100% state-owned capital, it was found that financial indicators and financial statements had not been approved in a timely manner, while in 2022, eight companies recorded total losses amounting to ALL 2,446,746 thousand. Furthermore, nine joint-stock companies declared to be in liquidation, which administer immovable assets amounting to ALL 6,852,990 thousand, had not been effectively monitored by the responsible structures. This resulted in the liquidation process being prolonged for many years and in the accumulation of liabilities to employees, social insurance schemes and third parties amounting to ALL 2,225,667 thousand. Outstanding unpaid dividends amounted to ALL 4,054,214 thousand. The audit also found that state property privatisation processes had been prolonged for extended periods, while a number of assets approved for privatisation had not been advertised for sale. With regard to the administration of structures built in excess of approved construction permits, the audit identified deficiencies in the documentation and follow-up of procedures, including cases involving the absence of approved valuation reports, delays in concluding contracts for the transfer of ownership rights, and failure to submit applications through the e-Permits system to regularise the legal status of the properties. The audit also identified deficiencies in the development and monitoring of Technology and Economic Development Areas, where construction or procurement procedures had been initiated prior to the approval of contracts with developers. The audit identified negative effects on the administration of public funds and on the principles of economy, efficiency and effectiveness, as well as foregone revenue amounting to ALL 148,241 thousand. This resulted from the failure to impose penalties for non-compliance with contractual obligations under lease agreements, the non-application of late-payment interest, the failure to transfer revenue generated from the use of state property to the State Budget, and deficiencies in the valuation and privatisation processes of state property.

At the Albanian Investment Corporation

Based on the *compliance audit* conducted for the period of activity from 17 October 2019 to 30 June 2024, ALSAI concluded that the activities of the audited entity deviated from the applicable legal, sub-legal and regulatory framework. These deviations were material but not pervasive; therefore, a **qualified opinion** was issued. The audit found that budget planning had been carried out without detailed justification and identified discrepancies between budget forecasts and actual results, negatively affecting the Company's economic and financial performance. The audit also found the absence of a comprehensive regulatory framework for the identification, selection, approval and management of project proposals, including a unified and standardised methodology for selecting project ideas, managing the different stages of the project cycle, administering and developing state-owned properties, and establishing specific operating procedures, thereby increasing risks to strategic management and the achievement of the Corporation's objectives.



By the end of the audited period, the Albanian Investment Corporation JSC had not implemented standardised manuals, guidelines or methodologies for defining selection criteria, project cycle stages and the preliminary steps to be undertaken prior to the launch of each project proposal, including pre-feasibility and feasibility analyses. Project proposals developed during the period 2022–2024 had been prepared without complying with the established procedures and without detailed analyses of risks, objectives, profitability, value for money and return on investment, thus preventing an adequate assessment of their economic impact, development alternatives and potential benefits. Furthermore, in the context of state-owned property development, deficiencies were identified in the documentation and analyses concerning the profitability of investments compared with the development of such properties by public institutions through direct financing from the State Budget. The audit identified discontinuities in the implementation of previous project proposals, including those in the energy sector and the development of priority areas, despite expenditures having been incurred for the engagement of external experts to conduct pre-feasibility studies for these projects. The audit of the financial management and control systems identified delays in the submission of declarations and self-assessments, the absence of manuals, a risk management strategy and updated documentation, as well as insufficient standardisation of key work processes. Furthermore, complete documentation demonstrating compliance with the legal criteria governing the composition and functioning of the Supervisory Board was not available. The Board had operated with an incomplete composition during the period 2020–2023, including the absence of a Chairperson, while clear provisions regarding remuneration criteria for non-international independent members were also lacking. The review of recruitment procedures found that, in several cases, documentation demonstrating the procedures followed for recruitment was unavailable, while in other cases where standard procedures had been followed, deficiencies were identified in the supporting documentation. The audit identified negative effects on the administration and use of public funds in terms of economy, efficiency and effectiveness, amounting to a total of ALL 3,972 thousand. These resulted from the engagement of external experts to prepare project proposals without an approved work plan and without fulfilling the prerequisites for project development, with such projects subsequently failing to progress to further stages of implementation, as well as from the ineffective management of the institution's available cash funds, which had not been invested in financial instruments to generate income.

At the Albanian Civil Aviation Authority

Based on the compliance audit conducted for the period of activity from 1 January 2022 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The identified deficiencies and irregularities were mainly related to the functioning of the financial management and control system, the process of planning and achieving economic indicators, the administration of revenue and expenditure, and decision-making processes. The audit found that the Albanian Civil Aviation Authority (ACAA) had undertaken a financial commitment beyond its legal powers by assuming the role of guarantor of budgetary funds in favour of a commercial company in the amount of ALL 2 billion. During the audited period, it was found that the legal obligation to replenish the reserve fund and transfer the relevant amounts to the State Budget within the five-year period stipulated by the applicable legislation had not been fulfilled.



The analysis of financial data showed that the average level of surplus generated at the end of the second half of each budget year, as declared over the last three years, amounted to ALL 237,071 thousand. Based on this level, the institution should have transferred ALL 79,024 thousand to the reserve fund each year. However, this obligation was not fulfilled, resulting in the failure to replenish the reserve fund and to transfer the corresponding annual revenue surpluses to the State Budget. It was also found that, as at 31 December 2024, the current asset accounts in the Statement of Financial Position included significant amounts of receivables. Specifically, "Trade Receivables" amounted to ALL 941,656 thousand, representing outstanding liabilities owed by customers and marking an increase of ALL 448,577 thousand compared with the previous year. Furthermore, "Other Receivables" amounted to ALL 2,012,788 thousand, reflecting the existence of other outstanding receivables at the end of the reporting period. The audit also identified ineffective use of public funds amounting to ALL 21,998 thousand for payments related to court proceedings concerning the unlawful dismissal of employees.

At the Durrës Port Authority

Based on the compliance audit conducted for the period of activity from 1 January 2021 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a qualified opinion was issued. The identified deficiencies and irregularities were mainly related to the absence of an effective financial management and internal control system, which had not operated fully, as well as the lack of standardised procedures for internal communication and periodic reporting. Furthermore, the Internal Audit Committee had not been established and the Strategic Management Group had not been formalised. It was also found that the Governing Board had not met regularly, resulting in delays in decision-making processes, while the Advisory Council had not been operational, leading to a lack of professional advice in important decision-making processes. The audit of the activities of the Durrës Port Authority's Governing Board found that remuneration had been awarded to its members without the approval of the line minister and in violation of the legislation on the prevention of conflicts of interest. Decisions of the Governing Board concerning salary components and remuneration had not been approved by the responsible minister. The audit also identified deficiencies in recruitment procedures, including non-compliance with deadlines and missing documentation. With regard to performance evaluation, it was found that the process had not been fully implemented. Remuneration had been awarded mainly on the basis of length of service rather than performance, thereby undermining its intended purpose. The audit of public procurement procedures found that the specific qualification criteria were not closely related and proportionate to the nature and size of the contracts. Furthermore, in several cases, economic operators that did not meet the criteria established in the tender documents had been qualified, declared winners and awarded contracts. In the implementation of contracts, payments had been made without tax invoices, resulting in the failure to declare VAT amounting to ALL 232,965 thousand within the prescribed deadline. Amounts exceeding the contract value had also been paid due to incorrect currency conversion, causing economic damage to the institution's budget amounting to ALL 19,269 thousand. In addition, payments of ALL 1,184 thousand had been made for works not performed, while penalties for delays amounting to ALL 55,608 thousand had not been imposed. Payments for services had also been made without procurement procedures and supporting documentation.



At the end of the audited period, accounts receivable amounted to ALL 796,534 thousand, of which collection procedures had not been pursued for ALL 348,057 thousand. Business plans had been prepared without sufficient analysis and included unrealistic investment projections, while amendments to these plans had not been submitted to the line ministry for approval. Negative effects on the use and administration of public funds were also identified as a result of the enforcement of court decisions concerning unlawfully dismissed employees. The audit found that the Durrës Port Authority had not developed regulations for asset management or designated responsible persons, thereby creating a risk of asset loss. Inventories amounting to ALL 497,878 thousand had not been analysed for potential use, creating a risk of impairment. Furthermore, the disposal procedure had not been carried out for unusable inventories approved for disposal amounting to ALL 71,078 thousand, which continued to be recorded in the asset register as operational assets. Rental fees stipulated in equipment lease contracts had not been applied, resulting in foregone revenue. It was also found that many entities were operating without contracts or under expired contracts, further resulting in foregone revenue. Services provided by the Durrës Port Authority had not been included in the Tariff Book, resulting in a lack of transparency. The audit further found that the entry and exit control system had not been fully integrated, creating opportunities for fee avoidance and compromising security. In addition, the “blacklist” mechanism for debtors was administered manually, increasing the risk of errors and inaccuracies. As a result of the above, the audit identified negative effects on the use and administration of public funds arising from the lack of economy, efficiency and effectiveness in fund management, amounting to ALL 235,362 thousand and EUR 549,059, as well as foregone revenue amounting to ALL 838,818 thousand.

At the National Water Supply and Sewerage Agency

Based on the *compliance audit* conducted for the period of activity from 1 January 2021 to 30 June 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The findings mainly related to the failure to perform monthly reconciliations of the stock of outstanding liabilities with the Treasury Branch, resulting in a discrepancy of ALL 169,564 thousand at the end of 2023. Furthermore, out of 14 water supply companies, only six—Berat, Elbasan, Korçë, Lushnjë, Pogradec and Sarandë—had laboratory facilities, resulting in the failure to conduct drinking water analyses and ensure the safety of citizens. It was also found that the expropriation process for the “Improvement of the Greater Tirana Sewerage System” project had remained almost at the same stage, with no significant progress. In addition, there was no centralised register of water supply projects in Albania to ensure better coordination and management of resources. The audit also found that the estimated financial effects arising from final and enforceable court decisions had not been recognised in the accounting records as liabilities payable under the accrual principle but had instead been recorded only at the time of payment. This resulted in a financial effect on the State Budget amounting to ALL 71,615 thousand, while an additional amount of ALL 159,978 thousand remained outstanding, representing an increased risk of negative financial effects on the State Budget. Furthermore, an additional amount of ALL 56,801 thousand was expected to be paid as a result of second-instance court decisions concerning expropriated parties. The audit identified deficiencies in public procurement procedures, mainly related to the establishment of qualification criteria that lacked technical justification and were not aligned with the work schedule, volume and nature of the works or with the items included in the bill of quantities.



Deficiencies were also identified in the requirements concerning technical managers, licences and technical specifications.

During the implementation of works, goods and services contracts, as well as the inspection and acceptance of completed works by local self-government units and public water supply and sewerage companies, payments amounting to ALL 24,337 thousand were identified for works that had not been performed. Furthermore, in two contracts, the deadlines for completing the works stipulated in the contractual terms had not been met, resulting in foregone revenue amounting to ALL 221,153 thousand.

The audit also identified ineffective use of public funds amounting to ALL 9,084 thousand for enforcement expenses related to former expropriated owners, accompanied by the failure to publish the schedule for the settlement of liabilities online on the institution's official website.

At the National Water Supply and Sewerage Agency (AKUK), "Municipal Infrastructure V" Project

Based on the compliance audit conducted on the "Municipal Infrastructure V" Project for the period from the commencement of the project to 31 December 2024, it was found that the extent to which the objective of increasing awareness had been achieved was not assessed against the targets established in the agreements with the lenders, due to the absence of a defined measurement system in the official documents.

Through an amendment to the contract, additional amounts of EUR 124,489.5 for Component A/B in Elbasan and EUR 75,980.24 for Component A in Kamza were approved for a phase that had been completed in 2020. The costs for Phase 1 (Components A/B) were covered by two KfW grants awarded in 2018, while the investment in Kamza was cancelled and the payments made for the Component A in the year 2023 are unjustified. Furthermore, as a result of the slow progress of the project and non-compliance with the disbursement schedule, additional ineffective costs amounting to EUR 453,824 had been incurred by the State Budget in the form of commitment fees as at 31 December 2024.

At the Electricity Distribution Operator

Based on the compliance audit conducted for the period of activity from 1 January 2023 to 31 July 2025, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a qualified opinion was issued. The findings related to the implementation of the agreement for the printing and distribution of electricity bills to end customers by the Albanian Post on behalf of OSHEE Group JSC, where it was found that no controls were exercised to verify the effective provision of this service. The monthly summary reconciliation statements and inspection reports on the number of bills, signed by the Regional Administrators/Regional Coordinators of FSHU JSC, were not subject to control and verification procedures by the relevant structures of OSHEE Group JSC, either during or after the provision of the service. Consequently, payments made under this agreement, amounting to a total of ALL 923,369 thousand, were considered to have a negative financial effect on the Company's budget. During the audited period, OSSH JSC purchased a total of 3,697,128,861 kWh of electricity to cover technical and non-technical network losses, at a cost of ALL 35,116,819 thousand (approximately EUR 360,172 thousand). Network losses were caused both by technical factors related to network depreciation, lack of investment and the condition of the infrastructure, and by non-technical losses related to illegal interference with metering systems, unauthorised connections to the network and unauthorised reconnections by users whose electricity supply had been disconnected by OSSH.



Of these electricity losses, OSSH JSC and DKRH identified 22,042,080 kWh as resulting from illegal interference (non-technical losses), for which invoices amounting to ALL 406,131 thousand were issued. Of this amount, only ALL 36,198 thousand, or 8.9% of the total invoiced amount, was collected, resulting in a difference of ALL 396,934 thousand in foregone revenue for the Company's budget. The audit identified deficiencies in public procurement procedures related to the failure to document the needs analysis and the method used to determine the estimated procurement value, insufficient documentation of the calculation of the contract ceiling value, the lack of technical justification for qualification criteria in relation to the nature of the contract, and the lack of justification for the deadlines established for contract implementation. During the contract implementation phase, payments amounting to ALL 7,199 thousand were identified for works that had not been performed, along with the absence of contract implementation monitoring plans and, in several cases, the failure to submit contract monitoring information to the Public Procurement Agency (PPA). The audit also identified ineffective use of public funds amounting to ALL 13,706 thousand as a result of court cases lost in relation to the unlawful dismissal of employees, as well as payments amounting to ALL 79,673 thousand resulting from the failure to voluntarily enforce compensation obligations, including those related to property damage, non-fulfilment of contractual obligations, administrative fines and the invalidity of titles. Furthermore, it was found that the calculation of meal allowances was not in compliance with the applicable legislation, resulting in a negative financial effect on the Company's budget amounting to ALL 790,675 thousand. In addition, special bonuses and financial support payments to employees, amounting to ALL 76,810 thousand, had been made without a prior analysis of the Company's economic and financial situation, and were therefore considered to have a negative financial effect on the Company's budget.

At the Distribution System Operator (OSSH), Tirana Regional Directorate

Based on the *compliance audit* conducted for the period of activity from 1 January 2023 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a qualified opinion was issued the **qualified opinion** was based on findings concerning assets amounting to a total of ALL 939,182 thousand that were not recorded in the accounting records and were not identified during the physical inventory process.

The review and analysis of electricity disconnection plans for debtor customers found that the rate of completion of new electricity connections within the statutory deadlines was low for the 0–20 kW and 20–50 kW categories, as well as for the 50–100 kW category at low and medium voltage levels. Most applications were completed beyond the prescribed deadlines or remained in progress, reflecting significant delays in their processing and completion. Furthermore, the review of monthly electricity disconnection plans for both years identified systematic underperformance in the implementation of the disconnection plans by the responsible teams. The very low percentage of debtors whose electricity supply was disconnected compared with the total number planned, together with the considerable number of cases where disconnections were not carried out or debtors were not visited as scheduled, indicated deficiencies in the implementation of procedures and the monitoring of operational performance. These findings highlighted clear shortcomings in process management, compliance with statutory deadlines and the effective implementation of disconnection plans, negatively affecting service quality and the enforcement of payment discipline.



The audit found that electricity losses in 2023 amounted to 318,393,849 kWh, or 12.59% of the electricity fed into the network, while in 2024 total losses amounted to 301,689,460 kWh, or 11.18%. Of these losses, cases of unauthorised interference identified by OSSH and the Directorate for Loss Control and Recovery (DKRH) accounted for only 3,510,840 kWh in 2023 and 606,600 kWh in 2024. No analysis or verification had been carried out regarding the difference between total losses and those identified through inspections to determine whether such losses were caused by technical or non-technical factors. The absence of structured work plans and clear inspection orders for areas with high levels of losses contributed to the failure to effectively address non-technical losses, both in the Tirana 1 unit in 2024 and the Tirana 3 unit in 2023, which were identified as the units with the highest respective loss levels.

At the same time, the low proportion of cases identified among private entities—6 out of 30 cases in 2024 and 23 out of 51 cases in 2023—despite these entities being considered a higher-risk category, demonstrated insufficient focus on inspections of this category and an approach that was not fully risk-based.

The audit identified deficiencies in public procurement procedures related to the failure to document the needs analysis and the method used to determine the estimated procurement value. Deficiencies were also identified in documenting the calculation of the contract ceiling value, providing technical justification for qualification criteria in relation to the nature of the contract, and justifying the deadlines established for contract implementation.

During the contract implementation phase, payments amounting to ALL 4,223 thousand were identified for works that had not been performed. The audit also found the absence of contract implementation monitoring plans and, in several cases, the failure to submit information on contract monitoring to the Public Procurement Agency (PPA).

In the area of revenue management, the audit identified the failure to collect payments for invoiced electricity, without all necessary measures having been taken to ensure full collection. The uncollected amounts totalled ALL 56,326 thousand in 2023 and ALL 11,256 thousand in 2024, representing foregone revenue for the Company’s budget.

The audit also identified ineffective use of public funds amounting to ALL 6,620 thousand as a result of court cases lost in relation to the unlawful dismissal of employees, representing a negative financial effect on the Company’s budget.

At the Distribution System Operator (OSSH), Durrës Regional Directorate

Based on the compliance audit conducted for the period of activity from 1 January 2023 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued.

The review and analysis of electricity disconnection plans for debtor customers found that the rate of completion of new electricity connections within the statutory deadlines was low for the 0–20 kW and 20–50 kW categories, as well as for the 50–100 kW category at low and medium voltage levels. Most applications were completed beyond the prescribed deadlines or remained in progress, reflecting significant delays in their processing and completion. Furthermore, the review of monthly electricity disconnection plans for both years identified systematic underperformance in the implementation of the disconnection plans by the responsible teams. The very low percentage of debtors whose electricity supply was disconnected compared with the total number planned, together with the considerable number of cases where disconnections were not carried out or debtors were not visited as scheduled, indicated deficiencies in the implementation of procedures and the monitoring of operational performance.



These findings highlighted clear shortcomings in process management, compliance with statutory deadlines and the effective implementation of disconnection plans, negatively affecting service quality and the enforcement of payment discipline.

The audit found that electricity losses in 2023 amounted to 183,023,000 kWh, or 18.99% of the electricity fed into the network, while in 2024 total losses amounted to 174,657,000 kWh, or 17.56%. Of these losses, cases of unauthorised interference identified by OSSH and the Directorate for Loss Control and Recovery (DKRH) accounted for only 2,914,260 kWh in 2023 and 378,480 kWh in 2024. No analysis or verification had been carried out regarding the difference between total losses and those identified through inspections to determine whether such losses were caused by technical or non-technical factors. The absence of structured work plans and clear inspection orders for areas with high levels of losses, specifically the Shijak and Krujë Units, contributed to the failure to effectively address non-technical losses. At the same time, the low proportion of cases identified among private entities—11 out of 80 cases in 2023 and 7 out of 49 cases in 2024—despite these entities being considered a higher-risk category, indicated insufficient focus on inspections of this category and an approach that was not fully risk-based. The audit identified deficiencies in public procurement procedures related to the failure to document the needs analysis and the method used to determine the estimated procurement value, insufficient documentation of the calculation of the contract ceiling value, the lack of technical justification for qualification criteria in relation to the nature of the contract, and the lack of justification for the deadlines established for contract implementation. During the contract implementation phase, payments amounting to ALL 703 thousand were identified for works that had not been performed. The audit also found the absence of contract implementation monitoring plans and, in several cases, the failure to submit contract monitoring information to the Public Procurement Agency (PPA). In the area of revenue management, the audit identified the failure to collect payments for invoiced electricity, without all necessary measures having been taken to ensure the collection of the respective amounts. The uncollected amounts totalled ALL 50,652 thousand in 2023 and ALL 7,024 thousand in 2024, representing foregone revenue for the Company's budget. The audit also found that identical goods had been recorded in the SAP financial system under different codes and descriptions, resulting in uncertainty in determining surpluses and shortages within the system. The involvement of three separate committees in warehouse operations during the period from August to October 2024 weakened controls over the SAP financial system and the maintenance of goods receipt and issue records, making it impossible to conduct an accurate and reliable inventory in terms of both quantities and values.

At the Distribution System Operator (OSSH), Shkodër Regional Directorate

Based on the *compliance audit* conducted for the period of economic and financial activity from 1 January 2023 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The findings related to the results of inventories conducted over the years, where no action had been taken to identify and reconcile missing and unidentified assets amounting to ALL 8,852 thousand. The review and analysis of the data found that the rate of completion of new electricity connections within the statutory deadlines was low for the 0–20 kW and 20–50 kW categories, as well as for the 50–100 kW category at low and medium voltage levels. Most applications were completed beyond the prescribed deadlines or remained in progress, indicating significant delays in the processing and completion of requests.



Furthermore, the analysis of electricity disconnection plans for debtor customers for both years identified systematic underperformance in the implementation of the plans by the responsible teams. A considerable proportion of the debtors included in the plans were not dealt with as scheduled, while in some cases no on-site visits were carried out. These indicators highlighted deficiencies in the management and monitoring of operational processes, compliance with statutory deadlines and the effective implementation of disconnection plans, negatively affecting service quality and the enforcement of payment discipline. The audit found that electricity losses in 2023 amounted to 236,889,374 kWh, or 33.68% of the electricity fed into the network, while in 2024 total losses amounted to 236,527,010 kWh, or 32.30%. Of these losses, cases of unauthorised interference identified by OSSH and the Directorate for Loss Control and Recovery (DKRH) accounted for only 1,142,580 kWh in 2023 and 3,987,900 kWh in 2024. No analysis or verification had been carried out regarding the difference between total losses and those identified through inspections to determine whether such losses were caused by technical or non-technical factors. The absence of work plans and inspection orders in areas with high levels of losses hindered the effective prevention of non-technical losses and the improvement of the situation. The low number of cases identified among private entities, which represent a higher-risk category—22 out of 81 cases in 2023 and 27 out of 138 cases in 2024—indicated insufficient focus on inspections of the most problematic categories.

The audit identified deficiencies in public procurement procedures related to the failure to document the needs analysis and the method used to determine the estimated procurement value. Deficiencies were also identified in documenting the calculation of the contract ceiling value and providing technical justification for qualification criteria in relation to the nature of the contract, including professional licences and criteria for technical staff and their relevance to products based on the characteristics specified in technical data sheets or test reports, as well as in justifying the requirement for the submission of samples.

The minutes of the re-evaluation process did not document the reasons for disqualifying the economic operator initially identified as the winner, while the economic operators subsequently declared winners did not meet the criteria established in the tender documentation. During the contract implementation phase, payments amounting to ALL 2,173 thousand were identified for works that had not been performed. Extensions of the deadlines for the completion of works had also been granted on grounds that did not constitute unforeseen circumstances or circumstances unknown to the contracting authority. Furthermore, new deadlines for the completion of works had been established without corresponding amendments to the contracts. In the area of revenue management, the audit identified the failure to collect payments for invoiced electricity, without all necessary measures having been taken to ensure full collection. The uncollected amounts totalled ALL 27,682 thousand in 2023 and ALL 69,074 thousand in 2024, representing foregone revenue for the Company's budget. The audit also identified ineffective use of public funds amounting to ALL 4,930 thousand as a result of three court cases lost in relation to the unlawful dismissal of employees, representing a negative financial effect on the Company's budget.

At KESH JSC, for the “Energy Capacity and Dam Safety in the Drin Cascade” Project”

Based on the compliance audit conducted for the period of activity from 1 January 2016 to 31 December 2024, ALSAI found that Subsidiary Loan Agreement No. 7551/2, dated 6 January 2016, between the Ministry of Finance and KESH JSC stipulated that the financial obligations arising from the loan, including principal, interest and commissions, were to be assumed by KESH JSC.



However, the amendments to the Loan Agreement pursuant to Council of Ministers Decision No. 405, dated 19 June 2019, which provided for the rescheduling of instalments, had not been reflected in the Subsidiary Loan Agreement. Furthermore, KESH JSC had made no payments to the Ministry of Finance in relation to this loan, resulting in an outstanding liability amounting to EUR 13,273,274. With regard to the implementation of procurement procedures, the audit found that the operators' bids had not been registered in the official records and the time of their submission had not been documented, as the bids had been submitted directly to the Director of the Project Management Unit. The same deficiency was also identified during the prequalification phase. The technical evaluation by the Evaluation Committee was carried out approximately 18 months after the submission of bids, delaying the selection of the consultant beyond the project deadlines. The consultancy contract underwent five amendments, increasing its total value from EUR 372,700 to EUR 1,526,204 and extending its duration from 10+6 months to 96 months. As at 31 December 2024, payments amounting to EUR 1,508,581.26 had been made, without any monitoring of the fulfilment of the items included in the bill of quantities and without any report having been prepared in this regard. Furthermore, during the period 2019–2023, payments amounting to ALL 11,673,731 were made for refundable VAT under the consultancy contract, based solely on VAT invoices, without supporting documentation regarding its declaration and payment. No reports were available demonstrating the physical presence and duration of stay of foreign staff in Albania, which were necessary to justify the application of double taxation relief. With regard to loan repayments, the Ministry of Finance began paying interest in 2018 and principal in 2021. As at 31 December 2024, EUR 370,584 in interest, EUR 12,307,692 in principal and EUR 594,998 in commissions had been paid by the Ministry of Finance. These actions demonstrate KESH JSC's failure to fully comply with the Subsidiary Loan Agreement, resulting in additional costs to the State Budget.

At KESH JSC, for the “Improvement of Dam Safety at the Koman Hydropower Plant” Project

Based on the compliance audit conducted for the period of activity from 1 January 2016 to 31 December 2024, ALSAI identified a number of violations and deficiencies in the management of KESH JSC related to the financing, procurement, implementation and maintenance of strategic investments. Violations of legal, statutory and contractual provisions were identified, along with instances of exceeding delegated powers, concluding contracts and making payments without the required approvals.

Specifically, the loan obtained from the European Bank for Reconstruction and Development (EBRD/IBRD) for the improvement of dam safety at the Koman and Fierza Hydropower Plants had not been fully utilised, with EUR 6,128,224 remaining undisbursed. The loan deadlines had been extended without a clear plan approved by the Ministry of Finance.

The procurement process and the conclusion of contracts for the rehabilitation of the spillway gates had been carried out by the Project Management Unit without authorisation from the head of KESH JSC, thereby exceeding the powers established in the Company's Statute and internal regulations. Agreements and contracts related to the project had been concluded without the required approval and ratification by the Ministry of Finance and Parliament. The Project Management Unit had approved advance payments and invoice payments without complying with contractual deadlines, documentation requirements and invoice formats prescribed by tax legislation and the procedures approved by the Ministry of Finance.



Procedures for the maintenance and valuation of hydropower plant assets had not been formalised in accordance with the applicable regulations and continued to rely on strategies and regulations from previous years, without adequately assessing systemic risks or environmental and climate-related changes.

Payments by the Ministry of Finance in relation to the IBRD loan had commenced with delays, while KESH JSC had failed to fulfil its obligations, resulting in outstanding liabilities amounting to EUR 9,820,643.

The audit found that, due to the extension of the project implementation period and the failure to disburse the available funds in a timely manner and in accordance with the schedule established in the loan financing agreement, the Ministry of Finance had paid EUR 316,624.52 to the EBRD, representing an additional cost to the Ministry of Finance and KESH JSC.

At the Vlora Thermal Power Plant JSC

Based on the *compliance audit* conducted for the period of activity from 1 January 2022 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal framework, sub-legal and regulatory framework, for which a qualified opinion was issued. The findings mainly related to the activities of the governing bodies (the Supervisory Board and the Administrator), particularly with regard to meetings and decision-making concerning the Company's financial position, where total liabilities significantly exceeded total assets, amounting to ALL 13,875,047 thousand. These liabilities had not been verified or inventoried to confirm their existence and valuation through the relevant accounting records and supporting documentation.

The audit identified deficiencies in public procurement procedures related to the establishment of economic capacity criteria at thresholds higher than those provided for in the relevant Council of Ministers Decision, the calculation of the contract ceiling value, the evaluation of bids by the Bid Evaluation Committee with regard to compliance with the established criteria, and the absence of a specialist in the relevant field within the Procurement Unit.

During the contract implementation phase, payments amounting to ALL 409 thousand were identified for services and/or works that had not been performed. Deficiencies were also identified in the process of accepting goods and services, as well as in their use during activities related to the preservation of the Thermal Power Plant, contrary to the provisions of the operational manuals.

The audit also identified ineffective use of public funds in the commercial company, specifically in relation to the awarding of special bonuses in addition to employees' salaries, as well as payments arising from court proceedings concerning the 2% salary increment for length of service, amounting to ALL 32,447 thousand.

At the Vlora Regional Hospital

Based on the *compliance audit* conducted for the period of activity from 1 January 2021 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The findings related to deficiencies in the functioning of the governing structures and their decision-making processes.

The main issues identified concerned the failure of the Governing Board to hold meetings for the appointment of the General Administrator, the failure to formally release the Deputy Director of Administrative Services from office following his resignation, the absence of appointments by the General Administrator and the non-functioning of the Management Team.



The audit also identified the absence of an effective financial management and internal control system due to the failure to establish a comprehensive framework of written rules for this Purpose. Furthermore, a considerable number of budget revisions were identified, involving transfers of funds between budget items and the addition of new projects during the year. Deficiencies were also found in the reconciliation of accounting records, the failure to recognise uncollectible amounts and unrealistic planning of pharmaceutical needs. In public procurement procedures, deficiencies were identified in the calculation of the contract ceiling value, which had been carried out without adequate justification and based on prices and items not reflected in the relevant contracts or reference sources. Deficiencies were also identified in determining the need for materials, as this process was not supported by a detailed and documented analysis. With regard to the establishment of qualification criteria, particularly the determination of the required percentage of similar works and annual turnover, the audit found a lack of adequate justification. There was also no justification or analysis supporting the required number of employees, while unnecessary criteria unrelated to the subject matter of the contract had been applied. In several cases, economic operators that did not fully meet the qualification criteria had been declared winners. Furthermore, the steps followed in implementing these procedures had been documented only as a formality, without providing justification for the selection of the type of procurement procedure or for establishing a two-year duration for the contracts, among other issues. In low-value procurement procedures, the audit identified the splitting of procurement funds to circumvent standard procurement procedures. The audit identified negative effects on the use of budgetary funds amounting to ALL 1,097 thousand as a result of irregular salary supplements, as well as cases where allowances for difficult working conditions had been granted without the relevant legally required documentation.

At the Shkodër Regional Hospital

Based on the *compliance audit* conducted for the period of activity from 1 January 2023 to 30 June 2025, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The findings mainly related to the activities of the governing bodies (the Governing Board, the Administrator and the Medical Committee), particularly with regard to the performance of their duties and functions concerning the supervision and control of the hospital's activities, the approval of the Statute and economic and financial regulations, and the process of planning overall funding needs, particularly for medicines and medical supplies, which was carried out in the absence of a standardised procedure and without detailed analysis. The audit identified deficiencies in public procurement procedures related to qualification criteria concerning economic capacity, the calculation of the contract ceiling value, and the examination and evaluation of bids with regard to compliance with the established criteria, as well as the absence of specialists in the relevant fields from the composition of the committees. During the contract implementation phase, payments amounting to ALL 1,093 thousand were identified for services and/or works that had not been performed, along with unjustified extensions of deadlines for civil works and deficiencies in the process of accepting goods and services. The audit also identified ineffective use of public funds amounting to a total of ALL 2,101 thousand, related to the calculation of the contract ceiling value in public procurement procedures, court proceedings concerning employment relations, and penalties imposed as a result of the late declaration of tax liabilities.



At the National Agency of Protected Areas in Tirana and the Regional Administrations of Protected Areas in Berat, Kukës and Vlorë

Based on the *compliance audit* conducted for the period from 3 April 2021 to 30 September 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued.

The audit found that inspection processes had not been fully implemented and documented, and deficiencies were identified in the collection of liabilities arising from inspections. Of the 45 protected areas, only 14 management plans (31% of the total) were currently in force, four of which had exceeded their 10-year validity period, in violation of legal requirements. The protected areas had not been registered with the local cadastral offices, and no working groups had been established to create a consolidated register of protected areas at regional and national level, thereby hindering the assessment of the actual condition of environmental infrastructure. Inspection documentation had not been maintained in a complete and verifiable manner, limiting the ability to monitor and assess the actual condition of the protected areas. The audit identified irregularities in the procedures for concluding and administering lease contracts for the use of land within protected areas, including deficiencies in documentation, the classification of activities and the determination of rental values, as well as inaccurate calculations. In one case, an incorrect calculation was identified in the allocation of land area according to the development plan and technical project, resulting in a discrepancy amounting to ALL 1,472 thousand. Furthermore, informal construction activities and other unauthorised activities were identified for which the responsible institutions had taken no further action, reflecting weaknesses in the enforcement and implementation of the legal framework. Deficiencies were also identified in budget preparation and implementation, the proper maintenance of accounting documentation, inventory procedures, the accurate presentation of accounts in the Annual Financial Statements, the appropriate use of revenue generated from protected areas, and the development of adequately justified criteria in public procurement procedures, among other issues. In public procurement procedures, economic operators were found to have been unfairly disqualified. During the evaluation of bids, participating economic operators had not been properly assessed, resulting in services being provided at an additional cost of ALL 600 thousand. The audit of contract implementation identified inaccuracies resulting in undue financial benefits to the contractor for works that had not been performed, amounting to ALL 2,901 thousand. The audit also identified deficiencies in the accounting treatment and the collection of liabilities identified during inspections, as well as the failure to monitor compliance with contractual obligations by the entities concerned, resulting in unpaid and unrecorded liabilities arising from lease contracts. Furthermore, unpaid and unrecorded liabilities amounting to ALL 990,397 thousand were identified.

At the Municipality of Tirana and the National Environment Agency, on the Pollution of the Artificial Lake of Tirana

The thematic audit found that there was no water circulation system and that the lake was supplied solely by natural inflows (rainwater). The Municipality of Tirana and its subordinate institutions did not have a map or layout plan of the stormwater drainage network/system discharging into the lake. The park area was not covered by the sewerage network; consequently, entities operating within its territory managed the disposal of urban wastewater individually.



The Tirana Water Supply and Sewerage Company (UKT) and other institutions subordinate to the Municipality of Tirana had no information on how these entities disposed of their urban wastewater. Furthermore, accurate records on the number of entities operating within the area of the Tirana Artificial Lake were not available. With regard to the pollution identified in the lake, microbiological analyses had never been conducted, and only physicochemical analyses had been performed. Although state authorities had identified as early as October 2024 that untreated urban wastewater was being discharged into the Tirana Artificial Lake, no concrete measures had been taken, apart from official written correspondence, to identify the causes and sources of pollution, immediately eliminate the factors causing the pollution, or improve the environmental conditions of the Tirana Artificial Lake. Interinstitutional cooperation in addressing the issue had been ineffective, a fact also acknowledged by the structures of the Parks and Recreation Agency (APR) during the audit. Prior to the pollution becoming visible on the lake's surface and attracting media attention, the Parks and Recreation Agency had never identified issues potentially causing pollution or sought cooperation from central government institutions to analyse the water quality of the Tirana Artificial Lake. The Parks and Recreation Agency had spent ALL 10,665 thousand on cleaning the basin of the Tirana Artificial Lake. However, these activities consisted solely of mechanical cleaning, including the removal of plastic waste from the lake's surface and excessive vegetation, among other activities, and did not address the reduction or elimination of the factors causing water pollution, which remained at high levels. The National Environment Agency had failed to fulfil its obligation to monitor water quality indicators in the Tirana Artificial Lake, despite the fact that this monitoring station was included in the network of monitoring stations under the National Environmental Monitoring Programmes.

At the Authority for Information on Former State Security Documents

Based on the compliance audit conducted for the period of activity from 1 January 2022 to 31 December 2024, ALSAI concluded that the activities of the audited entity had material but not pervasive deviations from the applicable legal and regulatory framework, for which a **qualified opinion** was issued. The process for the recovery of the remains of persons who disappeared or were executed during the period from 29 November 1944 to 2 July 1991 had not commenced due to the Council of Ministers' failure to finalise the necessary secondary legislation establishing the rules and procedures for locating, identifying and recovering their remains. Deficiencies were identified in the functioning of the institution's advisory bodies, as no audit trail or documentation was available regarding the activities carried out by the Board of Friends and the Scientific Council or their contribution to supporting the Authority's decision-making processes and scientific activities. The database documenting the Authority's decision-making process also presented deficiencies in the classification of decisions according to standardised criteria. In the area of financial management and control, the audit identified cases of payments made beyond the statutory deadline, deficiencies in the administration and archiving of public procurement documentation, and shortcomings in the planning and documentation of procurement procedures. The audit of public procurement procedures identified unjustified qualification criteria or criteria formulated in a manner that restricted competition, as well as cases where economic operators had been qualified and declared winners despite submitting incomplete documentation. Furthermore, procurement files lacked adequate documentation, and procedures governing contract administration had not been properly followed.



In terms of organisation and human resources management, deficiencies were identified in the administration of personnel files and the incomplete recording of data in the electronic human resources management system. The system for the digital archiving of files and documents of the former State Security Service had not operated effectively, as it had failed to generate structured and usable reports for institutional purposes due to the incomplete uploading of the required documentation. The audit also identified economic damage amounting to ALL 2,264 thousand due to the failure to impose penalties for delays in contract implementation and the extension of the delivery deadline through a contract addendum concluded after the expiry of the contractual deadline. Furthermore, negative effects on the administration of public funds in terms of economy, efficiency and effectiveness amounting to ALL 2,880 thousand were identified as a result of the partial functioning of the digital archive system, the failure to populate it with the relevant documentation, and the incomplete documentation of maintenance services, including the absence of signatures and confirmations from the structures responsible for monitoring and implementing the contract.

At the Authority for Information on Former State Security Documents

Based on the compliance audit conducted for the period of activity from 1 January 2022 to 31 December 2024, ALSAI concluded that the activities of the audited entity had material but not pervasive deviations from the applicable legal and regulatory framework, for which a qualified opinion was issued.

The process for the recovery of the remains of persons who disappeared or were executed during the period from 29 November 1944 to 2 July 1991 had not commenced due to the Council of Ministers' failure to finalise the necessary secondary legislation establishing the rules and procedures for locating, identifying and recovering their remains.

Deficiencies were identified in the functioning of the institution's advisory bodies, as no audit trail or documentation was available regarding the activities carried out by the Board of Friends and the Scientific Council or their contribution to supporting the Authority's decision-making processes and scientific activities. The database documenting the Authority's decision-making process also presented deficiencies in the classification of decisions according to standardised criteria.

In the area of financial management and control, the audit identified cases of payments made beyond the statutory deadline, deficiencies in the administration and archiving of public procurement documentation, and shortcomings in the planning and documentation of procurement procedures.

The audit of public procurement procedures identified unjustified qualification criteria or criteria formulated in a manner that restricted competition, as well as cases where economic operators had been qualified and declared winners despite submitting incomplete documentation. Furthermore, procurement files lacked adequate documentation, and procedures governing contract administration had not been properly followed.

In terms of organisation and human resources management, deficiencies were identified in the administration of personnel files and the incomplete recording of data in the electronic human resources management system.

The system for the digital archiving of files and documents of the former State Security Service had not operated effectively, as it had failed to generate structured and usable reports for institutional purposes due to the incomplete uploading of the required documentation.



The audit also identified economic damage amounting to ALL 2,264 thousand due to the failure to impose penalties for delays in contract implementation and the extension of the delivery deadline through a contract addendum concluded after the expiry of the contractual deadline.

Furthermore, negative effects on the administration of public funds in terms of economy, efficiency and effectiveness amounting to ALL 2,880 thousand were identified as a result of the partial functioning of the digital archive system, the failure to populate it with the relevant documentation, and the incomplete documentation of maintenance services, including the absence of signatures and confirmations from the structures responsible for monitoring and implementing the contract.

At the Shkodër Local Police Directorate

Based on the *compliance audit* conducted for the period of activity from 1 January 2022 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued.

The audit found that budget planning, implementation and monitoring processes presented weaknesses in terms of proper planning, overruns in the implementation of specific budget indicators, the absence of periodic monitoring, and frequent budget reallocations throughout the year. Issues were identified regarding the retention of police staff and the filling of vacant positions, as changes in managerial and police personnel accounted for approximately 50% of the institution's total staffing structure. The audit identified delays in the payment of salary supplements and other employee benefits, resulting in the accumulation of outstanding payments at the end of the year. It was also found that 39 police officers out of a total of 95 positions had not yet been issued Personnel Security Clearances (PSCs), despite being required to obtain them under the applicable requirements. The audit identified issues falling within the responsibilities of the General Directorate of the State Police regarding the provision of the necessary resources and mechanisms to enable the subordinate institution to achieve its institutional objectives. The audit also identified deficiencies in the full implementation of recommendations issued by the internal audit units of higher-level institutions, the periodic inventory of state property, procedures related to the acceptance of donated vehicles, and other aspects of institutional activity. Furthermore, effective mechanisms for the follow-up and collection of fines within the applicable statutory deadlines were lacking. As a result, 9,792 fines amounting to a total of ALL 39,579 thousand became time-barred, resulting in foregone revenue for the State Budget.

At the Fier Irrigation and Drainage Directorate

Based on the *compliance audit* conducted for the period of activity from 1 January 2024 to 30 June 2025, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued, based on the findings concerning the institution's activities particularly with regard to the absence of clear planning of works, inspections and implementation schedules in the action plans for the operation and maintenance of irrigation and drainage infrastructure, flood protection structures, dams, pumping stations and heavy machinery.

The information provided by the relevant sectors concerning the monitoring of works and maintenance activities was general in nature, lacked specifications and technical details, and was not accompanied by the preparation of inspection reports.



The audit identified deficiencies in public procurement procedures related to the lack of technical justification for the established criteria, discrepancies between the level of licences required and the value of the work items included in the bill of quantities, and the failure to conduct technical reviews of the implementation projects. The audit of the implementation of works identified works that had not been performed but had been included in certified payment statements, amounting to ALL 1,161 thousand.

At the Lezhë Irrigation and Drainage Directorate

Based on the compliance audit conducted for the period of activity from 1 January 2024 to 30 June 2025, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The findings mainly related to the failure to establish an audit trail for procedures concerning the institution's core activities in the area of financial management and internal control, as well as the failure to register with the State Cadastre Agency (ASHK) the assets transferred from the former Drainage Boards. Furthermore, deficiencies were identified in the preparation by working groups of inspection reports documenting the situations identified during on-site inspections and controls concerning the condition of irrigation and drainage infrastructure and flood protection structures. The audit identified deficiencies in public procurement procedures related to the lack of technical justification for the established criteria. The audit of the implementation of works identified works that had not been performed but had been included in certified payment statements, amounting to ALL 1,546 thousand.

At the Korçë Irrigation and Drainage Directorate

Based on the compliance audit conducted for the period of activity from 1 January 2024 to 1 October 2025, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The findings mainly related to the establishment and functioning of the Strategic Management Group and the Risk Management and Coordination Group; compliance with the technical rules and criteria governing the maintenance and operation of irrigation and drainage infrastructure; the documentation and reporting of inspections concerning the condition of irrigation and drainage infrastructure; property registration; and the inventory process. The audit also identified economic damage amounting to a total of ALL 1,192 thousand in the administration of fuel expenditure and domestic travel and subsistence expenses. The audit identified deficiencies in public procurement procedures related to the planning of needs for goods, the inclusion of the authorising officer in procurement structures, the establishment of qualification criteria concerning economic capacity, the calculation of the contract ceiling value, and the examination and evaluation of bids, resulting in a financial effect amounting to ALL 2,092 thousand. During the contract implementation phase, payments amounting to ALL 783 thousand were identified for services and works that had not been performed, along with deficiencies in the process of accepting goods and services.

At University Student Residence No. 2 (RSU No. 2)

Based on the compliance audit conducted for the period of activity from 1 January 2024 to 1 October 2025, no material deviations from the applicable legal, sub-legal and regulatory framework were identified, and an unqualified opinion was therefore issued.



However, certain non-material deviations were identified in the areas of public procurement and asset management, mainly related to the documentation of procedures and the establishment of qualification criteria ineffective use of funds was identified. Ineffective use of public funds amounting to ALL 115 thousand was identified in relation to payments arising from court proceedings concerning the unlawful dismissal of employees.

At the General Directorate of Customs

Based on the *compliance audit* conducted for the period from 1 January 2024 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. Net customs revenue collected in 2024 was below both the revised and initial targets, mainly due to shortfalls in revenue from import VAT, mineral royalties, excise duties and customs duties. The audit of public procurement procedures identified deficiencies in the development of criteria in the standard tender documents by the Procurement Unit, as well as in the evaluation carried out by the members of the Bid Evaluation Committee. During the process of establishing evaluation criteria, due consideration had not been given to the importance of the goods being procured, particularly products directly related to the security of the supervision of goods and means of transport declared within the customs territory of the Republic of Albania, as well as to the sampling process. The audit of control procedures identified deficiencies in the administration of documentation and the verification of administrative offences in the area of excise duties, including the completion of the requirements set out in inspection reports and the recording of indicators concerning the potential seizure or confiscation of goods. Inspections carried out by the Anti-Smuggling Directorate had not been finalised through the full application of punitive measures in accordance with the applicable legal framework for the violations identified. Instead, such violations had been treated as customs offences committed through negligence, resulting in the failure to fully apply the sanctions provided for under the applicable legal framework. The audit identified deficiencies in the procedures for sampling, transportation, receipt, storage and administration of samples, as well as in the preparation of tariff classification certificates. The 100% sampling of exported fuels had made it impossible to complete procedures within the prescribed deadlines, while the absence of an effective risk profile had resulted in delays in tariff certification, the risk of exceeding the deadline for post-clearance review, and difficulties in tracing customs violations. Furthermore, declarations had been submitted for goods intended to benefit from exemption from customs duties and VAT, without verification of the declaring entities to determine whether the actual physical condition of the exempted goods complied with the relevant authorisations issued for the implementation of the investment. VAT exemption authorisations were not supported by complete documentation concerning essential elements, including detailed business plans, investment deadlines, tariff codes of goods, ownership documentation, site plans, information on machinery, and the relevant permits and licences issued by the competent institutions. The audit identified foregone revenue to the State Budget amounting to a total of ALL 1,884 thousand, resulting from deficiencies in the calculation of customs liabilities and fines related to identified quantitative discrepancies, as well as deficiencies in the administration of documentation concerning control procedures carried out by the responsible anti-smuggling and excise structures.



The audit of customs procedures concerning goods imported from and exported to EU and CEFTA countries found that commercial documentation did not, in all cases, include Certificates of Origin or EUR.1 Movement Certificates and did not provide detailed information for each product, including tariff codes, individual weights or the technical characteristics of the goods. In the case of goods such as milk, whey and milk powder intended for production, information concerning quantities and technical characteristics was missing, with an impact on revenue from national taxes. The actions taken by the customs administration to verify production processes, the actual quantities of goods and the use of technological specifications certified by accredited laboratories had not been documented. For fuel products, including coal and bitumen, the declared payments were not consistent with the tariff classification and the actual characteristics of the goods, resulting in potential misclassification and incorrect calculation of national tax liabilities, including the Carbon Tax (TAM). No accredited laboratory tests had been carried out to verify the composition, carbon content, natural bitumen content, calorific value and quality of the exported goods. The audit identified deficiencies in customs valuation procedures. No verifications had been carried out regarding invoices, the origin of goods or declared prices, resulting in inadequate control over customs values and an increased risk of inaccurate declarations. The customs administration had not updated the relevant data documentation, and there was insufficient cooperation between customs branches and the central Valuation Directorate in relation to the import process, including the monitoring of increases in market prices of materials and raw materials. The audit identified foregone revenue to the State Budget and negative effects on the administration of public funds in terms of economy, efficiency and effectiveness amounting to a total of ALL 5,723,728 thousand. These resulted from inaccurate declarations of goods, the use of prices below the value of raw materials, tariff misclassifications, incorrect calculation of national taxes, the absence of technical and laboratory verifications, and the failure to verify and document the actions taken by the customs administration in relation to VAT exemption procedures.

At the Durrës Customs Branch

Based on the **compliance audit** conducted for the period from 1 July 2022 to 31 December 2024, alsa identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The audit identified deficiencies and irregularities in import customs procedures, resulting in negative financial effects on State Budget revenue and economic damage amounting to a total of ALL 1,797,334 thousand, subject to follow-up by the customs authority in the form of customs liabilities and the respective sanctions. These findings were related to the incorrect application of customs valuation elements and tariff classifications that were not in compliance with the nomenclature of goods, resulting in the recalculation of customs liabilities and the corresponding penalties. The audit identified irregularities in the implementation and administration of customs procedures, including discrepancies in stock balances of goods, failure to comply with authorisation deadlines, non-compliance with procedural requirements concerning the transit procedure and the deadlines for the arrival of goods at the customs office of destination, as well as discrepancies between declared indicators and the actual customs status of goods in the relevant systems. Issues were also identified in the tax treatment of certain categories of goods and in monitoring the end use of energy products and packaging items, as well as during the unloading and administration of goods in the Porto Romano Free Zone. These included exceeding the permitted rates for wastage and losses, discrepancies between declared entry prices and sales prices upon exit from the free zone, and deficiencies in the monitoring and supervision of the activities of economic operators operating within this area.



At the Rinas Customs Branch

Based on the compliance audit conducted at the Rinas Customs Branch for the period from 1 January 2022 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The audit identified deficiencies and irregularities in import customs procedures related to the incorrect application of customs valuation elements and tariff classifications that were not in compliance with the nomenclature of goods, resulting in negative financial effects on State Budget revenue amounting to a total of approximately ALL 46,746 thousand. These amounts are subject to follow-up by the customs authority in the form of customs liabilities and the respective sanctions. Irregularities were identified in the administration of customs procedures, including inconsistent treatment of similar cases, improper application of the transaction value method and discrepancies in the valuation of used goods.

Deficiencies were also identified in the administration and collection of customs revenue, including the incorrect calculation of late-payment interest and inadequate follow-up of customs debt. Furthermore, issues were identified in administrative decision-making and in authorisations for fiscal warehouses and special customs procedures, as well as cases of incorrect valuation and tariff classification, particularly concerning goods under Chapter 85. Weaknesses were also identified in the handling of customs violations and the imposition of the corresponding sanctions.

At the Durrës Regional Tax Directorate

Based on the compliance audit conducted for the period from 1 January 2023 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued.

The audit reports identified foregone revenue to the State Budget, preliminarily estimated at ALL 496,134 thousand, related to the improper tax treatment of construction works invoiced as VAT-exempt sales prior to the approval and issuance of VAT exemption authorisation by the General Directorate of Taxation; the failure to analyse and report unjustified discrepancies in physical inventories in tax audit reports; cases involving the failure to credit VAT; and high margin ratios between purchases and VAT-exempt sales, particularly among entities involved in the reconstruction process, creating a risk of undue VAT benefits. On-site audit reports identified unjustified financial liabilities of companies to their shareholders, as well as deficiencies in the monitoring and supervision of tax revenue related to the failure to fully follow up entities with discrepancies between VAT declarations submitted to customs authorities and those recorded in the C@TS Tax system. The audit identified deficiencies in the analysis and follow-up of entities reporting consecutive losses, as well as in the administration and monitoring of agreements for the payment of tax liabilities in instalments.

Furthermore, deficiencies were identified in the monitoring of entities involved in the reconstruction process, the administration of the database of entities with outstanding liabilities or incomplete declarations, and procedural irregularities concerning compliance with administrative deadlines during tax audit procedures. At the same time, deficiencies were identified in human resources management and the filling of positions within the organisational structure, reflected in a considerable number of vacancies and temporary staff transfers, with a direct impact on the performance of the tax administration's functions.

At the Elbasan Regional Tax Directorate

Based on the compliance audit conducted for the period from 1 July 2022 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued.



The audit reports identified foregone revenue to the State Budget, preliminarily estimated at ALL 48,330 thousand, resulting from irregularities related to sales below purchase cost, sales significantly below market prices, unjustified inventory discrepancies treated as sales or purchases without tax invoices, incorrect crediting of input VAT on fuel, sales of construction units below reference prices, and the recognition of interest expenses as deductible expenses in cases where the company had granted loans to shareholders or related entities without applying interest rates in accordance with market principles, among other issues. Cases were also identified involving financial liabilities of companies to their shareholders that had not been adequately analysed or substantiated. Furthermore, the audit identified deficiencies in the monitoring and administration of tax revenue related to the failure to impose penalties for late payments of corporate income tax instalments, deficiencies in the follow-up and management of agreements for the payment of tax liabilities in instalments, inadequate follow-up of entities reporting consecutive losses, and deficiencies in the verification and follow-up of entities with discrepancies between VAT declarations submitted to customs authorities and those recorded in the C@TS Tax system.

At the State Agency for Expropriation

Based on the *compliance audit* conducted for the period from the establishment of the Agency to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The findings related to deficiencies in the functioning of several components of the process for the expropriation of property in the public interest. The audit of expropriation procedures identified discrepancies between the areas approved for expropriation and those indicated in the project documentation (DWG files and approved documents), resulting in an increase in the affected areas and, consequently, in the expropriation value, with a financial effect on the State Budget amounting to ALL 32,296 thousand. Furthermore, the lists of immovable properties unjustifiably included entire plots of land and structures, even in cases where only part of the land was affected by the project and the structures themselves were unaffected and had not been demolished. This resulted in the overvaluation of unaffected land areas and structures, artificially increasing the total expropriation value and leading to payments in the absence of actual interventions. The audit found that the applicable valuation criteria for taking preventive measures against economic damage had not been complied with, also resulting in court decisions in favour of expropriated entities, with a financial effect amounting to ALL 560,230 thousand. The audit also identified the absence of detailed rules governing negotiations between the State Agency for Expropriation and expropriated entities, thereby undermining legal safeguards for property owners, as well as unjustified delays by requesting entities in completing the required documentation. The review of documentation found that project files lacked information on the steps taken to compensate property owners, creating uncertainty regarding the progress of payments and increasing the risk of invalidity of expropriation procedures. Furthermore, explanatory reports and agreements did not specify deadlines for the commencement and completion of the expropriation process and related works. In several cases, the statutory 10-day deadline for notifying affected entities had not been complied with, while there was no evidence that Council of Ministers Decisions had been forwarded to the State Cadastre Agency (ASHK) for the corresponding changes to be reflected in cadastral registers and maps. The minutes of the Special Expropriation Committee had not been prepared and administered in accordance with the technical, professional and methodological requirements governing archival services in the Republic of Albania and therefore did not meet the applicable standards for official documents.



At the Municipality of Berat

Based on the compliance audit conducted for the period of activity from 1 January 2024 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The findings related to the absence of an effective financial management and internal control system due to the failure to establish a comprehensive framework of written rules for this purpose, as well as the failure to adopt the necessary measures and mechanisms to reduce outstanding liabilities, resulting in the accumulation of new liabilities.

The audit identified deficiencies in public procurement procedures related to the establishment of specific qualification criteria that were not closely related and proportionate to the nature and size of the contracts. Furthermore, in several cases, economic operators that did not meet the criteria established in the tender documents had been qualified, declared winners and awarded contracts. During the contract implementation phase, payments amounting to ALL 3,895 thousand, excluding VAT, were identified for works that had not been performed, while the required technical review had not been carried out.

In the area of revenue management, the audit identified the failure to take all necessary measures to collect outstanding receivables, as at 31 December 2024, uncollected receivables amounted to ALL 219,145 thousand, of which ALL 26,878 thousand represented the increase recorded during 2024 as a result of non-payment by household and private taxpayer categories. The audit identified ineffective use of public funds amounting to ALL 9,193 thousand for payments arising from court proceedings concerning the unlawful dismissal of employees.

Deficiencies were also identified in spatial planning and territorial development, related to non-compliance with urban planning requirements, including minimum distances from property boundaries and the maximum permitted development intensity. Furthermore, cases were identified where land parcels designated for the development of a building were not physically connected, as well as cases where the technical and supporting documentation for construction projects was incomplete, contrary to the applicable legal and sub-legal provisions. In the area of asset administration and registration, the audit identified the failure to inventory and update records concerning assets transferred pursuant to Council of Ministers Decisions. With regard to the organisation and functioning of the Local Territorial Protection Inspectorate, the audit found that procedures for issuing enforcement orders for the demolition of illegal constructions had not been pursued and no further legal action had been taken.

At the Municipality of Dimal

Based on the compliance audit conducted for the period of activity from 1 January 2023 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a qualified opinion was issued. The findings related to the absence of an effective financial management and internal control system due to the failure to establish a comprehensive framework of written rules for this purpose, as well as the failure to adopt the necessary measures and mechanisms to reduce outstanding liabilities, resulting in the accumulation of new liabilities.

The audit identified deficiencies in public procurement procedures related to the establishment of specific qualification criteria that were not closely related and proportionate to the nature and size of the contracts. Furthermore, in several cases, economic operators that did not meet the criteria established in the tender documents had been qualified, declared winners and awarded contracts.



During the contract implementation phase, payments amounting to ALL 3,803 thousand, excluding VAT, were identified for works that had not been performed, while the required technical review had not been carried out. In the area of revenue management, deficiencies were identified in the collection of receivables. As at 31 December 2024, uncollected receivables amounted to ALL 309,907 thousand, of which ALL 23,191 thousand represented the increase recorded during 2023–2024, mainly as a result of non-payment by household and private taxpayers. The audit found that, in the administration of lease contracts with private entities, adequate measures had not been taken to follow up and collect outstanding receivables. Consequently, as at 31 December 2024, uncollected receivables amounted to ALL 14,439 thousand. The audit identified deficiencies in spatial planning and territorial development related to non-compliance with urban planning requirements, including minimum distances from property boundaries and the maximum permitted development intensity; the designation for development purposes of land parcels that were not physically connected; and the submission of incomplete technical and supporting documentation for construction projects, contrary to the applicable legal and sub-legal provisions. In the area of asset administration and registration, the audit identified the failure to inventory and update records concerning assets transferred pursuant to Council of Ministers Decisions. With regard to the organisation and functioning of the Local Territorial Protection Inspectorate, the audit found that procedures for issuing enforcement orders for the demolition of illegal constructions had not been pursued and no further legal action had been taken.

At the Municipality of Selenicë

Based on the *compliance audit* conducted for the period of activity from 1 January 2023 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The findings related to deficiencies in public procurement procedures concerning the establishment of specific qualification criteria that were not closely related and proportionate to the nature and size of the contracts. Furthermore, in several cases, economic operators that did not meet the criteria established in the tender documents had been qualified, declared winners and awarded contracts. During the contract implementation phase, payments amounting to ALL 2,655 thousand, excluding VAT, were identified for works that had not been performed. The audit identified non-compliance by private entities with contractual obligations concerning leased assets, resulting in foregone revenue to the municipal budget amounting to ALL 51,853 thousand. The audit of permit issuance procedures identified incorrect calculations of the infrastructure impact tax, resulting in foregone revenue amounting to ALL 521 thousand. With regard to the organisation and functioning of the Local Territorial Protection Inspectorate, the audit found that decisions imposing fines amounting to ALL 1,020 thousand had not been forwarded to the Finance Directorate for accounting purposes, and no action had been taken to collect these amounts. Furthermore, on-site inspections identified cases of unlawful activities for which the relevant administrative measures had not been imposed.

At the Municipality of Selenicë

Based on the *compliance audit* conducted for the period of activity from 1 January 2023 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The findings related to deficiencies in public procurement procedures concerning the establishment of specific qualification criteria that were not closely related and proportionate to the nature and size of the contracts.



Furthermore, in several cases, economic operators that did not meet the criteria established in the tender documents had been qualified, declared winners and awarded contracts. During the contract implementation phase, payments amounting to ALL 2,655 thousand, excluding VAT, were identified for works that had not been performed. The audit identified non-compliance by private entities with contractual obligations concerning leased assets, resulting in foregone revenue to the municipal budget amounting to ALL 51,853 thousand. The audit of permit issuance procedures identified incorrect calculations of the infrastructure impact tax, resulting in foregone revenue amounting to ALL 521 thousand. With regard to the organisation and functioning of the Local Territorial Protection Inspectorate, the audit found that decisions imposing fines amounting to ALL 1,020 thousand had not been forwarded to the Finance Directorate for accounting purposes, and no action had been taken to collect these amounts. Furthermore, on-site inspections identified cases of unlawful activities for which the relevant administrative measures had not been imposed.

At the Municipality of Skrapar

Based on the compliance audit conducted for the period of activity from 1 January 2024 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The findings related to the absence of an effective financial management and internal control system due to the failure to establish a comprehensive framework of written rules for this purpose. In the area of public procurement, deficiencies were identified in the establishment of specific qualification criteria that were not closely related and proportionate to the nature and size of the contracts. The audit found that economic operators that did not meet the criteria established in the tender documents had been qualified, declared winners and awarded contracts, resulting in a negative financial effect amounting to ALL 372 thousand. In low-value procurement procedures, the splitting of procurement funds was identified, thereby circumventing standard procurement procedures. During the contract implementation phase, payments amounting to ALL 1,112 thousand, excluding VAT, were identified for works that had not been performed, while the required technical review had not been carried out. In the area of revenue management, deficiencies were identified in the collection of receivables. As at 31 December 2024, uncollected receivables amounted to ALL 112,221 thousand, of which ALL 13,442 thousand represented the increase recorded during 2024 as a result of non-payment by household and private taxpayers, while ALL 2,970 thousand resulted from the failure to collect revenue arising from contractual obligations. The audit also identified unrecorded amounts totalling ALL 343 thousand as a result of the incorrect application of fees. In the area of spatial planning and territorial development, cases were identified where construction permits had been approved without obtaining the approval of all the relevant authorities involved. The audit identified ineffective use of public funds amounting to ALL 3,784 thousand for payments arising from court decisions in cases lost against business entities. The audit of procedures for the approval of development permits found that several approved projects did not comply with urban planning requirements, including the minimum permitted development criterion, maximum development intensity, maximum height in metres and number of storeys, and minimum distances from property boundaries. Furthermore, deficiencies were identified in supporting documentation and documents required under the applicable legislation and regulations. Delays were also identified in the review of applications, which exceeded the deadlines established by the applicable legal and sub-legal provisions.



With regard to the organisation and functioning of the Local Territorial Protection Inspectorate, the audit found that the Territorial Protection Inspectorate had not been established as an organisational structure.

At the Municipality of Tropojë

Based on the compliance audit conducted for the period of activity from 1 January 2023 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The findings related to the absence of an effective financial management and internal control system due to the failure to establish a comprehensive framework of written rules for this purpose, as well as the failure to adopt the necessary measures and mechanisms to reduce outstanding liabilities, resulting in the accumulation of new liabilities. In the area of revenue management, the audit identified the failure to take all necessary measures to collect outstanding receivables. As at 31 December 2024, uncollected receivables amounting to ALL 5,501 thousand resulted from entities trading in fuels without the required authorisations or without settling all their obligations in accordance with the applicable legal provisions. Furthermore, unpaid liabilities of household taxpayers amounted to ALL 35,099 thousand, of which ALL 1,981 thousand represented the increase recorded during 2023–2024. Receivables arising from contracts for the lease of land parcels from the forestry and pasture fund amounted to ALL 12,489 thousand. The Directorate of Territorial Planning and Development had not taken the necessary measures, including official written communication with the State Cadastre Agency (ASHK), to update the registers of buildings legalised in recent years for the purpose of collecting the infrastructure impact tax on legalised constructions, resulting in foregone revenue amounting to ALL 1,865 thousand. In the area of public procurement, the audit identified the absence of reference sources for the prices used to determine the contract ceiling value for projects and bills of quantities. Deficiencies were also identified in the establishment of specific qualification criteria that were not closely related and proportionate to the nature and size of the contracts. Consequently, economic operators that did not meet the criteria established in the tender documents had been qualified and declared winners, resulting in a negative financial effect amounting to ALL 2,106 thousand. In low-value procurement procedures, the splitting of procurement funds was identified, thereby circumventing standard procurement procedures. During the contract implementation phase, payments amounting to ALL 5,584 thousand were identified for works that had not been performed. In the area of asset administration and registration, the audit identified deficiencies in the inventorying and updating of asset records, as well as in the certification of properties with the Kukës Local Directorate of the State Cadastre Agency. In the area of spatial planning and territorial development, the audit found that, in all audited cases, the technical and supporting documentation for construction projects was incomplete. The required geological-engineering and seismic-engineering studies, together with the relevant supporting documentation, were also missing. With regard to the organisation and functioning of the Local Territorial Protection Inspectorate, the audit found that procedures for issuing enforcement orders for the demolition of illegal constructions had not been pursued and no further legal action had been taken.



3.2 COMBINED AUDITS

Combined audits include financial and compliance audit components, in accordance with the relevant ISSAI standards, ensuring an integrated approach, an integrated approach that enables the conclusions into a single.

The ALSAI conducted financial and compliance audits, issuing the respective opinions for each audited component.

According to ISSAI 4000, when a compliance audit is combined with a financial audit, the conclusion/opinion on the compliance aspect should be clearly distinguished from the opinion on the financial statements.

The laws and regulations identified as audit criteria should include all laws and regulations that may affect the audit results.

Upon completion of combined audits, the auditor issues an opinion on the financial statements and an opinion on compliance.



32
Audits



32
Opinions/
Financial conclusions

- 3 unqualified opinions
- 4 unqualified opinions with an emphasis of matter
- 24 qualified opinions
- 1 adverse opinion



32
Compliance
opinions/conclusions

- 3 unqualified opinions
- 29 qualified opinions



3.2 COMBINED AUDITS

At the Ministry of Finance

Based on the *financial audit* conducted for the period of activity from 1 January 2024 to 31 December 2024, ALSAI identified material and pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **an adverse opinion** was issued. The audit found that the separation of the former Ministry of Finance and Economy had not been reflected in the 2024 financial statements, while the process of dividing the assets, initiated by the Minister of Finance, had not been completed by the end of the audit. The transfer of assets to MEKI had not been reflected in the accounting records, while the assets and liabilities of the former Ministry of Finance and Economy continued to be presented in the financial statements of the Ministry of Finance. The asset inventory process had not been carried out completely and accurately, as it covered only assets assigned to current employees and did not relate to the 2024 financial year. Furthermore, warehouse items had not been physically verified, while assets proposed for disposal had not been assessed in accordance with the instruction on asset management. Several accounts in the Statement of Financial Position were inaccurately presented and overstated, including construction and reconstruction works, as well as additions to Account 214, “Technical Installations, Machinery, Equipment and Tools”, and Account 218, “Economic Inventory”. Foreign-financed investments had not been included in the financial statements, while salaries and tax liabilities were understated. Withholding tax declaration forms submitted through the “e-Filing” system contained inaccuracies for several months.

Based on the *compliance audit* conducted for the period of activity from 1 January 2024 to 31 December 2024, ALSAI found that the activities of the audited entity presented material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The audit of budget requests and investment implementation identified several deficiencies in budget planning. Specifically, 16 investment projects with an initial planned value of ALL 1,310,363 thousand were implemented during 2024, although they had not been planned in the 2024–2026 Medium-Term Budget Programme (MTBP). Furthermore, 38 investment projects with a total value of ALL 1,359,469 thousand had been planned for 2024 under the 2024–2026 MTBP but were not included at any stage of the 2024 annual budget, either in the initial or final budget plan. The budget plan underwent continuous changes throughout 2024, affecting both current and capital expenditure. With regard to human resources management, no internal regulation or instruction had been approved for the recruitment of contract employees, and the procedures followed for their selection had not been documented. At the beginning of 2024, the Ministry of Finance had 131 vacant positions, decreasing to 72 as at 31 December 2024.

The audit of the procurement procedure for the External Audit (Forensic Audit) of the implementation of the IPARD II Programme in 2023 identified a lack of complete documentation substantiating the need for the procurement procedure, as well as deficiencies in the selection of bidding companies used to calculate the contract ceiling value, since none of them had demonstrated experience in forensic audits. The planning of the service did not document the EU requirements for the forensic audit to be conducted by an independent international company. Furthermore, the qualification criteria were not fully substantiated, while the economic operator declared the winner had not provided documentation demonstrating compliance with all the criteria established in the technical specifications. The audit identified economic damage to the State Budget amounting to ALL 8,924 thousand as a result of works not performed at several sites, delays and improper fulfilment of contractual obligations by economic operators.



Furthermore, negative effects on the administration and use of public funds in terms of economy, efficiency and effectiveness amounted to a total of ALL 29,340 thousand, as a result of deficiencies identified in comparison with the technical specifications and the submitted statements of works, unsubstantiated qualification criteria and the selection of an economic operator as the successful bidder despite its failure to meet the legal criteria, the lack of documentation concerning technical staff and financial capacity, as well as the enforcement of court decisions concerning former employees.

At the Compulsory Health Insurance Fund

Based on the *financial audit* conducted at the Compulsory Health Insurance Fund (CHIF) for the period of activity from 1 January 2024 to 31 December 2024, ALSAI found that the activities of the audited entity presented material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a qualified opinion was issued. The opinion was based on the overstatement of assets resulting from the inclusion of an uncollectible amount in Account 411 "Customers and Similar Accounts"; the failure to take measures to collect receivables from pharmaceutical warehouses or pharmacies; the misclassification of IT systems as intangible assets, depreciated collectively rather than individually under Account 203 "Concessions, Patents and Licences"; and the misclassification of receivables for which collection was uncertain under Account 480 "Revenue to be Classified or Adjusted".

Based on the *compliance audit* conducted for the period of activity from 1 January 2024 to 31 December 2024, ALSAI found that the activities of the audited entity presented material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. The analysis of documentation concerning the conclusion of contracts with pharmaceutical entities identified deficiencies in the implementation of control mechanisms over reimbursable medicine inventories, as controls were mainly limited to new medicines, thereby reducing the possibility of verifying the entire inventory declared in the "e-Depo" system. Pharmaceutical warehouses were found to have inaccurately declared data concerning incoming stocks, provided no justification for excluding medicines from the list of products subject to verification, incorrectly used medicine codes, and presented unjustified discrepancies in physical stock balances, creating an increased risk of mismanagement and contractual non-compliance. Control reports did not reflect the verification of all matters included in the audit programme and therefore did not ensure comprehensive controls over prices, medicines bearing security stamps, first-choice and sole alternative medicines, and the expiry dates of products held in stock. Significant discrepancies were also identified between reported and verified quantities, while the audit found that administrative measures amounting to ALL 8,166 thousand had not been imposed. The activities of the Pharmacy Control Sector revealed deficiencies in the selection of entities subject to inspection, the performance of partial inventories, and the lack of comprehensive verification of reimbursable medicines. Controls of physicians and hospitals were incomplete, leaving a considerable number of high-risk entities outside the scope of inspection. The 2024 Reimbursable Medicines List included medicines without approved prices and with incomplete documentation, including 59 medicines with no recorded consumption and no contracts with any importer, as well as another 16 medicines for which supply discontinuation had been notified but which were nevertheless included again in the list, contrary to the law. This situation reflects the absence of an adequate assessment of actual needs and undermines transparency, the rational use of public funds, and the availability of essential medicines for patients.



The audit also identified delays and failures in the supply of first-choice and sole alternative medicines, as well as inadequate monitoring and failure by CHIF to impose administrative measures amounting to ALL 40,000 thousand.

The transfer of hospital medicines to the open pharmacy network and transactions involving zero-value invoices indicate inadequate controls and a risk of unjustified financial benefits for pharmacies.

The audit of data recorded in the “e-Depo” system for 2024 identified 102,778 units of medicines that left pharmaceutical warehouses with an expiry date identical to the date of sale/delivery to pharmacies, as well as 143,598 units of medicines with expiry dates falling between one and five days after leaving the warehouses. This indicates inadequate monitoring and control by CHIF over the circulation of medicines.

With regard to concession contracts, the audit identified a lack of control and oversight mechanisms for monitoring their implementation. Clear procedures for the systematic verification of compliance with contractual obligations were also lacking, including technological and operational components, as well as the lack of complete supporting documentation for payments made, beyond statistical data. Furthermore, the audit identified the absence of a functioning joint monitoring structure between the Ministry of Health and Social Protection (MHSP) and CHIF for verifying the implementation of the technological infrastructure required under the contract. Deficiencies were also identified in periodic reporting on operational performance and compliance with the established standards.

The audit of new contracts concluded by CHIF with pharmaceutical distributors and importers for 2024 identified significant discrepancies between the inventory declared in the “e-Depo” system and the physical inventory submitted by the entities, resulting in fictitious declarations and undue reimbursements amounting to ALL 216,948 thousand. CHIF had not carried out the necessary verifications to confirm these fictitious stock outflows and had not taken any procedural action.

At the General Directorate of Taxation

Based on the *financial audit* conducted for the period of activity from 1 January 2024 to 31 December 2024, ALSAI found that the financial statements of the audited entity presented fairly, in all material respects, its financial position. However, certain matters requiring emphasis were identified which, in the independent auditor’s professional judgement, justified the issuance of **an unqualified opinion** with an Emphasis of Matter. No provisions had been recognised in the financial statements of the General Directorate of Taxation (GDT), and the GDT, in cooperation with the respective Regional Tax Directorates, had not taken the necessary measures to ensure the complete recording of all liabilities in the C@TS system, despite the possibility of registering them in the system and reflecting them accordingly in the accounting records.

Based on the *compliance audit* conducted for the period of activity from 1 January 2024 to 31 December 2024, ALSAI found that the activities of the audited entity presented material but not pervasive deviations from the applicable legal and regulatory framework, for which a **qualified opinion** was issued.

Revenue exceeded the planned targets for several items, while other revenue categories, such as corporate income tax, circulation taxes and gambling taxes, recorded significant shortfalls. Revenue from fines and penalties was included in total revenue performance, while advance payments in corporate income tax accounts had not been offset and fines had been included in tax revenue.



The VAT refund process for non-exporting taxpayers had not consistently followed the FIFO principle, with delays ranging from 6 to 79 days, and in several cases the maximum statutory deadline had been exceeded. As at 31 December 2024, the stock of VAT refund claims amounted to ALL 1,418 million, creating financial risks and outstanding liabilities for the tax administration. The audit of the Tax Audit Directorate found that a considerable number of tax audit reports had not been completed within the procedural deadlines, with delays of up to 199 calendar days. Furthermore, the tax administration had a high stock of incomplete audits, amounting to 876 cases as at 31 December 2024, representing an increase of 8.8% compared to 2023. These included audits that had not yet commenced, suspended audits and audits at various stages of the procedure. The audit of the Investigation Directorate and the Money Laundering Prevention Sector found that a considerable number of case files had exceeded the prescribed deadlines. Specifically, several investigation cases had exceeded the established six-month deadline; several tax audit case files had remained unresolved or without final approval for periods ranging from 417 to 3,095 days; and several tax assessment cases had remained pending for periods ranging from 713 to 2,986 days without supporting documentation justifying the delays. Among these, 51 cases had also exceeded the one-year-and-six-month deadline, reflecting significant deficiencies in the administration and completion of procedures. The audit of the Specialised Audit Directorate identified non-compliance with standard procedures for documenting and administering audits, including the absence of essential legal documentation, such as notifications and authorisations, detailed financial risk analyses, interviews with the entities concerned, tax self-declarations and final reports. Between the risk analysis prepared by a high level of inconsistency was identified between the risk analysis prepared by the Risk Management Directorate (RMD) and the actions carried out by the Field Verification and Coordination Directorate (FVCD) during 2024, reflecting significant discrepancies between analytical planning and operational implementation. Specifically, the audit identified failures to carry out verifications in accordance with the risk lists, deviations from the approved thematic scope, repeated cases of failure to address identified risks, breaches of procedural and documentation requirements, and non-compliance with tax legislation. The audit also identified a lack of functional coordination and systematic exchange of information between the RMD and the Regional Tax Directorates, manual interventions in IT systems, and the absence of clear traceability mechanisms. The institution's internal regulations had not been updated in line with the new organisational structure. Of the 60 employees appointed in 2024, only 3 had been selected through open competition, while the remainder had been recruited outside standard procedures. During the audited period, 61 successful litigants had not been reinstated and continued to give rise to payments from the State Budget, for which the FIFO principle had not been observed. The audit identified negative effects on the administration of public funds in terms of economy, efficiency and effectiveness amounting to ALL 407,141 thousand, resulting from the settlement of outstanding liabilities, including court decisions, payments to the Security Printing House, and enforcement expenses related to the execution of court decisions.

At the Food Safety and Veterinary Institute

Based on the *financial audit* conducted for the period from 1 January 2024 to 31 December 2024, ALSAI found that the financial statements contained material but not pervasive misstatements and therefore issued **a qualified opinion**.



This opinion resulted from the failure to carry out the asset inventory process for the audited period; incomplete and outdated asset registers; incorrect accounting treatments, including the classification of VAT related to IPA projects as an asset; the incorrect depreciation of Account 28 "Allocation of Non-Current Assets"; and the lack of reconciliations for several other accounts. Based on the compliance audit conducted for the period from 1 January 2022 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a qualified opinion was issued. These deviations resulted from deficiencies identified in public procurement procedures concerning the drafting and justification of technical specifications and qualification criteria, the absence of relevant specialists, the lack of justification for the technical requirements of items, the inclusion of items unrelated to the subject matter of the contract, and irregularities in the evaluation of bids and implementation of contracts. The audit also identified cases in which the delivery deadlines for supplied items had been exceeded, deficiencies in the documentation of procedures for the acceptance of goods and services, including failure to identify their origin, expiry date or period of use, as well as the performance of activities involving the collection, treatment and disposal of hazardous and non-hazardous waste without the relevant environmental permits. The audit identified irregularities in contract implementation, including deficiencies concerning the composition of acceptance committees, failure to administer calibration certificates, lack of training or certification for the services provided, deficiencies in documenting quantities, origin, expiry dates and manufacturers, the delivery of goods and services in accordance with contracts and the relevant documentation, and their storage in unsuitable premises. Furthermore, the audit found that the Food Safety and Veterinary Institute (FSVI) operates 41 laboratories, of which only 19 have accredited tests, meaning that approximately half of its laboratory capacity is unaccredited. Moreover, accredited analyses are concentrated mainly within a single department, while other areas of importance to food safety and animal health have minimal coverage of less than 5% or no accreditation at all. The audit of the practice of conducting analyses abroad found that the process for selecting reference laboratories had been carried out without the required approval of the responsible minister and without being based on a comprehensive assessment of accredited laboratories.

The audit identified economic damage amounting to the audit identified economic damage amounting to ALL 7,465 thousand due to delays in the delivery of supplies and deficiencies identified in the provision of the services required under the technical specifications, as well as negative effects on the administration of public funds in terms of economy, efficiency and effectiveness amounting to ALL 43,652 thousand, resulting from irregularities identified in the engagement of external advisers, delays and incomplete payments for procurement services, and the inclusion of VAT in invoices issued by CER Group Laboratory (Belgium) for analyses conducted abroad.

At the National Inspectorate for Territorial Protection

Based on the *financial audit* conducted for the period of activity from 1 January 2024 to 31 December 2024, ALSAI found that the financial statements presented fairly the financial position as at 31 December 2024. However, certain matters requiring emphasis were identified which, in the independent auditor's professional judgement, justified the issuance of **an unqualified opinion** with an Emphasis of Matter. The Emphasis of Matter related to the high level of receivables, amounting to ALL 10,070,128 thousand, the majority of which consisted of fines imposed over the years, as well as unpaid liabilities owed by various individuals and entities. In this context, the audit identified a failure to take the necessary measures and establish appropriate mechanisms to reduce these outstanding amounts, resulting in their continued accumulation and the creation of new receivables.



Furthermore, the inventory process identified obsolete assets for which no action had been taken to assess and dispose of them, affecting the accurate presentation of assets in the financial statements.

Based on the compliance audit conducted for the period of activity from 1 January 2020 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. These deviations related to systemic deficiencies, including the absence of standardised procedures, weaknesses in internal controls, ineffective document management and incomplete compliance with legal obligations. The audit identified deficiencies in human resources management, accompanied by a lack of documentation and traceability concerning recruitment procedures, while in many cases recruitment had not been carried out in accordance with the established criteria regarding educational qualifications and professional experience. During the 2020–2024 period, a high level of staff turnover was identified, with a considerable number of departures and appointments. At the same time, deficiencies were identified in the imposition of disciplinary measures due to the absence of clear and transparent procedures and appeal mechanisms, creating a risk of unequal treatment of employees. The audit identified deficiencies in public procurement concerning the drafting of specific qualification criteria that were not closely related and proportionate to the nature and scope of the contracts. Furthermore, in several cases, economic operators that did not meet the criteria established in the tender documents were qualified, declared successful bidders and awarded contracts. With regard to the institution's core function, the audit found that the National Inspectorate for Territorial Protection (NITP) had not effectively exercised its responsibilities for territorial control and protection, failing to respond appropriately to notifications received from institutions such as the National Institute of Cultural Heritage/Regional Directorates of Cultural Heritage, the National Coastal Agency/Regional Coastal Agencies and protected area administrations regarding the performance of the inspections necessary to protect the territory against illegal construction in areas or sites of national importance. Furthermore, the audit found that the legal procedures for identifying and sanctioning illegal construction had not been fully followed and, in many cases, decisions ordering the demolition of unauthorised structures had not been enforced. The audit identified a lack of inter-institutional coordination, which had consequently allowed illegal construction in protected areas museum or tourist areas.

Reports of unlawful interventions were identified and had been referred to the Inspectorate's regional directorates or other institutions on the grounds of an alleged lack of competence, which in many cases resulted in the absence of concrete action. Even where demolition decisions had been issued, they had not been enforced, contributing to an increase in illegal construction. Furthermore, although these cases had been referred by the Chief Inspector, there was no evidence that the NITP had organised or conducted on-site verifications through joint working groups with representatives of the above-mentioned institutions or, where violations were identified, had followed and implemented the applicable legal procedures. The audit also identified deficiencies in the documentation and administration of inspection processes. In many cases, the relevant inspection reports, geographical coordinates, photographic documentation and comprehensive legal reasoning supporting administrative decisions were missing, thereby undermining their validity and traceability. At the same time, the audit identified a lack of inter-institutional cooperation and follow-up inspections, as well as the incomplete implementation of electronic inspection systems. With regard to the enforcement of sanctions, repeated cases were identified in which legal procedures for the collection of fines had not been followed, along with a failure to file criminal complaints for violations constituting criminal offences, significantly undermining the effectiveness of the institution's enforcement function.



The audit identified ineffective use of public funds amounting to ALL 14,426 thousand for payments related to court proceedings resulting from the unlawful dismissal of employees, as well as liabilities amounting to ALL 554,425 thousand arising from court decisions awarding compensation for the demolition of structures and other related expenses.

At the People's Advocate Institution

Based on the *financial audit* conducted for the period from 1 January 2024 to 31 December 2024, ALSAI found that the financial statements contained material but not pervasive misstatements and therefore issued a **qualified opinion**. This opinion was based on the lack of reconciliation between the Statement of Financial Performance and the Treasury Reconciliation Statement regarding grant revenue, resulting from the recognition in the current financial year of revenue relating to previous periods, thereby affecting the accuracy and comparability of financial information. Furthermore, the audit of property, plant and equipment found that the appropriate depreciation rates had not been applied to certain categories of assets in accordance with the applicable legislation and the requirements of the guidelines on financial reporting for general government units. The audit found that no report had been prepared on the physical inventory of assets concerning storage conditions, physical condition, identified discrepancies and the persons responsible. The audit of outstanding liabilities found that the reported balance of social and health insurance liabilities, including the principal amount, recorded interest and unrecorded interest, was understated due to the failure to recognise these liabilities in the financial statements.

Based on the *compliance audit* conducted for the period from 1 January 2022 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which a **qualified opinion** was issued. This opinion was based on weaknesses identified in the financial management and internal control system concerning budget planning and monitoring, including deficiencies in the functioning of the Programme Management Teams and non-compliance with the deadlines and content requirements for monitoring reports. In the area of public procurement, the audit identified a lack of analysis of warehouse stock levels prior to initiating purchase requests, irregularities concerning procedural deadlines for submitting procurement requests, the drafting of technical specifications and the calculation of the contract ceiling value. Furthermore, delays were identified in the acceptance of goods and services, contrary to the requirements set out in the standard tender documents, as well as a lack of documentation. The delivery deadlines for goods, services or works, the delivery deadlines for goods, services or works had not been adequately assessed and justified in relation to their nature and complexity. Furthermore, the relevant committees included employees from the finance and procurement sectors, creating a risk of undermining the principle of segregation of duties. From an organisational perspective, the institution operated with incomplete and frequently changing structures throughout the audited period, with several key positions remaining vacant and without an internal audit unit. The Standing Acceptance Committee had not operated continuously in accordance with legal requirements but had instead been established on a case-by-case basis for specific procedures. Deficiencies were also identified in human resources management, including the failure to fully update the HRMIS system, missing documentation in personnel files, and the absence of strategic programmes for staff training and monitoring of the strategic plan. With regard to the implementation of the electronic case management system, the audit identified a lack of documentation concerning the testing and acceptance of the system, the absence of defined testing deadlines in the relevant order, and a lack of evidence regarding staff training in accordance with the terms of reference of the contract.



At the High Inspectorate for the Declaration and Audit of Assets and Conflicts of Interest

Based on the *financial audit* conducted for 2024, ALSAI found that the financial statements of HIDAACI presented fairly, in all material respects, its financial position and therefore issued **an unqualified opinion**. However, the audit identified several non-material matters related to the asset register and financial reporting, including periodic revaluations to align carrying amounts with current market values, as well as explanatory analyses of the balance of Account 85 “Result for the Financial Year”.

Based on the *compliance audit* conducted for the period from 1 January 2022 to 31 December 2024, ALSAI did not identify any material deviations from the applicable legal and regulatory framework and therefore issued **an unqualified opinion**. However, several non-material deviations were identified in the areas of public procurement and asset management, mainly concerning the documentation of procedures, including the division into lots, the composition of evaluation committees, the registration of minutes, the establishment of qualification criteria, and the acceptance of goods and services.

At the National Agency for Employment and Skills

Based on the *financial audit* conducted for the period from 1 January 2024 to 31 December 2024, ALSAI identified material but not pervasive misstatements and therefore issued **a qualified opinion**. The opinion was based on the incorrect classification of assets and inaccurate depreciation calculations for various categories of assets, which affected the accuracy of the institution’s financial statements. The recognition of non-current assets in the financial statements was not carried out in accordance with the applicable regulatory framework, as ICT systems and infrastructure continued to be recorded in the inventory of the National Agency for Employment and Skills (NAES) and had not been transferred to the National Agency for Information Society (NAIS).

Based on the *compliance audit* conducted for the period from 1 January 2021 to 31 December 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The opinion was based on weaknesses identified in budget planning and management, reflected in a considerable number of budget revisions; deviations related to the use of public funds for contracting services that fall within the institution’s functional responsibilities; and deficiencies in the documentation of procedures, including the identification of procurement needs, the drafting and justification of qualification criteria and technical specifications, as well as the process of declaring and notifying the successful bidder. The audit also identified deficiencies in compliance with the principle of segregation of duties and in the composition of project and programme evaluation committees, creating a risk of undermining impartiality and creating conflicts of interest. With regard to the implementation of active and passive labour market programmes, the audit identified deficiencies in the institution’s planning, organisation and documentation of the monitoring process, including the absence of approved annual plans, clear objectives and priorities, and a risk-based approach to the selection of entities subject to monitoring. Regarding vocational training programmes implemented through financial support, deficiencies were identified in the verification and documentation of results reported by beneficiary entities, including the absence of supporting documentation on the certification of participants and discrepancies in the reported data.



The level of monitoring carried out by the responsible structure was limited in relation to regulatory requirements and did not ensure comprehensive controls at course level or over the actual implementation of training activities, creating an increased risk that programme objectives would not be effectively achieved and that public funds would be used ineffectively.

Furthermore, the audit identified negative effects on the administration of public funds in terms of economy, efficiency and effectiveness amounting to ALL 8,167 thousand, resulting from payments made for the enforcement of court decisions concerning former employees and enforcement fees, as well as expenditure on consultancy services contracted without a prior assessment of actual needs or an evaluation of existing administrative capacities.

At the School of Magistrates

Based on the *financial audit* conducted for the period from 1 January 2024 to 31 December 2024, ALSAI found that the financial statements presented fairly, in all material respects, the financial position of the audited entity, the results of its operations and its cash flows, in accordance with the applicable legal provisions on financial reporting, and therefore issued **an unqualified opinion**. However, the audit found that Account 212 “Buildings and Structures” also included the value of the reconstruction of the School of Magistrates, although the premises in which the institution operates are used under a loan-for-use agreement and their administration is the responsibility of Industrial Enterprise No. 1, Tirana.

Based on the *compliance audit* conducted for the period of activity from 1 January 2022 to 31 December 2024, ALSAI found that the activities of the audited entity presented material but not pervasive deviations from the applicable legal and regulatory framework, for which a **qualified opinion** was issued. This opinion resulted from deficiencies identified in the allocation of teaching hours between 35% for internal academic staff and 65% for external academic staff, thereby increasing additional costs for the budget of the School of Magistrates. Deficiencies were also identified in the administration of overtime hours, particularly with regard to compliance with compensation procedures and their complete documentation. The institution had not submitted to the Ministry of Finance the legal basis for the financial treatment of its collegial governing bodies. The audit identified deficiencies in institutional organisation and functioning, including inconsistencies between the organisational structure and applicable legal and regulatory requirements, vacant positions within the academic and administrative structures, and the incomplete recording of personnel data in the relevant electronic systems. In the area of asset administration and management, deficiencies were identified in the inventory and asset disposal processes, including the procedures followed for certain electronic equipment that should have been subject to recycling procedures. Deficiencies were also identified in the administration of public procurement procedures, including the splitting of funds in low-value procurement procedures, changes to qualification criteria during the conduct of procurement procedures, and shortcomings in the archiving and administration of the relevant documentation. The audit identified negative effects on the administration of public funds in terms of economy, efficiency and effectiveness amounting to a total of ALL 1,343 thousand, resulting from practices that were not supported by complete documentation or adequate financial analysis, specifically resulting from payments made specifically resulting from compensation payments made without a clear legal basis and from services procured through direct procurement without documentation supporting the calculation of the contract ceiling value or ensuring an assessment of the cost-effectiveness of the services provided.



At “Luigj Gurakuqi” University of Shkodër

Based on the *financial audit* conducted for the period from 1 January 2023 to 31 December 2023, ALSAI found that the financial statements contained material but not pervasive misstatements and therefore issued **a qualified opinion**. This opinion resulted from unreconciled discrepancies in the “Treasury Cash Balances” account, contrary to legal requirements, as well as uncollected receivables that had not been fully and accurately recognised in the accounting records.

The audit identified the failure to recognise the land administered by the University, resulting in the understatement of assets, as well as irregularities in the valuation and accounting classification of property, plant and equipment and intangible assets. Furthermore, capital expenditure had been misclassified as operating expenditure, outstanding liabilities had not been recognised, and deficiencies were identified in account reconciliations, affecting the accuracy, completeness and reliability of the financial statements and the financial result for the year.

Based on the *compliance audit* conducted for the period from 1 January 2022 to 30 June 2024, ALSAI identified material but not pervasive deviations from the applicable legal, sub-legal and regulatory framework, for which **a qualified opinion** was issued. The opinion was based on findings related to human resources management, including recruitment and promotions carried out without competitive procedures or performance evaluations, the conclusion of contracts contrary to the relevant decisions, the engagement of academic staff who did not meet the legal requirements concerning academic qualifications, and the administration of salaries and overtime payments without supporting documentation or an adequate audit trail. The audit identified deficiencies in public procurement and contract implementation, including irregularities in the calculation of the contract ceiling value and the drafting of technical specifications, the qualification of economic operators with incomplete documentation, non-compliance with verification deadlines and procedures, deficiencies in the signing and implementation of contracts, and weaknesses in investment planning and implementation. These included delays in budget approval, low implementation rates for planned projects and failure to implement administrative decisions in a timely manner. The audit identified economic damage amounting to ALL 4,451 thousand resulting from overtime payments made without supporting documentation or prior approval, delays in the delivery of equipment and laboratory services, duplicate works or works not performed in accordance with the project, incorrect calculations of work and material quantities, and deficiencies in technical and legal documentation and the final acceptance of works. The audit also identified negative effects on the administration of public funds in terms of economy, efficiency and effectiveness amounting to ALL 9,444 thousand, resulting from payments made without decisions by the competent bodies, deficiencies in public procurement procedures, the use of fuel and travel allowances without supporting documentation, and the overlapping of works carried out on the Rectorate buildings, which had not yet been formally accepted and remained within the warranty period. Furthermore, foregone revenue amounting to ALL 20,057 thousand was identified as a result of deficiencies in the activities of the Microbiological Diagnostic Laboratory and the failure to identify and recognise outstanding amounts owed by students.

At the Faculty of Foreign Languages

Based on the *financial audit* conducted for the period from 1 January 2021 to 31 December 2024, ALSAI found that the financial statements contained material but not pervasive misstatements and, consequently, issued **a qualified opinion** on the financial statements as at 31 December 2024.



This was due to the misclassification of assets pertaining to Account 218, "Economic Inventory", under Account 212, "Buildings and Structures"; the inconsistent application of depreciation methods and rates; and discrepancies between the revenue and expenditure reported in the financial statements and Treasury data.

Furthermore, Account 468, "Other Debtors", showed a zero balance, whereas verification of the data maintained by the institution identified students enrolled at the Faculty of Foreign Languages with outstanding debts for the period 2021–2024, amounting to a total of ALL 2,638 thousand. These receivables had not been recorded under this account, resulting in the incomplete presentation of amounts due from third parties in the institution's financial statements.

Based on the *compliance audit* for the period from 1 January 2021 to 31 December 2024, the activities of the audited entity were, in all material respects, in compliance with the applicable legal and regulatory framework. Accordingly, **an unqualified audit** opinion was issued. Nevertheless, several irregularities were identified which were assessed as not material and not pervasive. These included deficiencies in the planning and implementation of low-value procurement procedures, weaknesses in documenting the acceptance of delivered goods and instances of delays in their delivery, as well as shortcomings in the planning and execution of budgetary indicators, reflected in the low implementation rates of certain expenditure items and in revenues that remained unused over several financial years.

At the Faculty of Economics

Based on the *financial audit* conducted for the period from 1 January 2021 to 31 December 2024, the financial statements contained material but not pervasive misstatements. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion** on the financial statements as at 31 December 2024. This opinion was based on the inconsistent application of depreciation methods and rates for tangible non-current assets recorded under Accounts 212, "Buildings and Constructions", 214, "Technical Installations, Machinery, Equipment and Working Tools", and 218, "Economic Inventory", where different depreciation rates had been applied over the years in a manner inconsistent with the applicable regulatory framework. In addition, the audit identified discrepancies between the secondary revenues reported in the Statement of Financial Performance and the corresponding Treasury records, amounting to ALL 51.499 million for 2024, ALL 23.845 million for 2023 and ALL 77.110 million for 2022. The audit further identified discrepancies between the expenditure reported in the financial statements and the reconciliation with the Treasury Branch for the account "Purchase of Goods and Services", resulting from the misclassification of certain expenditures under inappropriate accounts. In this regard, expenditures recorded under sub-account 6029, were found to include costs that belonged to other expenditure categories, including expenses related to participation in the Standing Committee for the award of the , as well as expenses for the procurement of antivirus software for the Faculty of Economics. Consequently, the structure of expenditures was not fairly presented in the financial statements.

Based on the *compliance audit* for the period from 1 January 2021 to 31 December 2024, the activities of the audited entity were, in all material respects, in compliance with the applicable legal and regulatory framework. Accordingly, **an unqualified opinion** was issued. Nevertheless, several irregularities, assessed as not material and not pervasive, were identified.



These included deficiencies in the planning and implementation of low-value procurement procedures, where part of the planned procurement procedures had not been carried out, as well as cases where the calculation of the estimated contract value was not based on the technical specifications of the procurement object, or where services had commenced or had been formally accepted before the completion of the procurement procedure in the electronic procurement system. The audit also identified deficiencies in the documentation and archiving of procurement procedures, shortcomings in institutional reporting regarding the planning and utilisation of funds, and instances of non-compliance with the statutory deadline for the settlement of invoices. Furthermore, weaknesses were identified in the planning and reporting of academic staff activities, as academic workload forms primarily reflected teaching activities, while other components of academic activity were not reported in sufficient detail. In addition, cases were identified where part-time academic staff were declared to the tax authorities only at the time of payment, rather than in accordance with the applicable legal requirements.

At the National Circus

Based on the *financial audit* conducted for the period from 01.01.2023 to 31.12.2023, the activities of the audited entity contained material but not pervasive deviations from the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. This opinion was based on the failure to carry out a physical inventory of assets and the absence of an accounting asset register. Although the 2023 financial statements reflected the accounting entry for the write-off of inventory, the audit identified the absence of a complete audit trail supporting the disposal of assets, as neither the method by which the disposal process had been carried out nor the related supporting documentation had been specified. Furthermore, assets had not been properly classified, and depreciation had not been calculated in accordance with the applicable depreciation rates prescribed for the respective categories of assets.

Based on the *compliance audit* for the period from 01.01.2022 to 31.12.2024, was identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, **a qualified opinion** was issued. The audit identified deficiencies in the service contracts for artistic projects, which did not include provisions on penalties for delays in service delivery, implementation deadlines, performance schedules, the specific rights and obligations of the contracting parties, ownership rights over costumes and stage materials produced under the projects, copyright obligations, or a project budget as an integral part of the contracts. Calls for project applications had been published through social media rather than on the institution's official website. The audit further found that management orders concerning the implementation of the audit trail were not sufficiently clear, summary reports on project implementation were missing, and project documentation had neither been properly inventoried nor contained the required supporting elements. In several cases, deficiencies were identified in the procedures for the acceptance of goods and materials, resulting in incomplete supporting documentation and missing acceptance reports. The Artistic Board had operated without its full membership, the internal regulation had not been updated to incorporate working procedures governing the implementation of the audit trail for artistic projects, remuneration rates for artistic works had not been adequately justified or benchmarked against comparable practices, and Board decisions approving projects lacked the required legal basis and supporting documentation.



The audit also identified deficiencies in the completion of the organisational structure, as several established positions remained vacant, irregularities in employee contracts and personnel files, and shortcomings in recruitment procedures. The audit further established that, upon the departure of employees, the required procedures for the formal handover of documentation and assets had not been carried out. In addition, no Statement and Report on the Quality of the Internal Control System had been prepared, the Strategic Management Group had not been established, internal rules governing the delegation of responsibilities and the documentation of delegated tasks were lacking, risk assessment mechanisms had not been implemented, and neither a Risk Management Strategy nor a Risk Management Plan for the treatment of identified risks had been prepared.

Furthermore, the audit identified negative effects on the management of public funds in terms of economy, efficiency and effectiveness, amounting to ALL 20.611 million, resulting from deficiencies in the conclusion and implementation of lease agreements, the execution of court decisions, and the absence of an adequate audit trail supporting the disposal of asset.

At the Regional Water Supply and Sewerage Company Lezhë JSC

Based on the financial audit conducted for the period from 01.05.2021 to 31.12.2024, the financial statements present fairly, in all material respects, the financial position of the entity as at 31.12.2024. Nevertheless, the audit identified several matters requiring emphasis, which, in the professional judgment of the independent auditor, justified the issuance of an unmodified (unqualified) audit opinion with an Emphasis of Matter paragraph. The Emphasis of Matter relates to the misclassification of certain accounts. Specifically, the account "Liabilities to Credit Institutions" included accrued interest on borrowings recognised as current liabilities, while the same account also included penalties for late settlement that had been incorrectly classified as current liabilities, although their maturity exceeded the twelve-month period. Furthermore, the account "Suppliers – Late Payment Interest (FSHU)" contained a misclassified liability transferred from the former Kurbin Water Supply and Sewerage Company during the merger process in 2022. Similarly, the account "Payables Related to Operating Activities" included liabilities to suppliers and third parties that had not been appropriately classified according to their nature and maturity.

The compliance audit conducted for the period from 01.05.2021 to 31.12.2024 identified material instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania (ALSAI) issued a qualified audit opinion. The Supervisory Board had not held meetings on a regular basis, at least once a month, as required by the Company's Statute. In addition, the management of the former Mirditë and Kurbin Water Supply and Sewerage Companies had not issued orders or decisions during 2021 and 2022 regarding the establishment and improvement of performance indicators. The audit further established that no comprehensive analyses had been conducted to identify the deficiencies and weaknesses underlying the deteriorated financial and economic position of the entity or to determine the responsibilities of the accountable officials.

Furthermore, clear recruitment procedures had not been established, and documentary evidence was lacking regarding the announcement of vacant positions, the selection of candidates qualified for the interview stage, and the conduct of the interview process. The audit also identified deficiencies in the area of public procurement and contract implementation.



In particular, the former Mirditë Water Supply and Sewerage Company had conducted separate procurement procedures for similar goods that should have been grouped together and procured through a single procurement procedure. During the contract implementation phase, the audit identified payments amounting to ALL 335 thousand for services and works that had not been performed.

At the Regional Water Supply and Sewerage Company Elbasan JSC

The financial audit conducted for the period from 09.09.2022 to 31.12.2024 concluded that the financial statements present fairly, in all material respects, the financial position of the entity as at 31.12.2024. Nevertheless, several matters requiring emphasis were identified which, in the professional judgment of the independent auditor, justified the issuance of **an unqualified opinion** with an Emphasis of Matter paragraph. The Emphasis of Matter relates to deficiencies identified in the accounts "Receivables from Operating Activities" and "Goodwill", for which no reasoned and adequately documented analysis, reflected in the explanatory notes to the financial statements, was available regarding their recognition and accounting treatment. Furthermore, liabilities transferred from the former water supply and sewerage companies were recognised as current liabilities under the account "Suppliers – Late Payment Interest (FSHU)".

The compliance audit conducted for the period from 09.09.2022 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of the specific qualification criteria, which were not demonstrated to be closely related and proportionate to the nature and scope of the contract. In addition, in several cases, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, awarded contracts and entered into contractual agreements. During the contract implementation phase, payments amounting to ALL 756 thousand, excluding VAT, were identified for works that had not been performed, while the required technical review (technical verification) had not been carried out. The audit also identified ineffective use of public funds amounting to ALL 2.345 million, arising from payments related to court proceedings concerning the unlawful dismissal of employees.

At the Municipality of Belsh

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to deficiencies in the presentation and classification of certain accounting items. Specifically, the balance of Account 468, "Other Debtors", amounting to ALL 55.486 million, did not include tax and fee receivables amounting to ALL 100.319 million. Furthermore, an analysis of this account revealed that the balance did not reflect the value of fiscal stamps and market tickets. In addition, an amount of ALL 5.299 million had been incorrectly classified under Account 464, "Liabilities for the Purchase of Securities", whereas it should have been recognised under Account 4341, "Transactions with the State (Liabilities)". The closing balance of Account 467, "Other Creditors", as at the end of 2024, did not include ALL 10.800 million relating to liabilities arising from court decisions. These liabilities had been recognised only at the time of payment rather than when the obligation was incurred, resulting in an incomplete presentation of the total liabilities arising from court decisions.



The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules and from the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit also identified deficiencies in the area of public procurement, particularly regarding compliance with qualification criteria during the evaluation of self-declarations and the verification of the physical documentation submitted by the successful tenderers. Furthermore, deficiencies were identified in the preparation of the bill of quantities and the calculation of the estimated contract value, as the unit prices applied to construction work items were not consistent with the applicable construction manuals. During the contract implementation phase, the audit identified technically unjustified changes to the implementation design, as well as payments amounting to ALL 16.497 million, excluding VAT, for works that had not been performed.

In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 100.319 million, of which ALL 33.979 million represented additional receivables generated during 2024 as a result of the non-payment of taxes and fees by household and private taxpayers.

At the Municipality of Dibër

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to deficiencies in the inventory procedures for tangible and intangible non-current assets acquired by the municipality over the years, as well as to the understatement of Account 468, "Other Debtors", by ALL 56.601 million, due to the exclusion of outstanding receivables relating to taxes and fees payable by households and the infrastructure impact tax arising from legalization permits.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations.

The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not demonstrated to be closely related and proportionate to the nature and scope of the contracts. Furthermore, in several cases, economic operators that did not meet the qualification criteria specified in the tender documents were nevertheless qualified, awarded contracts and entered into contractual agreements. During the contract implementation phase, the audit identified payments amounting to ALL 11.984 million, excluding VAT, for works that had not been performed, as well as ALL 294 thousand relating to the failure to complete contractual obligations within the stipulated timeframe.



In addition, the audit identified the absence of the required technical review (technical verification) and negative effects on public funds amounting to ALL 2.351 million, resulting from works executed in non-compliance with the applicable technical specifications.

In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31 December 2024, uncollected receivables amounted to ALL 69.522 million, of which ALL 16.228 million represented additional receivables generated during 2024 as a result of the non-payment of taxes and fees by household and private taxpayers.

In the area of territorial planning and development, the audit identified cases involving the inaccurate presentation of approved site plans, failure to reflect accurate development indicators, exceeding the permitted land-use coefficient, increasing the building intensity ratio, exceeding the maximum permitted building height, increasing the number of storeys, failure to comply with the prescribed setback distances, and non-compliance with the construction typology established for the respective development unit, contrary to the applicable regulations and legislation. The audit also identified financial damage to the local government budget amounting to ALL 870 thousand, resulting from the incorrect calculation of the infrastructure impact tax, as well as ALL 9.224 million, resulting from the failure to implement the agreement requiring the transfer of 3% of the constructed floor area.

In the area of the organisation and functioning of the Territorial Protection Inspectorate of the Local Government Unit, the audit established that fines imposed for unlawful construction activities had not been calculated correctly, as they were not based on the actual value of the works carried out and the constructed floor area, as required by the applicable legal framework.

At the Municipality of Dropull

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 concluded that the financial statements present fairly, in all material respects, the financial position of the Municipality of Dropull, thereby justifying the issuance of **an unqualified opinion** with an emphasis of matter paragraph. The emphasis of matter relates to the recognition of assets amounting to ALL 196 thousand under Account 210, "Land, plots and sites", for which no supporting documentation evidencing ownership title was available.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations.

The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not demonstrated to be closely related and proportionate to the nature and scope of the contracts. Furthermore, in several cases, economic operators that did not fulfil the qualification criteria specified in the tender documents were nevertheless qualified, awarded contracts and entered into contractual agreements. During the contract implementation phase, the audit identified payments amounting to ALL 786 thousand, excluding VAT, for works that had not been performed.



In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31 December 2024, uncollected receivables amounted to ALL 6.325 million, resulting from the non-payment of taxes and fees by household and private taxpayers.

The audit also identified deficiencies in the area of territorial planning and development, relating to non-compliance with urban planning requirements, including prescribed setbacks from property boundaries, the maximum permitted building intensity, the use for development purposes of land parcels lacking physical continuity, and the submission of incomplete technical documentation and supporting documentation for construction projects, contrary to the requirements of the applicable legal and secondary legislative framework.

Furthermore, in the area of asset administration and registration, the audit identified deficiencies in the inventory and updating of assets transferred pursuant to Council of Ministers' Decisions .

At the Municipality of Gjirokaštër

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to inaccuracies in the accounting records and a lack of reconciliation between the responsible organisational units. Specifically, account 468, "Other Debtors", had not been updated or reconciled between the relevant structures with respect to local taxes and fees, resulting in its understatement by ALL 146.065 million. Furthermore, a number of properties transferred pursuant to Council of Ministers' Decisions (CMDs) had not been registered with the State Cadastre Agency, nor had they been inventoried, valued and recognised in the accounting records.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not demonstrated to be closely related and proportionate to the nature and scope of the contracts. Furthermore, in several cases, economic operators that did not fulfil the qualification criteria specified in the tender documents were nevertheless qualified, awarded contracts and entered into contractual agreements. During the contract implementation phase, the audit identified payments amounting to ALL 594 thousand, excluding VAT, for works that had not been performed. In the area of revenue administration, the audit identified deficiencies in the collection of outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 161.997 million, of which ALL 37.125 million represented additional receivables generated during 2024 as a result of the non-payment of taxes and fees by household and private taxpayers. In the area of asset administration and registration, the audit identified deficiencies in the inventory and updating of assets transferred pursuant to Council of Ministers' Decisions (CMDs), as well as the absence of complete information regarding the actual status of these properties.



The audit also identified deficiencies in the area of territorial planning and development, relating to non-compliance with urban planning requirements, including prescribed setbacks from property boundaries, the maximum permitted building intensity, the use for development purposes of land parcels lacking physical continuity, and the submission of incomplete technical documentation and supporting documentation for construction projects, contrary to the requirements of the applicable legal and secondary legislative framework. Furthermore, in the area of the organisation and functioning of the Territorial Protection Inspectorate of the Local Government Unit, the audit established that the procedures for issuing enforcement orders for the demolition of illegal constructions had not been pursued, nor had the subsequent legal procedures required under the applicable legislation been undertaken.

At the Municipality of Gramsh

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to deficiencies in documenting the physical inventory process of the Municipality’s assets, resulting in the asset accounts in the 2024 balance sheet being closed on the basis of accounting records rather than on the basis of their physical verification. The balance of account 468, "Other Debtors", did not include receivables relating to the category of household, subscribers, resulting in the understatement of this account by ALL 28.536 million. Furthermore, account 202, "Studies and Research", included projects with a historical cost of ALL 2.811 million, which should not have remained recognised under this account, since the investments for which these projects had been prepared had already been completed. Consequently, their value should have been capitalised as part of the cost of the respective investments, resulting in the account not being fairly presented in the financial statements. In addition, depreciation for Account 218, "Economic Inventory", had been calculated by applying a uniform depreciation rate of 20% to the entire asset group, without separating sub-account 218/6, "Computer Equipment", for which a depreciation rate of 25% should have been applied. Furthermore, the balances of Account 231, "Tangible Non-current Assets", and Account 230, "Investments in Intangible Non-current Assets", did not reconcile with the total balance of Account 115, "Own Investment Funds".

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024, identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not closely related or proportionate to the nature and scope of the contracts. Furthermore, economic operators that did not fulfil the qualification criteria specified in the tender documents were nevertheless qualified, awarded contracts and entered into contractual agreements, resulting in the ineffective use of public funds amounting to ALL 11.371 million. During the contract implementation phase, payments amounting to ALL 8,816 thousand (excluding VAT) were identified for works that had not been carried out.



In the area of revenue management, it was found that adequate measures had not been taken to collect outstanding receivables. As of 31.12.2024, uncollected receivables amounted to ALL 2,947 thousand, while missing and unrecorded revenues totaled ALL 48,206 thousand. In the area of asset management and registration, deficiencies were identified in the inventory and updating of assets transferred by Council of Ministers' Decisions (CMDs), as well as incomplete information regarding the actual status of these properties. The audit also identified shortcomings in the area of territorial planning and development, related to non-compliance with urban planning requirements, including minimum setback distances from property boundaries and the maximum permitted building intensity. It was also found that development projects had been implemented by combining land parcels without physical connectivity, and that the technical documentation and supporting documents for construction projects were incomplete, in violation of the applicable legal and regulatory framework. Regarding the organization and functioning of the Local Territorial Protection Inspectorate, it was found that the procedure for issuing enforcement orders for the demolition of illegal constructions had not been pursued, and the subsequent legal procedures had likewise not been carried out.

At the Municipality of Kolonjë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to the inaccurate accounting treatment of certain accounts, affecting the presentation of items in the Statement of Financial Position. Specifically, the audit found that Account 101, "Accumulated Surplus (Accumulated Fund) / Accumulated Deficit", Account 4341, "Transactions with the State (Liabilities)", and Account 212, "Buildings and Constructions", were overstated by ALL 12.135 million, ALL 77.064 million, and ALL 11.974 million, respectively, while Account 26, "Non-current Financial Assets", was understated by ALL 626 thousand.

The compliance audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not demonstrated to be closely related and proportionate to the nature and scope of the contracts. Furthermore, cases were identified where economic operators that did not fulfil the qualification criteria specified in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts. In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31 December 2024, uncollected receivables amounted to ALL 31.085 million, resulting from the non-payment of taxes and fees by household and private taxpayers.



The audit also identified deficiencies in the area of territorial planning and development, relating to non-compliance with urban planning requirements, including prescribed setbacks from property boundaries, the maximum permitted building intensity, the use for development purposes of land parcels lacking physical continuity, and the submission of incomplete technical documentation and supporting documentation for construction projects, contrary to the requirements of the applicable legal and secondary legislative framework. In the area of asset administration and registration, the audit identified deficiencies in the inventory and updating of assets transferred pursuant to Council of Ministers' Decisions. Furthermore, in the area of the organisation and functioning of the Territorial Protection Inspectorate of the Local Government Unit, the audit established that the procedures for issuing enforcement orders for the demolition of illegal constructions had not been pursued, as required by the applicable legal framework.

At the Municipality of Konispol

The financial audit conducted for the period from 01.01.2023 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements primarily relate to deficiencies in the procedures for the inventory and administration of tangible and intangible non-current assets acquired through investments made by the municipality over the years. The audit identified an understatement of Account 468, "Other Debtors", amounting to ALL 2.250 million, resulting from the failure to recognise receivables arising from lease agreements for areas within the forest and pasture fund. Furthermore, the audit identified the failure to calculate depreciation for Account 202, "Studies and research", as well as the absence of analyses and reconciliations of the balances relating to tangible non-current asset accounts. Another misstatement relates to the understatement of Account 231, "Construction in Progress for the Acquisition of Tangible Non-current Assets", by ALL 23.896 million, resulting from the failure to recognise in the accounting records contracts under implementation which, although partially or fully paid, are executed and completed over a period exceeding one year.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. Furthermore, the approved organisational structure did not include an internal audit unit, nor had any cooperation agreement been concluded for the provision of internal audit services. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation and definition of specific qualification criteria, due to the application of unnecessary criteria that were not directly related to the subject matter of the contract and were disproportionate to the volume and nature of the works being procured. Irregularities were also identified in the preparation of bills of quantities and the calculation of the estimated contract value, as work items had been included without adequate justification and, in several cases, unit prices had not been determined in accordance with the applicable construction manuals. These deficiencies resulted in an artificial increase in the estimated contract value and led to the ineffective and uneconomical use of public funds amounting to ALL 2.416 million.



With regard to low-value procurement procedures, the audit established that these had been conducted outside the Public Procurement System, in breach of the applicable legal rules and procedures. During the contract implementation phase, deficiencies were identified in the administration of contract implementation files, including missing technical documentation, and payments amounting to ALL 1.326 million, excluding VAT, were identified for works that had not been performed. In the area of asset administration and registration, the audit identified deficiencies in the inventory and updating of assets transferred pursuant to Council of Ministers' Decisions (CMDs). Regarding the planning and collection of revenues for 2024, the audit established that revenues from local taxes and fees had been realised at only 51.6% of the planned amount, resulting in a shortfall of ALL 32.937 million between planned and actual revenues. Furthermore, adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 52.002 million, of which ALL 12.984 million represented additional receivables generated during 2024. The audit also identified lost and unrecognised revenues amounting to ALL 15.211 million, as well as lost revenues of ALL 2.763 million resulting from the failure to collect contractual lease obligations. Furthermore, in the area of the organisation and functioning of the Territorial Protection Inspectorate of the Local Government Unit, the audit established that the procedures for issuing enforcement orders for the demolition of illegal constructions had not been pursued, nor had the subsequent legal procedures required under the applicable legislation been undertaken.

At the Municipality of Korçë

The financial audit conducted for the period from 01.01.2023 to 31.12.2023 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to misclassifications and unreconciled balances in the accounting records, reflecting deficiencies in the balances of Account 4342, "Other Transactions with the State (Receivables)", presented under assets in the Statement of Financial Position. The audit established that, according to the supporting analysis, liabilities to third parties relating to unpaid invoices under Class 4 Accounts 401–404, "Suppliers and Related Accounts", amounting to ALL 87.693 million, as well as liabilities recorded under Account 467, "Other Creditors", amounting to ALL 8.680 million, had not been recognised through this account. Furthermore, Account 468, "Other Debtors", was found to be understated, as liabilities relating to the Infrastructure Impact Tax arising from legalization permits, amounting to ALL 3.246 million, and liabilities relating to penalties for late payment of local taxes and fees, amounting to ALL 27.847 million, had not been recognised in the accounting records.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations.

The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not closely related or proportionate to the nature and scope of the contracts. Furthermore, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts.



During the contract implementation phase, the audit identified payments amounting to ALL 5.198 million, excluding VAT, for works that had not been performed, as well as the absence of the required technical review (technical verification). In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, total outstanding receivables amounted to ALL 690.078 million, of which ALL 78.694 million represented additional receivables generated during 2024. Of the total outstanding amount, ALL 333.523 million related to unpaid liabilities of household and private taxpayers, ALL 284.804 million to outstanding liabilities of business taxpayers, ALL 31.604 million to uncollected Infrastructure Impact Tax, and ALL 40.148 million to unpaid obligations arising from lease agreements. The audit also identified deficiencies in the area of territorial planning and development, relating to non-compliance with urban planning requirements, including prescribed setbacks from property boundaries, the maximum permitted building intensity, the use for development purposes of land parcels lacking physical continuity, and the submission of incomplete technical documentation and supporting documentation for construction projects, contrary to the requirements of the applicable legal and secondary legislative framework.

In the Municipality of Kuçovë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to deficiencies in the reconciliation of accounting records, the reporting of budgetary funds and the recognition of assets in the accounting records. Specifically, Account 4342, "Other Transactions with the State (Receivables)", did not reconcile with Account 7206, "Expected Financing from the State Budget", resulting in a discrepancy of ALL 10.562 million. In addition, a difference of ALL 23.379 million was identified between the unspent budgetary funds for 2024 and the funds reported to be carried forward to 2025. Furthermore, 3,503 tangible non-current assets transferred to the Municipality pursuant to Council of Ministers' Decisions (CMDs) had not been recognised in the accounting records due to the incomplete procedures for obtaining ownership titles from the State Cadastre Agency (SCA). The audit also established that no revaluation had been performed for assets for which ownership titles had already been obtained, resulting in an incomplete and inaccurate presentation of assets in the Statement of Financial Position and affecting the reliability of the reported financial information.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations.

The audit also identified deficiencies in the area of public procurement and contract implementation. In determining the estimated contract value (fund limit) for projects and construction cost estimates, appropriate references for pricing were not used, while specific qualification criteria were established that were neither closely related nor proportionate to the nature and scope of the contracts.



As a result, economic operators that did not fulfil the qualification criteria specified in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts, resulting in a negative financial impact amounting to ALL 7.020 million. During the contract implementation phase, the audit identified payments amounting to ALL 1.463 million for works that had not been performed. In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, outstanding receivables amounted to ALL 109.362 million, of which ALL 27.716 million represented additional receivables generated during the period 2023–2024 as a result of the non-payment of taxes and fees by household and private taxpayers.

In the area of spatial planning and territorial development, the audit found that, in all audited cases, the technical documentation and supporting documentation required by law for construction projects were incomplete. Furthermore, the Territorial Protection Inspectorate of the Local Government Unit was not staffed with the required number of personnel, while inspection reports contained qualitative deficiencies in the description of identified violations. In addition, the audit could not confirm that the fines imposed had been calculated in accordance with the applicable legal provisions.

At the Municipality of Librazhd

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the reconciliation of accounting records, the reporting of budgetary funds and the recognition of assets in the accounting records. Specifically, Account 4342, "Transactions with the State (Receivables)", did not reconcile with Account 7206, "Expected Financing from the State Budget", resulting in a discrepancy of ALL 83.698 million. In addition, a difference of ALL 86.126 million was identified between the unspent budgetary funds for 2024 and the funds reported to be carried forward to 2025. Furthermore, properties transferred pursuant to Council of Ministers' Decisions (CMDs) had not been recognised as tangible non-current assets because the procedures for obtaining ownership titles from the State Cadastre Agency (SCA) had not yet been completed. Moreover, no revaluation had been carried out for those properties for which ownership titles had already been obtained, resulting in an incomplete and inaccurate presentation of assets in the Statement of Financial Position.

The compliance audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued a qualified audit opinion. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose. The audit identified deficiencies in the area of public procurement concerning the preparation of specific qualification criteria, which were not closely related or proportionate to the nature and scope of the contracts, thereby allowing the qualification and award of contracts to economic operators that did not fulfil the qualification criteria established in the tender documents. During the contract implementation phase, the audit identified payments amounting to ALL 1.164 million for works that had not been performed. In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 107.748 million, of which ALL 26.875 million represented additional receivables generated during 2024.



In the area of territorial planning and development, the audit established that, in all audited cases, the technical documentation and supporting documentation required for construction projects were not in compliance with the applicable legal requirements. Furthermore, in the area of the organisation and functioning of the Territorial Protection Inspectorate of the Local Government Unit, the audit found that the Inspectorate had not been established with the required number of inspectors and that the existing inspection staff did not possess the required professional qualifications.

At the Municipality of Lushnjë

The financial audit conducted for the period from 01.01.2023 to 31.12.2023 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. Account 520, "Treasury Cash Availability", was found to be overstated by ALL 739 thousand, while Account 213, "Roads, Networks and Water Infrastructure", was overstated by ALL 48.138 million, as a result of the recognition of assets belonging to the Lushnjë Water Supply and Sewerage Company JSC. In addition, the audit identified irregularities in the documentation of the procedures for the inventory, valuation and disposal of assets.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not closely related or proportionate to the nature and scope of the contracts. Furthermore, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts. During the contract implementation phase, the audit identified payments amounting to ALL 6.871 million, excluding VAT, for works that had not been performed. In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 1,761.812 million, of which ALL 80.772 million represented additional receivables generated during 2024 as a result of the non-payment of taxes and fees by household and private taxpayers. In the area of asset administration and registration, the audit identified deficiencies in the inventory and updating of assets transferred pursuant to the relevant Council of Ministers' Decisions.

At the Municipality of Mallakastër

The financial audit conducted for the period from 01.01. 2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to the incorrect classification of certain accounting accounts. Specifically, Account 486, "Prepaid Expenses (Future Period Expenses)", was presented with a balance of ALL 10.420 million, whereas this amount should have been recognised under Account 467, "Other Creditors". Furthermore, Account 202, "Studies and Research", was overstated by ALL 21.405 million (historical cost), as it included completed project designs that should have been capitalised under Account 213, "Roads, Networks and Water Infrastructure".



The compliance audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania (ALSAI) issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit identified deficiencies in the area of public procurement, where unnecessary qualification criteria unrelated to the subject matter of the contracts and disproportionate to the volume and nature of the works had been applied. Irregularities were also identified in the preparation of bills of quantities and the calculation of the estimated contract value (fund limit), as certain work items had been included without adequate justification and, in several cases, unit prices had not been determined in accordance with the applicable construction manuals. These deficiencies resulted in an artificial increase in the estimated contract value amounting to ALL 16.673 million, representing the ineffective, inefficient and uneconomical use of public funds. Furthermore, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts. During the contract implementation phase, the audit identified payments amounting to ALL 2.521 million, excluding VAT, for works that had not been performed, as well as inefficiently executed works amounting to ALL 41.563 million. The audit also identified the ineffective use of public funds amounting to ALL 1.715 million, resulting from payments related to court proceedings concerning the unlawful dismissal of employees. In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 1,243.473 million, of which ALL 30.763 million represented additional receivables generated during 2024 as a result of the non-payment of taxes and fees by household and private taxpayers.

At the Municipality of Përmet

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to unreconciled accounting records and the inaccurate recognition of certain accounting accounts. Specifically, Account 468, "Other Debtors", was understated by ALL 5.724 million due to the incomplete recognition of outstanding receivables. Furthermore, assets transferred pursuant to the relevant Council of Ministers' Decisions (CMDs) had not been recognised in the accounting records. Depreciation of assets had not been calculated on an individual asset basis but only at group level, thereby failing to provide accurate information on assets that had reached a negligible or zero residual value. In addition, Account 26, "Equity Investments", was understated by ALL 583.299 million, as completed investments had not been recognised under this account.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**.



The opinion was based on findings in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not directly related or proportionate to the nature and scope of the contracts. Furthermore, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts. During the contract implementation phase, the audit identified payments amounting to ALL 2.640 million, excluding VAT, for works that had not been performed, as well as the absence of the required technical review (technical verification). In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 99.940 million, of which ALL 8.746 million represented additional receivables generated during 2024 as a result of the non-payment of taxes and fees by household and private taxpayers. In the area of territorial planning and development, the audit identified cases where construction permits had been approved without obtaining the approval of all the competent authorities involved, including the District Office of the State Cadastre Agency (SCA). The audit also identified deficiencies relating to non-compliance with urban planning requirements, including the permitted building intensity, prescribed setbacks from property boundaries, the use for development purposes of land parcels lacking physical continuity, and delays in the examination of applications exceeding the statutory deadlines established by the applicable legal and secondary legislative framework.

At the Municipality of Vlorë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the administration, classification and accounting recognition of tangible non-current assets, as well as in their presentation in the financial statements. Specifically, tangible non-current asset accounts were presented based solely on their accounting balances without reconciliation with the physical inventory. The costs of reconstruction works, construction supervision and final technical acceptance were recognised separately and were not capitalised as part of the carrying amount of the related assets upon completion of the investments. Furthermore, account misclassifications were identified, affecting the completeness and reliability of accounting information regarding the value, number and depreciation of tangible non-current assets, resulting in an inaccurate presentation of these assets in the financial statements. Account 202, "Studies and research", was overstated, as it included projects with a historical cost of ALL 115.858 million that had not been accounted for correctly. Since the investments for which these projects had been prepared had already been completed, their value should have been capitalised and transferred to the carrying amount of the respective completed investments. In addition, an amount of ALL 9.813 million, presented under the description "Other", had not been analysed and its economic substance had not been identified. Account 213, "Roads, Networks and Water Infrastructure", was also overstated because the value of 35 asset items, amounting to ALL 646.672 million, relating to the water supply and sewerage sector, had not been removed from this account. Furthermore, for 179 immovable property assets (buildings) recorded in the accounting records with a historical cost of ALL 1,488.986 million, the Municipality did not possess ownership titles, creating uncertainty regarding ownership rights and the accuracy of their presentation in the financial statements.



The compliance audit conducted for the period from 01.01.2023 to 31.12.2024 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued a **qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not demonstrated to be closely related and proportionate to the nature and scope of the contracts. Furthermore, in several cases, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts, resulting in a negative financial impact amounting to ALL 17.194 million. During the contract implementation phase, the audit identified payments amounting to ALL 6.744 million, excluding VAT, for works that had not been performed, inefficiently executed works amounting to ALL 8.447 million, as well as the absence of the required building/development permit and the mandatory technical review (technical verification). In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 708.616 million, of which ALL 55.776 million represented additional receivables generated during 2024 as a result of the non-payment of taxes and fees by household and private taxpayers. In addition, uncollected revenues amounting to ALL 191.756 million were identified, resulting from the failure of the Vlorë Water Supply and Sewerage Company to transfer to the Municipality the funds collected from citizens. In the area of territorial planning and development, the audit established that the technical documentation, supporting documentation for construction projects, and other documentation required by law were incomplete and inaccurate. It was also found that several approved construction projects failed to comply with urban planning requirements, including prescribed setbacks from neighbouring properties, the maximum permitted building height, the minimum number of parking spaces, the maximum permitted building intensity, the permitted floor area of the top storey, and the approved building line. Furthermore, the audit established that the opinions and approvals of all competent authorities required for the issuance of construction permits had not been obtained or respected. The audit further identified cases where developers had commenced construction works without first obtaining the officially confirmed Commencement of Works Certificate. It was also found that a Construction Completion Certificate had been approved without the necessary competence of the Local Territorial Development Authority, and that one residential floor had been certified as residential although the approved design had classified it as technical premises, resulting in the non-collection of the Infrastructure Impact Tax. The audit also identified that construction projects failed to comply with the legal requirement concerning the contribution of private developers to the public social housing fund for residential developments exceeding 2,000 square metres of gross floor area. Beneficiary developers had failed to pay the mandatory 3% contribution, amounting to ALL 41.546 million, resulting in a loss of revenue for the Municipality.



In the area of the organisation and functioning of the Territorial Protection Inspectorate of the Local Government Unit (TPI/LGU), the audit identified deficiencies in the implementation of the applicable legal procedures. Cases were identified where construction activities had been carried out in breach of the construction permit and the prior declaration of works. The audit further established that enforcement decisions ordering the demolition of illegal constructions had not been executed and that cases of illegal construction had not been referred to the Prosecution Office. In addition, no measures had been taken to identify responsible entities and impose fines within the statutory deadlines, while no evidence was available regarding the enforcement of demolition decisions. Furthermore, lost revenues amounting to ALL 6.189 million were identified as a result of the incorrect calculation of fines for illegal constructions. Finally, in the area of asset administration and registration, the audit identified deficiencies in the inventory and updating of assets transferred pursuant to Council of Ministers' Decisions (CMDs). With regard to the management of public beach areas, the audit established non-compliance with the applicable legal procedures governing the planning and management of public beach spaces.

At the Municipality of Sarandë

The financial audit conducted for the period from 01.01.2023 to 31.12.2023 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to the inaccurate recognition of accounting accounts and the preparation of the financial statements based on incomplete information. Specifically, no physical verification was carried out for the assets classified as "Forests, Pastures and Plantations", while the amount of ALL 1.761 million recorded under Account 212, "Buildings and Constructions", described as "Inherited assets not inventoried (since 1999)", had not been analysed and no information was available regarding its composition or economic nature. Furthermore, detailed information for each non-current asset presented in the Statement of Financial Position was not available, thereby failing to ensure an accurate presentation of the accounting balances and reasonable assurance regarding the reported asset values. The audit also identified the failure to recognise in the accounting records substantial areas of land transferred to the Municipality of Sarandë pursuant to Council of Ministers' Decisions, including 430.9 hectares of forest land and 783.3 hectares of pasture land (forming part of a total area of 5,133.81 hectares), as well as the failure to recognise eight assets for which ownership certificates had already been obtained for pasture and forest properties.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2023 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**.

The audit identified deficiencies in the area of public procurement and contract implementation, particularly regarding the preparation of specific qualification criteria, which were not closely related or proportionate to the nature and scope of the contracts. Furthermore, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts, resulting in a negative financial impact amounting to ALL 22.142 million.



The audit also established that artistic projects and cultural activities had been implemented without complying with the applicable public procurement procedures. During the contract implementation phase, payments amounting to ALL 9.929 million were identified for works that had not been performed. In the area of revenue administration, the audit identified deficiencies in the collection of outstanding receivables. Outstanding receivables amounting to ALL 51.512 million resulted from unpaid contractual obligations, the unauthorised occupation of areas exceeding those contractually permitted, obligations arising from public investment contracts, and unpaid Infrastructure Impact Tax amounting to ALL 8.459 million.

The audit of the activities of the Territorial Protection Inspectorate identified deficiencies in the implementation of procedures for documenting and processing administrative violations, including deficiencies in the preparation of inspection reports and the follow-up of enforcement measures against entities that had failed to comply with approved construction projects. Furthermore, the audit of the procedures for approving construction permits and occupancy certificates established that the technical documentation and supporting documentation for construction projects were incomplete and did not comply with the applicable legal and secondary legislative framework. Specifically, deficiencies were identified relating to the absence of National Business Centre (NBC) registration certificates for construction project designers, the absence of their professional licences, professional liability insurance policies and professional responsibility declarations. In addition, construction projects lacked documentation evidencing ownership rights, project documentation in DWG format, seismic and geotechnical engineering studies, bills of quantities, the required technical review (technical verification), and agreements between the contracting parties. The audit also identified the absence of the supervising engineer's professional licence, the final statements of completed works, the urban waste management report, the building maintenance plan, and other supporting documentation required under the applicable legislation.

At the Municipality of Elbasan

The financial audit conducted for the period from 01.01.2023 identified that the financial statements contained material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to deficiencies in the inventory procedures for tangible and intangible non-current assets acquired through investments made by the municipality over the years, the understatement of Account 468, "Other Debtors", by ALL 17.222 million due to the failure to recognise outstanding receivables relating to local taxes and fees, and the failure to prepare consolidated financial statements at the level of the local self-government unit, incorporating all subordinate entities.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2023 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not demonstrated to be closely related and proportionate to the nature and scope of the contracts.



Furthermore, in several cases, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts. During the contract implementation phase, the audit identified payments amounting to ALL 991 thousand, excluding VAT, for works that had not been performed, the absence of the required technical review (technical verification), and the ineffective use of public funds amounting to ALL 519 thousand. In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2023, uncollected receivables amounted to ALL 21.348 million, resulting from the non-payment of taxes and fees by household and private taxpayers, as well as from liabilities relating to the Infrastructure Impact Tax and contractual obligations arising from entities operating in the hydrocarbons sector. The audit also identified deficiencies in the area of territorial planning and development, relating to non-compliance with urban planning requirements, including prescribed setbacks from property boundaries and the maximum permitted building intensity. Furthermore, cases were identified where land parcels designated for the development of construction projects lacked physical continuity, as well as cases where the technical documentation and supporting documentation for construction projects were incomplete, contrary to the requirements of the applicable legal and secondary legislative framework. Finally, the audit of the organisation and functioning of the Territorial Protection Inspectorate of the Local Government Unit established that follow-up inspections had not been carried out for construction sites subject to Suspension Orders or Demolition Decisions, as required under the applicable legal framework.

At the Municipality of Fier

The *financial audit* conducted for the period from 01.01.2023 to 31.12.2023 identified material but not pervasive misstatements in the financial statements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the inaccurate recognition of accounting accounts and the preparation of the financial statements on the basis of incomplete information.

The audit identified overstatements in several accounts, including Account 520, "Treasury Cash Availability", amounting to ALL 30.557 million, and Account 4342, "Transactions with the State (Receivables)", amounting to ALL 776.688 million. In addition, understatements were identified in Account 468, "Other Debtors", resulting from the failure to recognise all categories of receivables, Account 467, "Other Creditors", amounting to ALL 33.579 million, Account 24, "Impaired Non-current Assets", amounting to ALL 543 thousand, and Account 101, "Accumulated Surplus (Accumulated Fund) / Accumulated Deficit", amounting to ALL 843.803 million. Furthermore, Account 202, "Studies and Research", was overstated by ALL 13.915 million, because these costs had not been capitalised as part of the carrying amount of the respective completed investments. Likewise, Account 470, "Suspense Accounts – Receivables to be Collected", which should be credited when the right to collect revenue is established, had not been presented in the Statement of Financial Position. In addition, the amount of EUR 103,450, arising from the Sub-loan Agreement concluded with the Ministry of Finance and Economy (MFE) on 13 February 2008, had not been recognised in the accounting records. The audit also established that Accounts 230–231, "Construction in Progress", did not reconcile with the corresponding Accounts 115, "Own Investment Funds", and 105, "Domestic Capital Grant Balances", resulting in a discrepancy amounting to ALL 2,519.162 million.



Furthermore, the audit identified that no comprehensive inventory had been carried out for all institutional assets and that incorrect depreciation rates had been applied to certain categories of non-current assets, affecting the Municipality's net assets. Deficiencies were also identified in the accounting information relating to Account 411, "Customers and Similar Accounts", Accounts 401–408, "Suppliers and Related Accounts", Account 464, "Liabilities for the Purchase of Securities", and Account 466, "Creditors for Assets Held in Custody", as these accounts had not been adequately analysed, thereby affecting the accuracy and reliability of the accounting information.

The compliance audit conducted for the period from 01.01.2023 to 31.12.2023 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**. The opinion was based on findings relating to the absence of an effective financial management and internal control system, resulting from the failure to establish a comprehensive framework of documented internal rules for this purpose, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of additional overdue obligations. The audit identified deficiencies in the area of public procurement, particularly regarding the preparation of specific qualification criteria, which were not closely related or proportionate to the nature and scope of the contracts. Furthermore, economic operators that did not fulfil the qualification criteria established in the tender documents were nevertheless qualified, declared successful tenderers and awarded contracts. During the contract implementation phase, the audit identified payments amounting to ALL 10.796 million, excluding VAT, for works that had not been performed. In the area of revenue administration, the audit established that adequate measures had not been taken to collect outstanding receivables. As at 31.12.2023, uncollected receivables amounted to ALL 221.751 million, resulting from the non-payment of taxes and fees by household and private taxpayers. The audit also identified the ineffective use of public funds amounting to ALL 13.000 million, resulting from payments related to court proceedings concerning the unlawful dismissal of employees. In the area of territorial planning and development, the audit identified deficiencies relating to non-compliance with urban planning requirements, including prescribed setbacks from property boundaries and the maximum permitted building intensity. Furthermore, cases were identified where land parcels designated for the development of construction projects lacked physical continuity, as well as cases where the technical documentation and supporting documentation for construction projects were incomplete, contrary to the requirements of the applicable legal and secondary legislative framework.



3.1 FINANCIAL AUDITS

Financial audit refers to an independent assessment that results in an opinion providing reasonable assurance as to whether the reported financial position of an audited entity, its financial performance, and the use of its resources are presented fairly and in accordance with the applicable financial reporting framework.

This audit is primarily based on ISSAI 100 and ISSAI 200, which establish the fundamental principles of financial auditing, as well as the detailed standards ISSAI 2000–2899 governing the conduct of financial audits. It also relies on ISSAI 130 and ISSAI 140, which address ethics and quality control in auditing, respectively.

The objective of a financial audit is to enhance the confidence of users of financial statements by providing reasonable assurance that those statements have been prepared and presented, in all material respects, in accordance with the applicable financial reporting framework.

Unqualified Opinion – issued when the auditor concludes that the annual financial statements have been prepared, in all material respects, in accordance with the applicable financial reporting framework.

Qualified Opinion – issued when the financial statements contain material, but not pervasive, misstatements that result in a modification of the reported financial results.

Adverse Opinion – issued when the auditor has obtained sufficient appropriate audit evidence and concludes that the misstatements are both material and pervasive to the financial statements.

Disclaimer of Opinion – issued when the auditor is unable to obtain sufficient appropriate audit evidence on which to base an audit opinion and, consequently, is unable to express an opinion on the financial statements.



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3.2 FINANCIAL AUDITS

At the National Agency for Information Society (NAIS) – "Improving Equal Access to High-Quality Public Services through the GovTech Operation" Programme

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 did not identify any material misstatements or instances of non-compliance within the applicable financial reporting framework. Accordingly, the Supreme Audit Institution of Albania issued **an unqualified opinion**. Nevertheless, during the audit of the process for the transfer and handover of assets from local government units, it was established that the relevant institutions (NAIS, the Ministry of Education and Sports, and the respective local government units) had not established dedicated asset handover committees composed of at least three members, including specialists with expertise in the relevant field, as required by the applicable legal framework. This issue had also been identified in ALSAI's previous audit of the GovTech Programme financial statements for 2023.

At the Special Appeals Chamber

The financial audit conducted for the period from 1 January 2023 to 30 June 2025 concluded that the entity's financial statements present fairly, in all material respects, its financial position as at 31 December 2024. Nevertheless, several matters requiring emphasis were identified which, in the professional judgement of the independent auditor, justified the issuance of **an unqualified opinion** with an emphasis of Matter paragraph.

The audit established that the amount reported under Account 520, "Treasury Cash Availability", representing funds held in custody under Account 466, "Creditors for Assets Held in Custody", had not been recognised as revenue to be carried forward and had not been presented according to its economic nature in the supporting documentation accompanying the annual financial statements. Furthermore, although an inventory committee had been established for the 2024 financial year, the inclusion of a specialist from the Directorate of Finance and Support Services in the committee was not consistent with the applicable legal and regulatory requirements relating to the prevention of conflicts of interest and the segregation of duties within the financial management and internal control system. The audit also identified deficiencies in budget planning and execution. In particular, expenditure orders had been settled by the Special Appeals Chamber beyond the statutory 30-day payment deadline, thereby failing to comply with financial discipline and the legal requirements governing the management of public funds.

At the Court of Appeal of General Jurisdiction

The financial audit conducted for the period from 01.01.2023 to 30.06.2025 concluded that the entity's financial statements present fairly, in all material respects, its financial position as at 31.12.2024. Nevertheless, several matters requiring emphasis were identified which, in the professional judgement of the independent auditor, justified the issuance of **an unqualified opinion** with an emphasis of matter paragraph.

The audit established that the procedure for the disposal of assets had, in practice, been carried out before obtaining the required approval and prior to the establishment of the authorised disposal committee. In addition, final and enforceable court judgments had not been recognised in the accounting records at the time the related liabilities arose, but only when payment was made. Furthermore, the audit found that a number of court judgments had not been voluntarily executed by the institution but had instead been enforced through bailiff enforcement procedures, resulting in additional expenditure amounting to ALL 1.223 million.



At the Court of First Instance of General Jurisdiction of Tirana

Based on the *financial audit* conducted for the period from 1 January 2023 to 30 June 2025, the Supreme Audit Institution of Albania concluded that the entity's financial statements present fairly, in all material respects, its financial position as at 31 December 2024. However, several matters requiring emphasis were identified which, in the independent auditor's professional judgment, justify the issuance of **an unqualified opinion** with an Emphasis of Matter. The audit revealed that liabilities recorded under account 423/429, Personnel, Advances, Shortages and Penalties, had been carried forward since 2000 without supporting documentation or sufficient analytical information to identify the respective debtors. As a result, the entity was unable to undertake appropriate measures for the collection, settlement and accurate presentation of these balances in the financial statements. Furthermore, the receivable recorded under account 468, Other Debtors, had not been pursued through legal proceedings, and no adequate measures had been taken by the institution to recover the outstanding amounts by exhausting all available legal remedies, thereby creating a risk that the claims may become time-barred. The audit also found that a portion of the assets recorded in the accounting records is presented at a very low carrying amount due to accumulated depreciation, despite the fact that these assets remain operational and continue to be used. No measures had been taken to revalue these assets, resulting in the financial statements not fully reflecting their fair value.

At the University of Tirana (Rectorate)

The *financial audit* conducted for the period from 01.01.2021 to 31.12.2023 concluded that the individual and consolidated financial statements present fairly, in all material respects, the financial position of the entity, as well as the results of its operations and cash flows, in accordance with the applicable financial reporting framework. Accordingly, the Supreme Audit Institution of Albania issued **an unqualified opinion**. Nevertheless, the audit identified several deficiencies, including the failure to take appropriate measures to assess long-outstanding receivables recorded under Account 468, "Other Debtors"; the failure to complete property registration procedures and obtain ownership certificates for certain assets that remain in the registration process; and the absence of sufficient supporting information regarding the balance recorded under Account 466, "Creditors for Assets Held in Custody", representing retention guarantees relating to construction works carried out under projects implemented in previous years.

At the "Student Treatment" Company, Gjirokastër

The *financial audit* conducted for the period from 01.01.2023 to 01.10.2025 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**.

The opinion was based on deficiencies identified in the inventory process for all Property, Plant and Equipment, as well as deficiencies in maintaining and updating the fixed asset register for assets owned or possessed by the company. Furthermore, the carrying amount of PPE did not include the investment financed by the Turkish Cooperation and Coordination Agency in 2019, and the corresponding updates relating to the application of depreciation rates had not been performed.



As at 31.12.2024, an amount of ALL 6.967 million had been recognised as receivables relating to outstanding debtors. However, the company did not possess supporting documentation demonstrating that an assessment of the risk of non-collection had been performed through the calculation of an allowance for expected credit losses (provisions for doubtful receivables). The audit also established that the financial statements had not been submitted to the Treasury Branch, as required by the applicable regulations. Furthermore, the organisational structure and salary scale had not been approved by the General Meeting of Shareholders, and the individual employment contract of the Administrator had not been signed by the Supervisory Board. The audit also established that the required staffing ratio of one employee for every eleven students had not been respected. In addition, the audit found that no legal basis existed for the preparation of the economic and financial programme following the transfer of the institution under the authority of the Municipal Council. Consequently, the annual economic and financial programmes were prepared and implemented under conditions of insufficient financial resources. The audit further established that the company reported accumulated losses amounting to ALL 56.548 million. Finally, the audit of banking transactions identified that an amount of ALL 671 thousand, classified as "Honoraria Expenses", had been disbursed in circumvention of the public procurement rules. Audit verification established that these payments did not relate to honoraria but instead concerned the engagement of external personnel under service contracts, which should have been procured in accordance with the applicable public procurement legislation.

At the "Student Treatment" Company, Korçë

The financial audit conducted for the period from 01.01.2023 to 01.10.2025 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued a **qualified opinion**.

The opinion was based on findings relating to the company's accumulated losses, amounting to ALL 13.102 million for 2022, ALL 8.938 million for 2023 and ALL 4.156 million for 2024. The audit established that accounting transactions were recorded using Microsoft Excel rather than an appropriate computerized accounting system. It was further found that the disposal of assets had not been properly documented, as no records were maintained regarding the method of disposal, transportation or disposal site, while assets classified as scrap had not been recorded as inventory upon withdrawal from use. Furthermore, the institution had failed to maintain and update the fixed asset register for assets owned or possessed by the company. The audit also established that the organisational structure and salary scale had not been approved by the General Meeting of Shareholders, and that the required staffing ratio of one employee for every eleven students had not been respected. In addition, subsidies provided by the Ministry of Education and Sports had not been disbursed on the basis of the company's monthly expenditure statements. The audit further established that the Internal Regulation had not been submitted to the Supervisory Board for approval and did not contain procedures governing the registration of students or other persons using the student residence facilities. The annual economic programmes were prepared and implemented under conditions of insufficient financial resources, preventing the company from carrying out the investments and operating expenditures required for the maintenance of the student dormitory buildings. Finally, during the implementation of service contracts, the audit identified the absence of an order issued by the Administrator appointing a responsible person or committee to supervise and monitor contract implementation.



At the “Student Treatment” Company, Shkodër

The financial audit conducted for the period from 01.01.2023 to 01.10.2025 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**.

The opinion was based on deficiencies identified in the maintenance and updating of the fixed asset register for assets owned or administered by the company. The audit established that the closing balances did not reconcile with the opening balances. Specifically, under the asset categories "Buildings", "Plant and Machinery", and "Other Installations and Equipment", an amount of ALL 634 thousand had been recognised as accounts receivable, representing outstanding debtors. However, the company did not possess documentation demonstrating that an assessment of the risk of non-collection had been performed through the calculation of an allowance for expected credit losses (provisions for doubtful receivables). The audit also established that the financial statements had not been submitted to the Treasury Branch, as required by the applicable regulations. Furthermore, accounting services were performed through accounting records maintained in Microsoft Excel, rather than through an appropriate computerized accounting system. The individual employment contract of the Administrator had not been signed by the Supervisory Board. The audit further established that the company's Internal Regulation did not include procedures governing the registration of students or other persons using the student residence facilities. In addition, the required staffing ratio of one employee for every eleven students had not been respected, and the subsidies provided by the Ministry of Education and Sports had not been disbursed on the basis of the company's actual monthly expenditure statements.

At the “Student Treatment” Company, Elbasan

The financial audit conducted for the period from 01.01.2023 to 01.10.2025 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**.

The opinion was based on deficiencies identified in the financial statement accounts, which were not reconciled with the physical condition of the assets. Furthermore, the fixed asset register had not been completed in accordance with the minimum information requirements prescribed for assets owned or possessed by the company. The inventory of Property, Plant and Equipment did not include the investment financed by the Turkish Cooperation and Coordination Agency in 2019, for which the company did not possess the corresponding technical documentation. In addition, the necessary updates relating to the application of depreciation rates for tangible non-current assets had not been performed. The audit also established that no adequate legal basis existed for the preparation of the company's economic and financial programme. The economic and financial programmes were prepared and implemented under conditions of insufficient financial resources, as the company's operations were not fully financed through the approved budget. Furthermore, the audit identified that, for the audit and certification of the financial statements of the Student Services Company – Elbasan for the financial years 2023 and 2024, the statutory auditors had not been appointed with the approval of the General Meeting of Shareholders of the Municipality of Elbasan, as required by the applicable legal framework.



At the “Student Treatment” Company, Vlorë

The *financial audit* conducted for the period from 01.01.2023 to 01.10.2025 concluded that the financial statements present fairly the financial position of the company as at 31.12.2024. Nevertheless, several matters requiring emphasis were identified which, in the professional judgement of the independent auditor, justified the issuance of **an unqualified opinion** with an emphasis of matter paragraph, these matters relate to deficiencies in the approval of the financial statements by the General Meeting of Shareholders, despite the fact that the financial statements had been duly submitted by the Student Treatment Company, Vlorë. The audit also identified deficiencies relating to the preparation and implementation of the company's economic and financial programmes under conditions of insufficient financial resources, while noting that no adequate legal basis exists for the preparation of such economic and financial programmes.

At the National Agency for Water Supply and Sewerage– National Programme for the Modernisation of the Water Supply and Sewerage Sector in Albania

The *financial audit* conducted at the National Agency for Water Supply and Sewerage concerning the National Programme for the Modernisation of the Water Supply and Sewerage Sector in Albania, for the period from 01.01.2024 to 31.12.2024, did not identify any material misstatements. However, several matters requiring emphasis were identified which, in the professional judgement of the independent auditor, justified the issuance of **an unqualified opinion** with an emphasis of matter paragraph.

The matter emphasised relates to the absence of a consolidated system for the administration and coordination of financial documentation between the National Agency for Water Supply and Sewerage and the implementing units at the local government level. In addition, weaknesses were identified in the internal control mechanisms governing the collection, maintenance and timely availability of this documentation. Furthermore, the financial statements of the National Agency for Water Supply and Sewerage are prepared and maintained manually in Microsoft Excel, without integration with the Treasury system or dedicated financial management software. As a result, discrepancies were identified between the values of payment orders relating to projects implemented by municipalities and water utilities and the amounts reported by the World Bank.

At the National Housing Agency

The *financial audit* conducted for the period from 01.01.2023 to 01.10.2025 identified material but not pervasive instances of non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued a **qualified opinion**. The opinion was based on deficiencies identified in the Property, Plant and Equipment register, which does not contain sufficient information for the proper identification of assets, including economic data, ownership information, and the identification of the person responsible for each individual asset. The audit further established, through the analysis of the account "Trade and Other Receivables", that the Agency has not adopted a uniform and approved methodology for the impairment of receivables. In addition, the schedule of outstanding customer receivables submitted for collection includes debts originating as far back as 1995, which continue to be presented as long-outstanding receivables with a low probability of recovery. However, no accounting reassessment has been performed to recognise impairment losses or to derecognise these receivables from the financial statements, in accordance with the applicable financial reporting requirements.



At the Defence Intelligence and Security Agency

The financial audit conducted for the period from 01.01.2023 to 30.05.2025 concluded that the financial statements present fairly the financial position of the entity as at 31.12.2024. Nevertheless, certain departures from the applicable legal and regulatory framework were identified which, in the professional judgement of the independent auditor, justified the issuance of **an unqualified opinion** with an emphasis of matter paragraph. The matter emphasised relates to the fact that a significant proportion of the accounts receivable had remained outstanding for periods ranging from more than three to five years, without being supported by documented and continuous administrative or legal follow-up actions, thereby increasing the risk of non-recovery. Furthermore, Account 486, "Prepaid Expenses (Future Period Expenses)", has contained, since 2013, an unchanged balance that is not supported by adequate documentary evidence, creating uncertainty regarding the accuracy and reliability of the presentation of the entity's financial position.

At the Police Oversight Agency

The financial audit conducted for the period from 01.01.2023 to 30.05.2025 identified material but not pervasive misstatements arising from non-compliance with the applicable legal, secondary legislation and regulatory framework. Consequently, the Supreme Audit Institution of Albania issued **a qualified opinion**.

These misstatements relate to deficiencies in accounting records and in the preparation of the financial statements. During the audit period, the inventory account relating to armament services was maintained only in quantitative terms and not in monetary value, contrary to the applicable legal and regulatory framework governing financial management and control, as well as the public sector accounting instructions, thereby affecting the accuracy and reliability of the accounting information presented in the financial statements. The audit also identified inaccurate accounting treatment of financial statement accounts that was not in accordance with the approved public sector accounting and financial reporting instructions. Specifically, Account 4342 – "Transactions with the State (Receivables)" did not include liabilities arising from the aggregate balances of Accounts 421–436, which, as at 31.12.2024, amounted to ALL 21.161 million, whereas only ALL 300 thousand was reported in the statement of financial position. The balance of Account 468 – "Other Receivables" at the end of 2024 amounted to ALL 1.192 million. However, during the two-year period from 01.01.2023 to 31.12.2024, only ALL 245 thousand, representing approximately 18% of the outstanding balance, had been collected. The audit further established that the total net value of assets recorded in the Asset Register did not reconcile with the net asset value reported in the Annual Financial Statements (Format 7/b). In addition, Account 210 – "Land and Sites" was reported in the statement of financial position with a zero balance, as the value of the land administered by the Agency had not been recognised in the accounting records, thereby affecting the completeness and accuracy of the financial information presented. Furthermore, there was no evidence of periodic reconciliations between the analytical asset ledgers maintained by the Budget and Finance Sector and those maintained by the warehouse officer responsible for the administration of assets and armaments. Likewise, no inventory list had been prepared on the basis of the accounting records to support the physical inventory-taking process. The audit also identified ineffective use of public funds amounting to ALL 14.001 million, resulting from payments related to court proceedings concerning unlawful dismissals of employees.



At Albafilm Company

The financial audit conducted for the period from 01.01.2023 to 30.09.2025 concluded that the financial statements present fairly the financial position of the entity as at 31.12.2024. Nevertheless, several matters requiring emphasis were identified which, in the professional judgement of the independent auditor, justified the issuance of **an unqualified opinion** with an emphasis of matter paragraph. The matter emphasised relates to the administration and analysis of certain accounting accounts. Specifically, no analytical review was performed of the account "Customers – Over One Year", reported at ALL 7.747 million, nor of the accounts "Other Receivables and Payables", reported at ALL 26.555 million, and "Deferred Income", reported at ALL 27.026 million. Account 210 – "Land and Sites" was recognised as a single asset, covering a total area of 15,487 m², without being recorded analytically by individual property and without being linked to the legal documentation evidencing ownership rights. The audit further established that Class 3 – "Inventories" accounts for the 2024 financial year had not been subjected to impairment assessment procedures, as required by the applicable public sector accounting standards and instructions, thereby creating uncertainty regarding the recoverable value of inventories presented in the financial statements.

At the General Maritime Directorate of Durrës

The financial audit conducted for the period from 01.01.2023 to 30.09.2025 concluded that the financial statements present fairly the financial position of the entity as at 31.12. 2024. Nevertheless, several matters requiring emphasis were identified which, in the professional judgement of the independent auditor, justified the issuance of **an unqualified opinion** with an emphasis of matter paragraph. The matter emphasised relates to the accounting treatment of certain asset and liability accounts. Specifically, three security deposits (retentions) amounting to ALL 2.182 million were recorded under Account 466 – "Creditors for Funds Held in Custody". The audit established that the retention period had expired without the necessary accounting actions being undertaken to settle these balances. Furthermore, under Account 212 – "Buildings and Structures", buildings were recognised together with the costs of reconstruction works carried out over the years, without these investments being separately identified according to their respective nature. Audit verification also established that, although these assets were in the institution's use, they were not supported by ownership documentation evidencing the institution's legal title, thereby creating uncertainty regarding the ownership rights over those assets.

At the Municipality of Berat

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material and pervasive misstatements in the financial statements, thereby justifying the issuance of **an adverse opinion**. These misstatements relate to deficiencies in the processes of asset inventory-taking, accounting recognition, reconciliation of accounting records, and the accurate presentation of financial statement items. Specifically, deficiencies were identified in the inventory procedures for tangible and intangible non-current assets, together with a lack of supporting information for 59 projects recorded under Account 202 – "Studies and Research", with a historical cost of ALL 85.469 million. Account 468 – "Other Receivables" did not include receivables arising from taxes and fees amounting to ALL 43.620 million, nor receivables relating to the lease and use of forest and pasture fund assets amounting to ALL 126.595 million, resulting in uncollected revenue totalling ALL 170.215 million. Account 213 – "Roads, Networks and Water Infrastructure" was overstated by ALL 155.966 million, as it included eight assets belonging to the Berat Regional Water Supply and Sewerage Company JSC.



The audit also identified an understatement of Account 85 – "Current Year Operating Result" by ALL 35.175 million and of Account 101 – "Accumulated Surplus (Accumulated Fund)/Accumulated Deficit" by ALL 78.710 million. Furthermore, the Statement of Cash Flows did not reconcile with budget expenditure records, resulting in a discrepancy of ALL 740.846 million. Account 520 – "Treasury Cash Balances" and Account 606 – "Transfers to Households and Individuals" were inaccurately reported and did not reconcile with Treasury records, with differences amounting to ALL 1.195 million and ALL 11.949 million, respectively. The audit also identified inaccurate presentation of Accounts 16, 17 and 18 – "Long-term Loans" amounting to ALL 4.206 million, Account 470 – "Suspense Accounts – Revenue to be Collected" amounting to ALL 113.359 million, Account 4342 – "Transactions with the State (Receivables)" amounting to ALL 68.645 million, and Account 486 – "Prepaid Expenses (Future Period Expenses)" amounting to ALL 66.204 million, thereby affecting the fair presentation of the Statement of Financial Position in the institution's consolidated financial statements. In addition, the balances of Account 231 – "Construction in Progress for Tangible Non-current Assets" and Account 230 – "Investment in Progress for Intangible Non-current Assets" did not reconcile with the corresponding equity accounts, namely 115 – "Own Investment Funds" and 105 – "Balance of Domestic Capital Grants", resulting in a discrepancy of ALL 123.500 million. The audit further identified ineffective use of public funds amounting to ALL 14.207 million, resulting from payments made in connection with court proceedings arising from unlawful dismissals of employees.

At the Municipality of Bulqizë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements in the financial statements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to deficiencies in the reconciliation of accounting accounts and to the misclassification of accounting differences in the financial statements. Specifically, the audit identified discrepancies between Account 231 – "Construction in Progress for Tangible Non-current Assets", as presented in the Statement of Financial Position, and the corresponding equity accounts 106 – "Balance of Foreign Capital Grants" and 105 – "Balance of Domestic Capital Grants" within the consolidated fund, amounting to ALL 114.866 million. This account also failed to reconcile with additions to Property, Plant and Equipment following the capitalization of completed investments, as reported in the Statement of Changes in Non-current Assets, resulting in a discrepancy of ALL 24.514 million. A further inconsistency was identified between Account 105 – "Domestic Capital Grants from the State Budget" and the line item "Allocation of Budget Funds for Capital Expenditure (+)" presented in the Statement of Cash Flows, amounting to ALL 223.558 million, which was attributable to carried-forward funds. The audit also identified a discrepancy of ALL 14.938 million between non-tax revenues reported in the Statement of Financial Performance and revenues of the same nature reported in the Statement of Financial Results. Furthermore, the operating result for the financial year was inaccurately presented by ALL 26.956 million, relating to transferred revenues that should have been recognised under "Other Expenses" as adjusting entries for determining the financial result. The audit also identified an understatement of Account 468 – "Other Receivables" amounting to ALL 39.220 million, comprising: local taxes and fees of ALL 2.442 million; infrastructure impact tax of ALL 940 thousand; authorization/licensing fees for fuel trading amounting to ALL 5.800 million; and lease receivables arising from contracts for the use of forest and pasture fund parcels amounting to ALL 30.038 million. In the area of revenue administration, the audit found that the Municipality had not taken adequate measures to recover outstanding receivables. As at 31 December 2024, total outstanding receivables amounted to ALL 109.625 million, of which ALL 9.691 million represented additional receivables generated during 2024 as a result of non-payment by household and private taxpayers.



At the Municipality of Cërrik

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements in the financial statements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of certain accounts, affecting the fair presentation of the Municipality's assets and net assets/equity. Specifically, Account 101 – "Accumulated Surplus (Accumulated Fund)/Accumulated Deficit" was understated by ALL 78.961 million, Account 4342 – "Other Transactions with the State (Receivables)" was understated by ALL 142.766 million, while Account 212 – "Buildings and Structures" was overstated by ALL 39.521 million. The audit also identified ineffective use of public funds amounting to ALL 1.893 million, arising from payments made in connection with court proceedings relating to unlawful dismissals of employees. In the area of revenue administration, the audit found that the Municipality had not taken adequate measures to recover outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 97.795 million, resulting from non-payment by household and private taxpayers.

At the Municipality of Delvinë

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 concluded that the financial statements present fairly the financial position of the Municipality as at 31.12.2024. Nevertheless, several matters requiring emphasis were identified which, in the professional judgement of the independent auditor, justified the issuance of an **unqualified opinion** with an emphasis of matter paragraph. The matters emphasised relate to the fact that, with respect to assets transferred pursuant to the relevant Council of Ministers' Decisions, the Municipality had not completed the procedures for their registration, valuation and recognition in the accounting records. Of the 391 transferred assets, applications for registration with the State Cadastre Agency had been submitted for only nine assets. The audit of compliance with the legal framework governing Financial Management and Control also identified deficiencies in the understanding and implementation of the five components of the FMC system. Specifically, the Municipality had not established procedures for reporting irregularities, fraud and corrupt practices, nor had it prepared periodic reports for monitoring the implementation of the internal control action plan. Furthermore, the audit found that specific and measurable objectives had not been defined, no strategic or annual staff training and development programme had been established, and fraud risk assessments had not been carried out, owing to the absence of policies and procedures for managing fraud risk. In the area of revenue administration, the audit established that the Municipality had not taken adequate measures to recover outstanding receivables. As at 31.12.2024, total outstanding receivables amounted to ALL 93.304 million, of which ALL 13.119 million represented additional receivables generated during 2024 as a result of non-payment by household and private taxpayers.

At the Municipality of Devoll

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements in the financial statements, thereby justifying the issuance of a **qualified opinion**. These material misstatements relate to inaccurate accounting recognition of certain accounts. Specifically, Account 212 – "Buildings and Structures" was overstated in the Statement of Financial Position by ALL 119.680 million. In addition, Account 231 – "Construction in Progress for Non-current Assets" was overstated by ALL 271.112 million, as 36 investment projects had been recognised at the remaining contractual value rather than at the actual value of the investments executed, resulting in the inaccurate presentation of construction in progress in the financial statements.



At the Municipality of Dimal

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements in the financial statements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to the failure to recognise certain assets in the accounting records, the inaccurate recognition of revenues and expenditures, and the improper presentation of accounting transactions in the financial statements. Specifically, the audit identified the failure to recognise land, agricultural parcels and quarry assets in the accounting records. The financial result for the reporting period was not presented accurately and was misstated by ALL 51.951 million, owing to the omission from "Other Expenses" of adjusting entries required to determine the financial result, including transfers of revenues to the budget, remittance of unused revenues, and the allocation of functional revenues for investment purposes. Furthermore, completed investments amounting to ALL 9.258 million had not been capitalised as Property, Plant and Equipment, resulting in the understatement of non-current assets. The audit also identified that Account 468 – "Other Receivables" was understated by ALL 5.516 million, due to the failure to recognise receivables arising from the Infrastructure Impact Tax.

At the Municipality of Divjakë

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements arising from non-compliance with the applicable legal, secondary legislation and regulatory framework, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to deficiencies in the presentation and classification of certain accounting items. Specifically, Account 202 – "Studies and Research" continued to include five completed projects with a total historical cost of ALL 6.570 million, although the related investments had been completed in previous years and should have been capitalised and reclassified to the appropriate Property, Plant and Equipment accounts. Furthermore, Account 210 – "Land and Sites" included three assets amounting to ALL 2.553 million that should have been recognised under Account 212 – "Buildings and Structures", while Account 211 – "Forests, Pastures and Plantations" included assets that should have been recognised under Account 213 – "Roads, Networks and Water Infrastructure". The audit also identified non-compliance with the applicable depreciation rates for Accounts 210 – "Land and Sites" and 218 – "Economic Inventory", contrary to the requirements established by the applicable legal and regulatory framework. In addition, Account 26 – "Equity Investments" was found to be overstated by ALL 353.975 million, while Account 231 – "Construction in Progress for Non-current Assets" was also overstated, resulting in the inaccurate presentation of non-current assets in the financial statements.

At the Municipality of Durrës

Based on the *financial audit* conducted for the period from 1 January 2023 to 31 December 2024, the Supreme Audit Institution of Albania identified that the financial statements contain material, but not pervasive, misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to the inaccurate accounting treatment of accounts presented in the Statement of Financial Position. Specifically, account 4342, Other Transactions with the State (Receivable), was understated by ALL 27.228 million; account 7206, Expected Financing from the State Budget, was understated by ALL 380.511 million; while account 210, Land and Sites, and account 211, Forests and Plantations, were overstated by ALL 2.508 million and ALL 22.685 million, respectively.



Furthermore, account 214, Technical Installations, Machinery, Equipment and Work Tools, and account 218, Office and Other Equipment, were understated by ALL 15.267 million and ALL 40.445 million, respectively, whereas account 401–408, Suppliers and Related Accounts, was overstated by ALL 34.791 million.

At the Municipality of Elbasan

The financial audit conducted at the Municipality of Elbasan for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the recognition and accounting classification of certain accounts, as well as the inaccurate presentation of financial information. Specifically, Account 468 – "Other Debtors" was understated, as a total amount of ALL 82.739 million had not been recognised. This amount also represents uncollected revenue for the municipal budget and comprises Infrastructure Impact Tax receivables amounting to ALL 17.714 million, penalties imposed by the Municipal Territorial Inspectorate (IMTV) on 21 entities amounting to ALL 52.657 million, and receivables arising from forest and pasture lease agreements amounting to ALL 12.369 million. Account 202 – "Studies and Research" included 14 projects with a historical cost of ALL 41.908 million, which had not been analysed and allocated to the corresponding investments. Furthermore, for 45 projects with a total value of ALL 127.030 million, no information was available regarding the completion status of the related investment projects. Account 213 – "Roads, Networks and Water Infrastructure" was found to be overstated, as 33 assets amounting to ALL 516.441 million, recorded under this account, actually represent water supply utility assets and should have been classified under the appropriate accounting accounts. In addition, Accounts 16, 17 and 18 – "Long-term Loans", as presented in the Statement of Financial Position within the consolidated financial statements, did not reconcile with Treasury records, resulting in a discrepancy of ALL 110.617 million. The audit also identified misclassifications of revenue and expenditure transactions in the Statement of Financial Performance, adversely affecting the accuracy, reliability and faithful presentation of the financial results for the reporting period.

At the Municipality of Fier

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the understatement of Account 468 – "Other Debtors", resulting from the failure to recognise receivables due from individuals and legal entities, amounting to ALL 551.025 million. Furthermore, revenue for the reporting period was found to be overstated by ALL 608.251 million, as a consequence of recognising in the accounting records revenue carried forward from previous accounting periods. The audit also identified an incorrect presentation of the operating result for the financial year, amounting to ALL 175.111 million, arising from transferred revenues that should have been recognised under "Other Expenses" as adjusting entries for the determination of the financial result.

At the Municipality of Finiq

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the failure to recognise purchases amounting to ALL 32.182 million, as well as the misstatement of the accounting period result by ALL 11.084 million, resulting from the use of the Municipality's own-source revenues to finance capital investments.



The audit of compliance with the legal provisions governing Financial Management and Control identified deficiencies in the understanding and implementation of the five components of the Financial Management and Control system. Specifically, the audit found that the Municipality had not established a risk management strategy or a risk register, had not implemented an internal reporting mechanism for breaches of rules or suspected fraud, had not prepared an annual recruitment plan, and lacked both an audit trail and a process map of key operational activities. These shortcomings limited the Municipality's ability to ensure effective monitoring, prevent irregularities and safeguard public resources. The audit of the activities of the Internal Audit Unit also identified deficiencies in the preparation of audit file inventories, which were not completed in accordance with the Internal Audit Manual. In addition, the annual internal audit plan did not cover several critical areas, including the preparation of specific audit programmes for public procurement.

At the Municipality of Fushë-Arrëz

The financial audit conducted for the period from 01.01. 2024 to 31.12.2024 concluded that the financial statements present fairly, in all material respects, the Municipality's financial position as at 31.12.2024, however, certain matters requiring Emphasis of Matter were identified which, in the independent auditor's professional judgement, justified the issuance of **an unqualified audit** opinion with an emphasis of matter. The Emphasis of Matter relates to the high level of receivables recorded in Account 468 – "Other Debtors", arising from outstanding local taxes and fees. As at 31.12.2024, receivables from local taxes amounted to ALL 51.885 million, while the increase in outstanding tax and fee receivables during 2024 totalled ALL 5.124 million. The audit also identified an inaccurate presentation of Account 26 – "Equity Investments" at the end of the 2024 financial year, amounting to ALL 122.100 million, as this account did not reflect the changes relating to the Municipality of Fushë-Arrëz's shareholding in the Regional Water Supply and Sewerage Company.

At the Municipality of Has

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to the inaccurate presentation and misclassification of certain accounting balances. Specifically, the audit found that Account 467 – "Other Creditors" did not include liabilities arising from final court decisions, which, as at the end of 2024, amounted to ALL 277 thousand. Furthermore, the audit established that Account 26 – "Equity Investments" did not include the amount of ALL 660 thousand, representing the Municipality of Has's shareholding in the Regional Water Supply and Sewerage Company Kukës JSC, resulting in the incorrect presentation of the balance of this account as at 31 December 2024. The audit also identified ineffective use of public funds amounting to ALL 108 thousand, relating to payments arising from court proceedings concerning unlawful dismissals of employees. In the area of revenue administration, deficiencies were identified in the collection of receivables. As at 31 December 2024, outstanding receivables amounted to ALL 89.783 million, of which ALL 19.322 million represented new receivables generated during 2024 due to non-payment by household and private taxpayers.

At the Municipality of Kamëz

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 concluded that the financial statements present fairly, in all material respects, the Municipality's financial position as at 31.12.2024.



However, certain matters requiring Emphasis of Matter were identified which, in the independent auditor's professional judgement, justified the issuance of **an unqualified audit opinion** with an emphasis of matter. The Emphasis of Matter relates to inaccuracies in the classification of assets, the increase in the balance of Account 468 – "Other Debtors", attributable to receivables from local taxes and fees, and instances where supplier invoices were settled beyond the statutory deadlines established by the applicable legal and regulatory framework.

At the Municipality of Kavajë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements in relation to the applicable legal, regulatory and accounting framework, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to the lack of reconciliation, misclassification and inaccurate presentation of certain accounting balances, affecting the accuracy and reliability of the financial statements. Specifically, the audit found that several accounting accounts had not been analysed in sufficient detail, including Account 411 – "Customers and Similar Accounts", Account 423/429 – "Personnel, Advances, Deficits and Penalties (Debtors)", Account 210 – "Land, plots and terrains", Account 211 – "Forests, Pastures and Plantations", and Account 466 – "Creditors for Assets Held in Custody", thereby impairing the reliability of the accounting information. Furthermore, receivables arising from the Infrastructure Impact Tax had not been recognised in Account 468 – "Other Debtors", while Account 470 – "Suspense Accounts – Revenue Receivable" had not been recognised at the time the Municipality's right to collect the revenue arose. The audit also identified deficiencies in the accounting treatment of assets and investments. Account 202 – "Studies and Research" was found to be overstated by ALL 122.396 million, while the property, plant and equipment inherited from the former Kavajë communes had not been fully analysed. In addition, reductions recorded in Account 231 – "Construction in Progress for Property, Plant and Equipment" were not adequately documented, and the balances of Accounts 230–231 did not reconcile with the corresponding equity accounts, namely Account 115 – "Own Investment Funds" and Account 105 – "Domestic Capital Grants Surplus". Finally, Account 101 – "Accumulated Surplus/(Deficit)" was found to be understated by ALL 494.125 million.

At the Municipality of Këlcyrë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a qualified audit opinion. These misstatements relate to deficiencies in inventory procedures, the misclassification and inaccurate presentation of tangible and intangible non-current assets, as well as the failure to take adequate measures to collect outstanding receivables, thereby affecting the accuracy and reliability of the financial statements. Specifically, Account 468 – "Other Debtors" was understated by ALL 55.561 million, due to the failure to recognise receivables relating to the land tax. In Account 218 – "Economic Inventory", depreciation was calculated using a 20% group depreciation rate, without separating Sub-account 218/6 – "Computer Equipment", for which a 25% depreciation rate should have been applied. Furthermore, Account 231 – "Construction in Progress for Property, Plant and Equipment" was understated by ALL 6.800 million, as a result of the failure to recognise the partial settlement of capital investment expenditures.



In the area of revenue administration, the audit identified deficiencies in the collection of receivables. As at 31 December 2024, outstanding receivables amounted to ALL 102.033 million, of which ALL 71.724 million represented additional receivables generated during 2024, resulting from the non-payment of obligations by household and private taxpayers.

At the Municipality of Klos

The financial audit conducted at the Municipality of Klos for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the failure to recognise and accurately present certain non-current asset accounts and expected revenues, thereby affecting the accuracy and reliability of the financial statements. The audit found that the Municipality does not fully and accurately reflect its assets in Account 210 – "Land, Plots and Terrains", Account 212 – "Buildings and Constructions", and Account 211 – "Forests, Pastures and Plantations", due to the incomplete registration procedures for these assets with the State Cadastre Agency (ASHK), resulting in an incomplete and unreliable presentation of non-current assets in the financial statements. Furthermore, Account 7206 – "Expected Budget Financing", presented in the Statement of Financial Performance, did not include the balance of Account 4342 – "Other Operations with the State (Receivables)". Account 468 – "Other Debtors" was understated by ALL 17.676 million, as a result of the failure to recognise receivables relating to nine lessee entities that had entered into lease agreements with the Municipality for the use of forest fund properties. In the area of revenue administration, the audit identified deficiencies in the collection of receivables. As at 31 December 2024, outstanding receivables amounted to ALL 159.883 million, of which ALL 13.850 million represented additional receivables generated during 2024, resulting from the non-payment of obligations by household and private taxpayers. The audit also identified ineffective use of public funds amounting to ALL 9.202 million, relating to payments arising from court proceedings concerning unlawful dismissals of employees.

At the Municipality of Korçë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the reconciliation of accounting records, the presentation of budgetary funds, and the recognition of assets in the accounting system. Specifically, Account 4342 – "Other Operations with the State (Receivables)" was understated by ALL 23.403 million, as a result of the failure to recognise short-term liabilities/payables recorded in Accounts 401–408 – "Suppliers and Related Accounts". Account 215 – "Transport Equipment" was overstated by ALL 950 thousand, as a vehicle belonging to the Residential Development Centre had been incorrectly included in the Municipality's inventory. Account 26 – "Equity Investments" was understated by ALL 722.602 million, because the value of the Municipality of Korçë's shareholdings in commercial and public companies had not been recognised in the accounting records. Account 231 – "Property, Plant and Equipment under Construction" was understated by ALL 15.419 million, owing to the failure to recognise investments that were still in progress. Furthermore, the balances of Account 231 – "Property, Plant and Equipment under Construction" and Account 230 – "Intangible Assets under Construction" did not reconcile with the combined balances of Account 115 – "Own Investment Funds" and Account 105 – "Domestic Capital Grants Surplus", resulting in a discrepancy of ALL 23.143 million.



Within Account 218 – "Economic Inventory", depreciation was calculated using a 20% group depreciation rate, without separating Sub-account 218/6 – "Computer Equipment", for which a 25% depreciation rate should have been applied. In addition, assets transferred from the former municipalities had not been fully analysed and recognised as property, plant and equipment, thereby affecting the accuracy and reliability of the financial statements.

At the Municipality of Krujë

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to misclassifications and deficiencies in the accounting records, including the failure to recognise a significant number of assets within the property, plant and equipment accounts in the financial statements, although these assets had been transferred to the ownership or use of the Municipality through specific Council of Ministers' Decisions (CMDs). No detailed information was available regarding the list of projects comprising the ALL 42.423 million increase recorded in Account 202 – "Studies and Research" during 2024, making it impossible to identify which related investments had been completed and formally accepted. Furthermore, property, plant and equipment and intangible assets were not recognised at their initial (historical) cost when ownership was transferred, the corresponding depreciation had not been calculated, and physical inventories of both non-current tangible and intangible assets, as well as current assets, had not been carried out. In addition, Account 468 – "Other Debtors", as presented in the Statement of Financial Position, did not reflect the actual balance, since the Municipality did not maintain comprehensive records of household debtors, including agricultural land tax liabilities, progressive outstanding debts, and obligations arising during the 2024 financial year. With regard to revenue administration, the audit identified deficiencies in the collection of receivables. As of 31 December 2024, total outstanding receivables amounted to ALL 829.442 million, of which ALL 74.599 million represented new receivables generated during 2024, mainly due to unpaid obligations of household and private taxpayers.

At the Municipality of Kukës

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to accounting procedures for the recognition and administration of assets, as well as to the lack of reconciliation between capital asset accounts and construction-in-progress accounts. The audit found that the Municipality had not completed the procedures for registering tangible and intangible non-current assets in the Immovable Property Register, and that certain assets had been recognised in the accounting records without adequate supporting documentation. At the end of the 2024 financial year, Account 231 – "Construction in Progress for Property, Plant and Equipment" reported a balance of ALL 532.969 million, which did not reconcile with the balances of the corresponding capital fund accounts, namely Account 105 – "Balance of Domestic Capital Grants", amounting to ALL 609.151 million, and Account 106 – "Balance of Foreign Capital Grants" within the consolidated fund, amounting to ALL 126.984 million. The audit also found that the Municipality had not taken all necessary measures to settle outstanding liabilities, which amounted to ALL 117.163 million.



At the Municipality of Kurbin

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the lack of reconciliation between accounting accounts and the misclassification of resulting differences in the financial statements. Specifically, the budgetary funds allocated for capital expenditure, as presented in the Statement of Investments, differed by ALL 39.278 million from the capital expenditure reported in the Statement of Cash Flows. In addition, non-tax revenues recognised during the year in the Statement of Financial Performance differed by ALL 99.698 million, indicating inaccuracies in the presentation of revenues generated during the reporting period. The audit also found that the opening cash balance reported in the 2024 Statement of Cash Flows did not reconcile with the closing cash balance reported for the 2023 financial year, resulting in a difference of ALL 321.865 million. Furthermore, under the "Investing Activities" section of the Statement of Cash Flows, cash outflows relating to liabilities and investments for the reporting year differed by ALL 1.046 million from the investment expenditure reported in the statistical statement "Investments and Sources of Investment." The audit also identified an overstatement of assets recorded under Account 214 – "Technical Installations, Machinery, Equipment and Tools" and Account 28 – "Accumulated Depreciation of Non-current Assets", resulting from the application of incorrect depreciation rates, thereby affecting the proper presentation of the Municipality's net assets. With regard to revenue administration, the audit identified deficiencies in the collection of receivables. As of 31.12.2024, total outstanding receivables amounted to ALL 426.652 million, of which ALL 49.790 million represented new receivables generated during 2024, mainly due to unpaid obligations of household and private taxpayers.

At the Municipality of Lezhë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 concluded that the financial statements were free from material misstatements. However, certain matters required emphasis and therefore an **unqualified opinion** with an emphasis of matter paragraph was issued. These matters relate to the lack of analytical review of certain accounts and the misclassification of tangible and intangible non-current assets, both in the accounting records and in the presentation of their physical condition. The audit identified incorrect accounting entries in relation to the disposal of assets, resulting in the misclassification of transactions between the relevant accounts. Furthermore, the Municipality failed to settle outstanding liabilities within the approved statutory deadlines. At the end of 2024, these liabilities amounted to ALL 46.248 million. The failure to comply with the First-In, First-Out principle resulted in the carry-forward of liabilities from previous years, increasing the risk of penalties and late-payment charges. The audit also found that Account 468 – "Other Debtors" did not include receivables arising from local taxes and charges owed by household taxpayers, due to the absence of a complete and reliable register for recording and monitoring such receivables. With regard to revenue administration, the audit identified deficiencies in the collection of receivables. As of 31.12.2024, total outstanding receivables amounted to ALL 402.418 million, of which ALL 24.508 million represented new receivables generated during 2024, mainly due to unpaid obligations of household and private taxpayers.



At the Municipality of Libohovë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies identified in the recognition and accounting of receivables, resulting in the understatement of Account 468 – "Other Debtors" by ALL 936 thousand. Revenue for the reporting period was overstated by ALL 54.153 million due to the recognition of revenues carried forward from previous accounting periods. The financial result for the reporting period was misstated by ALL 39.534 million, owing to the inclusion of budgetary funds for investments under "Other Expenses" during year-end result adjustments, together with the capitalisation of construction-in-progress investments amounting to ALL 34.988 million. With regard to revenue administration, the audit identified deficiencies in the collection of receivables. As of 31.12.2024, total outstanding receivables amounted to ALL 25.121 million, of which ALL 936 thousand represented new receivables generated during 2024, mainly due to unpaid obligations of household and private taxpayers. The audit of compliance with the legal provisions governing Financial Management and Control (FMC) also identified significant weaknesses in the implementation of all five components of the FMC system. The Municipality's internal regulation had not been updated to reflect the latest organisational structure, while the allocation of duties, responsibilities, authority and reporting lines had not been clearly defined for each organisational unit. Furthermore, the Municipality had not developed a risk management strategy or a risk register, and therefore had not identified, documented or monitored key institutional risks. No internal reporting mechanism existed for reporting breaches of rules or suspected fraud, and audit trails and process maps for key operational activities had not been established.

At the Municipality of Lushnjë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the recognition and classification of certain accounting items, as well as the inaccurate presentation of financial transactions in the financial statements. Land and buildings were recognised at symbolic values, namely ALL 17 and ALL 12, respectively. Revenue for the reporting period was overstated by ALL 362.367 million due to the inclusion of revenues carried forward from previous accounting periods. The change in inventories amounting to ALL 1.913 million was not recognised in the Statement of Financial Performance, thereby affecting the reported financial result. The financial result for the reporting period was misstated by ALL 170.255 million, as a consequence of recognising budgetary funds for investments under "Other Expenses" during year-end adjustments to the financial result. In addition, cash held in custody ("Funds Held in Custody") was understated by ALL 17.630 million. Payments reported under "Settlement of Current-Year Liabilities and Investments (-)" were not accurately presented in the Statement of Cash Flows, resulting in a difference of ALL 10.254 million. Furthermore, the debit transactions recorded in Account 231 – "Investment Expenditure (Construction in Progress)" did not reconcile with the payments reported under "Settlement of Current-Year Liabilities and Investments", resulting in a difference of ALL 33.462 million.



At the Municipality of Malësi e Madhe

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the lack of reconciliation between accounting accounts and the misclassification of resulting differences in the financial statements. Depreciation was incorrectly calculated for all assets, resulting in an overstatement of ALL 13.909 million and an understatement of ALL 67.767 million. Expenditure recorded under Account 606 – "Transfers to Household Budgets" differed by ALL 3.258 million from the corresponding Treasury records. In the Statement of Financial Position, Account 101 – "Accumulated Surplus (Accumulated Fund)/Accumulated Deficit" showed a difference of ALL 278.381 million as at 31.12.2024. In the Statement of Financial Performance, the change in inventories was recorded twice in the balances of Accounts 73 and 63 – "Change in Inventory of Products", resulting in an incorrect presentation of financial performance. Furthermore, financial investments were neither recognised, presented nor reported as equity investments in the financial statements, including the Municipality's participation in "Regional Water Supply and Sewerage Company Shkodër JSC", amounting to ALL 2.472 million. In addition, Account 468 – "Other Debtors" did not include receivables arising from the authorisation/licensing fee for fuel trading, amounting to ALL 8.800 million. With regard to revenue administration, the audit identified deficiencies in the collection of receivables. As of 31 December 2024, total outstanding receivables amounted to ALL 112.580 million, of which ALL 5.756 million represented new receivables generated during 2024, mainly due to unpaid obligations of household and private taxpayers.

At the Municipality of Maliq

The financial audit conducted for the period from 01.01.2023 to 31.12.2023 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the reconciliation of accounting accounts, the presentation of budgetary funds, and the recognition of assets in the accounting records. Specifically, Account 4342 – "Other Operations with the State (Debtor)" was understated by ALL 55.225 million due to the failure to recognise short-term liabilities recorded under Accounts 401–408 – "Suppliers and Related Accounts". Furthermore, 4,133 tangible non-current assets transferred to the Municipality through Council of Ministers' Decisions (CMDs) had not been recognised in the accounting records because the procedures for obtaining ownership certificates from the State Cadastre Agency had not yet been completed. In addition, no revaluation had been carried out for those properties for which ownership certificates had already been obtained. With regard to revenue administration, the audit identified deficiencies in the collection of receivables. As of 31 December 2023, total outstanding receivables amounted to ALL 109.095 million, of which ALL 2.650 million represented new receivables generated during 2023, mainly due to unpaid obligations of household and private taxpayers. The audit also identified unrecorded revenues from local taxes and contractual obligations amounting to ALL 76.595 million during the 2023 financial year.

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the procedures for inventory-taking, disposal and write-off of tangible and intangible non-current assets, as well as to the incorrect recognition of certain accounting accounts.



Accounts 401–408 – "Suppliers and Related Accounts" were overstated by ALL 5.669 million. Account 26 – "Equity Investments" was understated by ALL 583.815 million. Account 231 – "Construction in Progress for Property, Plant and Equipment" was understated by ALL 49.067 million, because transfers of completed investments from construction in progress to property, plant and equipment had not been recognised in accordance with the accounting principles and rules governing the recognition of additions to non-current assets. The audit also identified an ineffective use of public funds amounting to ALL 911 thousand, relating to payments arising from court proceedings concerning unlawful dismissals of employees.

At the Municipality of Mat

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to reconciliation differences and misclassifications in the accounting records reflected in the financial statements. Specifically, Account 231 – "Construction in Progress for Property, Plant and Equipment" did not reconcile with the corresponding capital fund accounts, namely Account 106 – "Balance of Foreign Capital Grants" and Account 105 – "Balance of Domestic Capital Grants" within the consolidated fund, resulting in a difference of ALL 1,324.111 million. Construction in progress financed through international donor-funded projects also showed a reconciliation difference of ALL 2.798 million. Furthermore, Account 231 differed from the additions to property, plant and equipment following capitalisation, as presented in the Statement of Non-current Assets and Changes in Non-current Assets, by ALL 7.038 million. Account 105 – "Domestic Capital Grants from the State Budget" also differed by ALL 15.673 million from the line "Allocation of Budgetary Funds for Capital Expenditure (+)" reported in the Statement of Cash Flows. The audit further identified that Account 468 – "Other Debtors" was understated because it did not include the full amount of outstanding obligations arising from taxes and fees payable by taxpayers, comprising: Local taxes and fees: ALL 45.353 million; Infrastructure impact tax: ALL 3.769 million; Fuel trading authorisation/licensing fees: ALL 600 thousand; and Lease fees under contracts for forestry and pasture land parcels: ALL 8.119 million, resulting in a total understatement of ALL 57.841 million. With regard to revenue administration, the audit identified deficiencies in the collection of receivables. As of 31 December 2024, total outstanding receivables amounted to ALL 64.245 million, of which ALL 1.894 million represented new receivables generated during 2024, mainly due to unpaid obligations of household and private taxpayers.

At the Municipality of Memaliaj

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of certain accounts, affecting the fair presentation of the Statement of Financial Position. Specifically, Account 411 – "Customers and Similar Accounts" included ALL 48.437 million relating to receivables from local taxes and fees. According to the applicable public sector accounting framework, these balances do not represent trade receivables arising from the sale of goods or services on credit and should therefore have been recognised under Account 468 – "Other Debtors".



In addition, depreciation was not calculated for intangible non-current assets, resulting in an inaccurate presentation of the financial position and the results of the reporting period. The audit also found that 3,293 tangible non-current assets transferred to the Municipality through Council of Ministers' Decisions had not been recognised in the accounting records because the procedures for obtaining ownership certificates from the State Cadastre Agency had not yet been completed. Furthermore, no revaluation had been carried out for those assets for which ownership certificates had already been obtained. The audit also identified the absence of an effective Financial Management and Internal Control system, resulting from the failure to establish a comprehensive framework of written internal rules and procedures, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, leading to the accumulation of new liabilities.

At the Municipality of Mirditë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to non-compliance with accounting procedures for the recognition and recording of assets, as well as to the lack of reconciliation between capital asset accounts and construction-in-progress accounts. Specifically, the audit found that no actions had been taken to register the Municipality's tangible and intangible non-current assets with the Immovable Property Register (State Cadastre Agency), while certain assets had been recognised in the accounting records without adequate supporting documentation. The audit also identified discrepancies in the values of capital grants, the operating result and investment funds, resulting in an understatement of net assets/equity amounting to ALL 262.058 million. Furthermore, Account 231 – "Construction in Progress for Property, Plant and Equipment" did not reconcile with the corresponding capital fund accounts, namely Account 105 – "Balance of Domestic Capital Grants" and Account 106 – "Balance of Foreign Capital Grants" within the consolidated fund. In addition, Account 468 – "Other Debtors" did not include an amount of ALL 2.450 million, representing outstanding obligations relating to fuel trading operators, resulting in the understatement of receivables.

At the Municipality of Patos

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of certain accounts, affecting the fair presentation of the Statement of Financial Position. Specifically, Account 468 – "Other Debtors" was understated by ALL 35.545 million, as it did not include receivables arising from agricultural land lease agreements, household subscribers, agricultural land tax, and infrastructure impact tax. Furthermore, Account 231 – "Construction in Progress for Property, Plant and Equipment" was overstated by ALL 537.876 million, as it included the value of completed and officially accepted investments, which should have been capitalised and recognised under Account 213 – "Roads, Networks and Waterworks". The audit also identified the absence of an effective Financial Management and Control (FMC) system, resulting from the failure to establish a comprehensive framework of written internal procedures, as well as the failure to implement appropriate measures and mechanisms for reducing outstanding liabilities, leading to the accumulation of new arrears.



At the Municipality of Pogradec

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of certain accounts presented in the Statement of Financial Position. Specifically, Account 101 – "Accumulated Surplus/(Deficit)" was understated by ALL 4.369 million, Account 85 – "Current Year Operating Result" was overstated by ALL 50.383 million, while Account 26 – "Non-current Financial Assets" was understated by ALL 973 thousand, resulting in the inaccurate presentation of the Statement of Financial Position.

At the Municipality of Poliçan

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements arising from non-compliance with the applicable legal and regulatory framework, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of certain accounts in the financial statements, as well as to the absence of complete analytical accounting records. Specifically, Account 520 – "Treasury Cash and Cash Equivalents" was understated by ALL 39.048 million, Account 26 – "Equity Investments" by ALL 358 thousand, Account 231 – "Construction in Progress for Property, Plant and Equipment" by ALL 93.340 million, and Account 101 – "Accumulated Surplus/(Deficit)" by ALL 20.993 million. In addition, the recognition of non-current assets under Account 202 – "Studies and Research", Account 212 – "Buildings and Structures", and Account 213 – "Roads, Networks and Waterworks" was not sufficiently detailed in the accounting records. The audit further found that no analytical asset register had been prepared, preventing the proper identification, classification and accurate recording of individual asset components and their respective values in the accounting system.

At the Municipality of Përrenjas

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to reconciliation differences and the inaccurate accounting recognition of certain accounts. Specifically, Account 520 – "Treasury Cash and Cash Equivalents" showed discrepancies with both the closing balance of Account 85 – "Current Year Operating Result" and Account 466 – "Creditors for Funds Held in Custody". Account 468 – "Other Debtors" was understated by ALL 3.073 million relating to receivables from the General Directorate of Road Transport Services (DPSHTRR), and by ALL 5.020 million relating to fines imposed by the Municipal Territory Inspectorate (IMTV). Furthermore, Account 202 – "Studies and Research" included projects amounting to ALL 9.622 million (historical cost), although the related investments had already been completed. Consequently, the value of these projects should have been capitalised and transferred to the respective completed assets. In addition, Account 26 – "Equity Investments" was understated by ALL 1.290 million. The audit also found that Accounts 230 – "Construction in Progress for Intangible Assets" and 231 – "Construction in Progress for Property, Plant and Equipment" did not reconcile with the corresponding capital fund accounts, namely Account 115 – "Own Investment Funds" and Account 105 – "Balance of Domestic Capital Grants".



In the area of revenue management, the audit identified that insufficient measures had been taken to recover outstanding receivables. As at 31.12.2024, total outstanding receivables amounted to ALL 139.904 million, of which ALL 23.924 million represented new receivables generated during 2024, mainly arising from unpaid obligations of household and private taxpayers.

At the Municipality of Pukë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of certain accounts in the financial statements, as well as to the absence of complete analytical accounting records. Specifically, Account 4341 – "Operations with the State (Liabilities)" did not reflect the balance of Account 468 – "Other Debtors", amounting to ALL 48.504 million, thereby failing to recognise the institution's liability to the State in respect of recognised but uncollected revenues. Furthermore, Account 467 – "Other Creditors" was understated by ALL 8.206 million, as a result of the misclassification of this amount under Accounts 401–408 – "Suppliers and Related Accounts". The audit also found that the recognition of non-current assets under Accounts 210 – "Land and Sites", 211 – "Forests and Plantations", 212 – "Buildings and Structures", and 213 – "Roads, Networks and Waterworks" was not sufficiently detailed in the accounting records, while no analytical asset register had been maintained, preventing the proper identification, classification and accurate recording of individual asset components and their respective values. In addition, no physical inventory of non-current assets was carried out, and for part of the assets, values recorded in the asset register reflected the year in which accounting recognition commenced rather than the year in which the assets were originally acquired, thereby affecting the reliability and accuracy of the financial statements. The audit further identified ineffective use of public funds amounting to ALL 14.249 million, relating to payments arising from court decisions concerning unlawful dismissals of employees. In the area of revenue management, the audit found that insufficient measures had been taken to recover outstanding receivables. As at 31.12.2024, total outstanding receivables amounted to ALL 25.423 million, of which ALL 2.516 million represented new receivables generated during 2024, mainly arising from unpaid obligations of household and private taxpayers.

At the Municipality of Pustec

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of certain accounts presented in the Statement of Financial Position. Specifically, Account 213 – "Roads, Networks and Waterworks" was overstated by ALL 461.608 million, as it included five assets that, in accordance with the Agreement concluded with the Ministry of Infrastructure and Energy (MIE) and the National Water Supply and Sewerage Agency (AKUM), as well as the contract with the Korçë Regional Water Supply and Sewerage Company (SHRUK Korçë SH.A.), should have been transferred to the Regional Water Supply Company Korçë SH.A. Furthermore, Account 214 – "Technical Installations, Machinery, Equipment and Tools" was overstated by ALL 1.757 million, while Account 26 – "Equity Investments" was understated by ALL 101 thousand, corresponding to the Municipality's shareholding of 640 shares in UK Korçë SH.A. and 2.26 shares in KRMW SH.A.



At the Municipality of Roskovec

Based on the *financial audit* conducted for the period from 1 January 2024 to 31 December 2024, the Supreme Audit Institution of Albania identified material, but not pervasive, misstatements in relation to the applicable legal, regulatory, and accounting framework, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the inaccurate accounting treatment of certain accounts and the preparation of the financial statements based on incomplete underlying information. Account 230 – Intangible Fixed Assets under Construction included a misclassification amounting to ALL 1,000 thousand, which should have been recorded under Account 202 – Studies and Research. Account 26 – Equity Investments is overstated by ALL 656,885 thousand, while Account 101 – Accumulated Surplus (Fund)/Accumulated Deficit is understated by ALL 107,546 thousand. Account 202 – Studies and Research is overstated by ALL 27,794 thousand, as a result of the failure to capitalize these amounts to the fixed assets in which the related investments were completed in previous years. No physical inventory count was performed for Account 210 – Land and Account 211 – Forests, Pastures and Plantations. Assets transferred from the former communes of Roskovec have not been comprehensively incorporated into the register of non-current assets, and the necessary adjusting entries for assets withdrawn from use have not been recorded. Furthermore, depreciation rates were applied incorrectly, adversely affecting the reliability and accuracy of the financial statements.

At the Municipality of Rogozhinë

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements arising from non-compliance with the applicable legal and regulatory framework, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of certain accounts and the preparation of the financial statements on the basis of incomplete accounting information. Specifically, Account 468 – "Other Debtors" was understated by ALL 236.660 million, as a result of the failure to recognise all categories of receivables. Furthermore, Account 202 – "Studies and Research" was overstated by ALL 3.354 million, since the related project costs had not been capitalised into the corresponding completed assets, although the underlying investments had been completed in previous years. Within the Statement of Financial Position, Account 26 – "Equity Investments" was overstated by ALL 59.836 million, Account 231 – "Construction in Progress for Property, Plant and Equipment" by ALL 21.994 million, and Account 101 – "Accumulated Surplus/(Deficit)" by ALL 269.173 million, thereby affecting the accuracy and reliability of the financial statements. The audit also identified the failure to transfer inventories with a carrying value of ALL 212.246 million to the Regional Water Supply and Sewerage Company of Durrës, in accordance with the applicable restructuring arrangements. In addition, Accounts 230–231 – "Construction in Progress" did not reconcile with the corresponding capital fund accounts, namely Account 115 – "Own Investment Funds" and Account 105 – "Balance of Domestic Capital Grants". The audit further found that depreciation rates had not been applied in accordance with the applicable legal and regulatory framework, affecting the institution's net assets/equity. Moreover, non-current assets transferred from the former Rogozhinë commune had been included in the accounting records without being fully analysed and properly valued, thereby affecting the reliability of the financial statements.



At the Municipality of Selenicë

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the failure to recognise and inventory non-current tangible assets transferred under Council of Ministers' Decisions. Specifically, 985 properties, with a total surface area of 26,899.56 hectares of forests and pastures, had not been recorded in the accounting records. Furthermore, the audit identified the failure to recognise current foreign grant revenue for the reporting period in the amount of ALL 6.209 million. At the same time, misclassifications were identified in the accounting treatment of expenditure on goods and services, affecting the fair presentation of the respective line items in the financial statements.

At the Municipality of Shijak

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the inventory procedures for tangible and intangible non-current assets, including the failure to perform physical verification of assets under administration, which is an essential procedure for assessing the accuracy and reliability of the financial statements. The audit also identified the failure to recognise in the accounting records 54 properties transferred under Council of Ministers' Decisions (CMDs), which were recorded only by surface area and not by value, as well as the failure to register 115 state-owned immovable properties with the State Cadastre Agency. In addition, errors were identified in the calculation of depreciation for certain categories of assets, affecting the institution's net assets/equity, together with misstatements in the accounting treatment of salary expenditure and grant revenue.

At the Municipality of Shkodër

The *financial audit* conducted for the period from 01.01.2023 to 31.12.2023 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the fact that the Public Assets Register for the assets owned and administered by the Municipality had not been updated, while the assets had not been recognised at historical cost in the accounting records, affecting the calculation of depreciation and their presentation in the financial statements. Furthermore, the audit identified misstatements and misclassifications in the Statement of Financial Performance relating to salary expenditure and social and health insurance contributions, amounting to ALL 19.879 million, arising from payments made to temporary employees. In the area of own-source revenue, the audit found that the Municipality had not taken adequate measures to collect outstanding receivables. As at 31.12.2023, uncollected receivables amounted to ALL 551.547 million, of which ALL 232.455 million represented additional arrears accumulated during 2023, mainly due to the non-payment of local taxes and fees by household and private taxpayers.

At the Municipality of Skrapar

The *financial audit* conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**.



These misstatements relate to deficiencies in the inventory procedures for tangible and intangible non-current assets, the recognition of expenses in the Statement of Financial Performance not in accordance with the accrual basis of accounting, and the misstatement of Account 468 “Other Debtors”, which, when compared with Treasury records, was found to be overstated by ALL 6.803 million. The audit also identified the failure to recognise rental receivables arising from lease agreements for parcels of forest and pasture land, amounting to ALL 2.837 million. Furthermore, the audit identified the ineffective use of public funds amounting to ALL 2.695 million, relating to payments arising from court decisions concerning unlawful dismissals of employees.

At the Municipality of Tepelenë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to the incorrect accounting treatment of several accounts, affecting the fair presentation of the Statement of Financial Position. Specifically, Account 468 “Other Debtors” was understated, as receivables amounting to ALL 41.091 million, representing outstanding local taxes and fees, had not been recognised in the accounting records because the Municipality had classified them as uncollectible receivables. Furthermore, 2,308 assets transferred to the Municipality under Council of Ministers' Decisions had not been recognised as tangible non-current assets because the procedures for obtaining ownership certificates from the State Cadastre Agency (ASHK) had not yet been completed. In addition, no revaluation had been performed for those properties already provided with ownership certificates, resulting in an incomplete and inaccurate presentation of assets in the Statement of Financial Position and affecting the reliability of the reported financial information. The audit also identified the absence of an effective system of financial management and internal control, due to the failure to establish a comprehensive framework of written internal rules, as well as the failure to implement the necessary measures and mechanisms to reduce outstanding liabilities, resulting in the accumulation of new arrears.

At the Municipality of Tropojë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of a **qualified opinion**. These misstatements relate to deficiencies in the accounting recognition and valuation of assets, liabilities and revenues. Specifically, Account 210 “Land and Sites” did not include the value of land parcels for which ownership certificates had been issued, amounting to ALL 34.332 million. Likewise, Account 211 “Forests and Plantations” did not include the value of forests and pastures transferred under Council of Ministers' Decisions (CMDs) from the former communes to the Municipality. Account 467 “Other Creditors” was understated by ALL 26.038 million due to the failure to recognise liabilities arising from final court decisions. Account 213 “Roads, Networks and Water Infrastructure” was understated by ALL 263.727 million, as investments relating to eight completed projects had not been capitalised following their formal acceptance. In addition, Account 215 “Transport Equipment” was understated by ALL 3.452 million, while Account 606 “Transfers to Households and Individuals” was overstated by ALL 263 thousand, due to the misclassification of expenditure in the Statement of Financial Performance.



In the area of own-source revenues, the audit found that the Municipality had not taken adequate measures to collect outstanding receivables. As at 31.12.2024, uncollected receivables amounted to ALL 61.390 million, of which ALL 19.784 million represented additional arrears accumulated during 2024, mainly due to the non-payment of local taxes and fees by household and private taxpayers. Furthermore, the audit identified the ineffective use of public funds amounting to ALL 14.575 million, relating to payments arising from court decisions concerning unlawful dismissals of employees.

At the Municipality of Vau i Dejës

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material and pervasive misstatements, thereby justifying the issuance of **an adverse opinion**. These misstatements relate to unreconciled accounting records and misclassification of account balances in the financial statements. Specifically, Account 231 "Construction in Progress", according to Treasury records, differed from the corresponding account reported in the "Investments and Sources of Financing" statement by ALL 224.442 million. Likewise, Account 23 "Investments" reported in the Statement of Financial Position differed from the corresponding Treasury-generated balance by ALL 74.320 million. Depreciation had not been calculated correctly for Account 212 "Buildings and Constructions" and Account 213 "Roads, Networks and Water Infrastructure", resulting in their overstatement by ALL 80.135 million and ALL 90.202 million, respectively. Account 26 "Equity Investments" was understated due to the failure to recognise and record financial investments amounting to ALL 25.455 million in the companies "Zadrima Agrikulturë" and "Ndërkomunale Bushat", as well as the Municipality's 3.23% ownership interest in the Regional Water Supply and Sewerage Company Shkodër JSC. Account 4342 "Transactions with the State – Receivables" differed from the balances of the corresponding short-term liability accounts by ALL 112.683 million. Furthermore, Account 101 "Accumulated Surplus/(Deficit)" was understated by ALL 234.356 million. In addition, Account 468 "Other Debtors" was understated, as receivables amounting to ALL 226.390 million, arising from unpaid obligations of household and private taxpayers, had not been recognised in the accounting records. In the area of own-source revenues, the audit found that the Municipality had not taken adequate measures to collect outstanding receivables. As at 31.12.2024, recognised but uncollected receivables amounted to ALL 126.200 million, of which ALL 65.284 million represented additional arrears accumulated during 2024, mainly due to the non-payment of local taxes and fees by household and private taxpayers.

At the Municipality of Vorë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 concluded that the financial statements present fairly, in all material respects, the Municipality's financial position as at 31.12.2024. Nevertheless, the audit identified matters requiring emphasis, which, in the professional judgement of the auditor, justified the issuance of **an unqualified opinion** with an emphasis of matter paragraph. The Emphasis of Matter relates to deficiencies in the calculation of depreciation for tangible and intangible non-current assets, the absence of analysis and assessment of liabilities recorded in Account 467 "Other Creditors", and the failure to recognise in Account 26 "Equity Investments" the Municipality of Vorë's ownership interest as the sole shareholder of Football Club "Vora" JSC, amounting to ALL 2.000 million.



At the Municipality of Sarandë

The financial audit conducted for the period from 01.01.2024 to 31.12.2024 identified material but not pervasive misstatements, thereby justifying the issuance of **a qualified opinion**. These misstatements relate to deficiencies in the reconciliation of accounting records, the presentation of budgetary funds, and the recognition of assets in the accounting system. Specifically, Account 212 “Buildings and Constructions”, identified as “Inherited Assets Not Yet Inventoried (since 1999)”, and Account 213 “Roads, Networks and Water Infrastructure”, classified as “Reconstruction”, contain unanalysed balances, and the precise identification of their economic substance is lacking, thereby affecting the accuracy and reliability of the accounting information presented in the financial statements. Within Account 218 “Economic Inventory”, depreciation was calculated using a 20% group depreciation rate, without separately identifying Sub-account 218/6 “Computer Equipment”, for which a 25% depreciation rate should have been applied. Account 26 “Non-current Financial Assets” was understated by ALL 3.462 million. Furthermore, no analytical accounting register was maintained for Accounts 210 “Land and Sites”, 211 “Forests and Plantations”, 212 “Buildings and Constructions”, 213 “Roads, Networks and Water Infrastructure”, and 214 “Technical Installations, Machinery, Equipment and Tools”, limiting the Municipality's ability to properly identify, monitor and account for these assets.



3.2 THEMATIC AUDITS

Based on the International Standards of Supreme Audit Institutions (ISSAIs), thematic auditing is an integrated approach that combines elements of compliance, financial, and performance auditing with the aim of addressing specific issues. This approach enables a more in-depth assessment of the identified issues, with the primary objective of examining a specific theme, issue, concern, or area of significant impact.

Within the framework of complaints, reports, and requests submitted to the Supreme State Audit Institution during 2025, a series of thematic audits were initiated to address matters of particular importance, characterized by a high level of sensitivity and direct impact on citizens. These audits concluded with the issuance of conclusions regarding the issue or theme under examination, based on the audit evidence collected from one or more audited entities, while addressing the identified deficiencies and communicating recommendations aimed at improving the existing situation.



13 Audits



13 Conclusions



3.3 THEMATIC AUDITS

At the General Directorate of Taxation and the Regional Directorates for the Collection of Outstanding Tax Liabilities, on the assessment of the progress, performance and effectiveness of measures taken in relation to tax debt

The thematic audit conducted for the period from 1 January 2024 to 31 December 2024 found that, at the end of 2024, the stock of outstanding tax liabilities amounted to ALL 162,535.463 million, representing an increase of ALL 7,370.054 million compared with the end of 2023. The Central Region accounted for the largest share of the outstanding tax debt, representing approximately 77% of the national total, while taxpayers with inactive status accounted for 74% of the total outstanding liabilities. Approximately 81.8% of the national tax debt consisted of liabilities that had remained outstanding for more than two years. The audit found that the tax debt management function, both at the central and regional levels, did not operate through an integrated, automated and standardised system, thereby limiting the institutional capacity to effectively monitor, control and reduce the stock of outstanding tax debt. The audit further identified that the key processes related to tax debt administration, including the recording of liabilities in the C@TS electronic system, the processing and analysis of debtor information, the administration of instalment payment agreements, and the implementation of statutory enforcement measures for compulsory collection, were not standardised and, in several cases, were not supported by complete and traceable documentation. The audit also found that the legal enforcement instruments for compulsory collection had not been fully applied, including procedures for the seizure of daily cash turnover from high-risk taxpayers. In addition, discrepancies were identified between active instalment agreements and those recorded in the C@TS system, together with inaccuracies in the allocation of liabilities between principal, penalties and interest, adversely affecting traceability and reporting. Furthermore, inconsistencies were identified between the information recorded in the electronic system and that reported through official reporting mechanisms, resulting in inaccuracies in official records and an understatement of reported tax debt amounting to ALL 391.290 million, thereby negatively affecting the transparency and reliability of fiscal information. The audit concluded that weaknesses in the information system, the absence of standardised methodologies for data processing and analysis, together with the limited human and technical capacities of the responsible structures, have directly reduced the operational effectiveness of the tax administration, weakened interdepartmental coordination, and limited the administration's capacity to achieve its fiscal management objectives with regard to the reduction of outstanding tax debt.

At the General Directorate of Customs and Customs Branches, on the progress, performance and effectiveness of measures taken in relation to customs debt

The thematic audit conducted for the period from 1 January 2024 to 31 December 2024 concluded that the activities of the audited entity deviated from the applicable legal, regulatory and administrative framework. The audit found that the Customs Administration had not ensured an effective collection process for outstanding customs liabilities carried forward from previous years, thereby increasing the risk of such debts becoming uncollectible due to the expiry of statutory limitation periods and the failure to undertake timely recovery procedures. At the end of 2024, outstanding customs liabilities amounted to ALL 48,588.510 million, relating to 4,684 cases, representing an increase of ALL 994.940 million (2.1%) compared with the previous year. Of this increase, ALL 334.003 million (0.7%) represented new liabilities incurred during 2024, while the remaining increase resulted from default interest accrued on historical customs debts settled during the year.



The audit found that administrative recovery measures were generally effective for newly established liabilities, but largely ineffective for debts carried forward from previous years. Customs liabilities outstanding for more than five years amounted to ALL 44,048.161 million, representing 90% of the total stock of outstanding customs debt. Regarding the measures undertaken to recover outstanding liabilities, the audit identified significant delays and failures to implement the required procedural steps, including: 613 cases, amounting to ALL 13,976.213 million, for which no evidence was available regarding the issuance of compulsory recovery decisions; 840 cases, amounting to ALL 2,470.271 million, for which no applications had been submitted to the courts for the issuance of enforcement orders; and 105 cases, amounting to ALL 404.347 million, in which court-issued enforcement orders had not been forwarded for execution. Furthermore, the audit identified 765 cases, amounting to ALL 14,284.686 million, where, despite enforcement orders having been transmitted to the bailiff service, the Customs Administration failed to undertake administrative recovery measures, such as blocking taxpayer identification numbers (NIPTs), freezing bank accounts or seizing other assets. The audit also found that customs branches did not consistently maintain updated information regarding the status of enforcement proceedings and lacked documentation demonstrating continuous communication with judicial enforcement officers. In addition, effective coordination between customs branches and the internal structures of the General Directorate of Customs regarding seizure procedures was found to be inadequate. Consequently, the Customs Administration did not act in accordance with the applicable legal framework, relying primarily on judicial enforcement procedures while failing to implement the administrative enforcement measures available to the customs authorities themselves.

At the Ministry of Health and Social Protection (MHSP), the University Hospital Centre “Mother Teresa”, the Compulsory Health Care Insurance Fund (CHIF), and the National Agency for Medicines and Medical Devices (NAMMD), on the availability of medicines used in the treatment of oncological diseases

The thematic audit concluded that the institutions covered by the audit had not fully implemented the measures necessary to ensure the continuous availability of medicines used in the treatment of oncological diseases, particularly with regard to control and oversight mechanisms and interinstitutional cooperation. These shortcomings resulted not only from actions taken—or omitted—by the individual institutions themselves, but also from deficiencies in institutional coordination and cooperation. The audit found that the budget allocated for pharmaceutical products within the healthcare sector was insufficient, creating a risk of medicine shortages and, consequently, interruptions in patient treatment contrary to established clinical treatment protocols. The audit also identified deficiencies in the updating of clinical protocols for the treatment of oncological diseases. Some clinical protocols remained unchanged since 2014, potentially affecting the quality of patient care by increasing the risk that outdated medicines would continue to be used without the possibility of introducing more appropriate therapeutic alternatives. Deficiencies were identified both in the planning of pharmaceutical needs and in the management of medicines. Weaknesses in pharmaceutical management included: duplicate prescriptions; incomplete or inaccurate medical records; incorrect entries in the information systems; discrepancies between physical stock balances and inventory recorded in the system; and repeated unfulfilled requests for the same patient. These findings reflect weaknesses in the management, documentation and traceability of medicines within the SISP and Pentaho information systems. The procurement process was also adversely affected by the failure to impose contractual penalties for delays in contract implementation, amounting to ALL 49.000 million, as well as by ineffective contract monitoring and supervision practices.



In certain cases, economic operators were incorrectly certified as “without issues”, despite prolonged shortages of medicines during periods critical for patient treatment. From a regulatory perspective, the audit found that the marketing authorisation process for medicinal products is excessively lengthy and contains regulatory gaps, potentially limiting the ability of the competent authorities to respond promptly in emergency situations. The audit further found that, of the 253 antineoplastic medicines authorised for marketing in the Republic of Albania, 46% had not been imported at any time during the audit period, indicating the absence of effective mechanisms linking marketing authorisation with the actual availability of medicines on the domestic market. Finally, the audit identified a low level of laboratory control over the quality of antineoplastic medicines, indicating weaknesses in the quality assurance system.

At the “Hannah and Rozafa” Infant Home, Tirana, and the Albanian Adoption Committee, on compliance with the provision of residential care services and adoption procedures for minors

The thematic audit conducted for the period from 1 January 2023 to 31 December 2024 identified irregularities in the administration of registers documenting children's visits with family members within the residential care service. The audit also identified 28 cases in which the Infant Home submitted requests to the Court of First Instance of General Jurisdiction for the declaration of children as abandoned outside the statutory time limits. As a result, children remained in institutional care for prolonged periods, causing delays in their inclusion in the adoption process. Furthermore, the institution's Internal Regulation did not define the position of the medical doctor or specify the related functional responsibilities, adversely affecting the organisation and effective delivery of healthcare services within the institution. With regard to the adoption process, the audit identified deficiencies in compliance with the procedures governing the selection of prospective adoptive parents. These included failure to respect the order of the waiting list, the absence of supporting documentation justifying the selection of applicants, and the lack of documentation relating to the meetings during which such selections were made. The audit also found that no register was maintained to document the history of proposals and refusals for each prospective adoptive parent, limiting transparency and traceability throughout the adoption process. In addition, the audit concluded that the Executive Secretariat of the Albanian Adoption Committee was not functioning effectively, while the Governing Board had not convened in accordance with the frequency and requirements established by the institution's Internal Regulation.

At the Albanian Adoption Committee, on its role and responsibilities in monitoring the well-being of adopted children

The thematic audit conducted for the period from 1 January 2020 to 31 December 2025 concluded that the post-adoption monitoring system, as a fundamental safeguard for protecting the best interests of the child following the completion of the adoption process, does not operate in a comprehensive, sustainable and reliable manner. This is due to combined weaknesses in the legal and regulatory framework, institutional organisation, practical implementation, and documentation management. From a legal perspective, the audit found that Law No. 9695, dated 19 March 2007, “On Adoption Procedures and the Albanian Adoption Committee”, as amended, does not establish the duration of the post-adoption monitoring period, identify the competent authority responsible for determining such duration, or provide for the adoption of the relevant secondary legislation.



Consequently, the two-year post-adoption monitoring period has been determined solely through the internal regulations of the Albanian Adoption Committee, which constitute internal administrative acts that may be amended without legislative guarantees. Such an approach does not provide the level of legal certainty and stability required for a process directly affecting the rights and well-being of the child, thereby creating a risk that post-adoption monitoring lacks the highest level of legal protection. From an institutional and organisational perspective, the audit found that the Albanian Adoption Committee does not adequately ensure compliance with the principles of impartiality and segregation of duties, since the same organisational structures responsible for assessing prospective adoptive parents, determining their suitability, granting consent and completing the adoption process are also responsible for conducting post-adoption monitoring. This creates a functional conflict of interest, undermines the objectivity of the monitoring process, and weakens its role as the final safeguard for assessing whether an adoption has been genuinely successful and whether intervention by the competent authorities is required. With regard to the practical implementation of domestic and intercountry adoptions, the audit identified systematic delays in conducting post-adoption monitoring, failure to comply with the prescribed monitoring frequency, deficiencies in reporting and documentation, and inadequate verification practices, which were frequently limited to meetings held at the Committee's premises or conducted virtually. In relation to intercountry adoptions, the audit identified weaknesses in the supervision and monitoring of foreign intermediary adoption agencies, including prolonged periods during which the Albanian Adoption Committee failed to request follow-up information, non-compliance by intermediary agencies with reporting deadlines, and the acceptance of monitoring reports submitted by agencies not licensed in Albania, thereby undermining the reliability and legality of the process. Furthermore, deficiencies were identified in the internal control system and in the supervisory role exercised by the Governing Board, including the failure to verify supporting documentation and assess the consistency of Albanian legislation with the legislation of receiving countries. These shortcomings increase the risk of unsuccessful adoptions and compromise the protection of the best interests of the child. Overall, the audit concluded that the Albanian Adoption Committee does not provide sufficient and sustainable assurance over the protective function of post-adoption monitoring and does not fully comply with the applicable legal and regulatory requirements governing monitoring, supervision, internal control and documentation management. As a consequence, the adoption process remains exposed to a high risk of failing to identify, in a timely manner, issues affecting the child's well-being, jeopardising the child's best interests and weakening the overall credibility, integrity and effectiveness of the adoption system.

At the Municipality of Vlorë, the Prefecture of Vlorë Region, the Vlorë Regional Council, the Vlorë Public Services Enterprise, the Fier Drainage and Irrigation Directorate, the Vlorë Regional Water Supply and Sewerage Company, the Albanian Road Authority, and the National Civil Protection Agency, on the verification of the causes, consequences and institutional response to the severe flooding in the city of Vlorë

The audit conducted following the severe flooding that affected the city of Vlorë on 4 October 2024 identified significant deficiencies in the management and operation of the irrigation and drainage infrastructure within the Municipality of Vlorë. Specifically, the transfer process for certain drainage canals had been carried out for infrastructure located outside the administrative territory of the Municipality of Vlorë. In addition, in the case of the pumping station, only the building itself had been transferred, while the canal supplying water to the pumping station within the city had not been included.



Furthermore, the transfer of this infrastructure was accompanied by the absence of the necessary technical documentation, including site plans, longitudinal and cross-sectional profiles of the canals, and other technical documents required for their effective management and maintenance. On-site inspections revealed that the pumping station operated without standby pumps, with a deteriorated electricity supply line, and without an emergency backup generator. At the Akërni pumping station, the electricity supply was also found to be unstable because private entities were connected to the same power line, adversely affecting the operational capacity of the pumping station. In addition, the KK2 Akërni, KK3 Akërni, and KUL Orikum drainage canals had not been cleaned for more than 15 years, demonstrating a prolonged lack of regular maintenance of the drainage infrastructure. The audit concluded that the failure of the main collectors and drainage canals to operate effectively, the inability of the city's pumping station and the ITUN system to function at full capacity, together with the failure to maintain and clean the open drainage canals, were among the principal factors contributing to the flooding that occurred in Vlorë on 04.10.2024. Moreover, deficiencies identified in the periodic cleaning of roadside ditches and stormwater catch basins created conditions conducive to the blockage of the drainage network due to the accumulation of sediment, waste and other debris throughout various sections of the drainage system.

At the Ministry of Infrastructure and Energy and the National Agency of Natural Resources, on the monitoring of the concession contract for the construction and operation of the “Sasaj” Hydropower Plant, Sarandë

The thematic audit covering the period from the commencement of the concession until 31.01.2025 concluded that the monitoring activities carried out by the responsible institutions were not in compliance with the applicable legal, regulatory and contractual framework, with deficiencies identified throughout all phases of the concession. The audit found that the failure of the pressure basin resulted from non-compliance with the technical requirements governing the construction and maintenance of the hydropower infrastructure, causing damage to the environment, residential properties, businesses and public infrastructure, while also creating risks to public safety. The audit further established that the National Agency of Natural Resources (NANR) had not performed sufficient or continuous monitoring activities, thereby failing to identify deviations in a timely manner and to implement appropriate preventive measures. It was also found that the concessionaire had failed to comply with contractual obligations relating to maintenance, completion deadlines and environmental requirements, including the maintenance of ecological water flows, while the responsible authorities had not imposed the contractual penalties provided for under the concession agreement. The audit identified a deviation between the installed generation capacity and that approved under the concession contract, as well as the absence of complete technical documentation, resulting in technical deficiencies and creating long-term risks to the safe operation of the hydropower facility. Overall, weaknesses in institutional monitoring and oversight, combined with the concessionaire's failure to fulfil its contractual obligations, created a high level of risk to technical safety, environmental protection and the public interest, highlighting significant shortcomings in monitoring mechanisms and in the effective enforcement of the legal framework governing concessions in the energy sector.



At the Ministry of Infrastructure and Energy, the Ministry of Tourism and Environment, the National Environment Agency, the National Agency of Natural Resources, the National Inspectorate for Territorial Protection, and the Municipality of Shkodër, on the procedures for issuing permits and licences and monitoring mining activities in Rasek, Shkodër

The thematic audit conducted for the period from 30.06.2017 to 30.03.2025 concluded that the mining activities carried out by the operating companies were undertaken in the presence of significant legal, environmental, social and institutional deficiencies, affecting the entire process, from the declaration of the mining area and the issuance of the relevant permits through to the management and monitoring of mining operations. The audit found that the procedures for declaring the mining area and issuing mining and environmental permits were not carried out in full compliance with the requirements for inter-institutional coordination, strategic environmental assessment, and consultation with the local community. Deficiencies were identified in the Environmental Impact Assessment (EIA) process, including the absence of adequate documentation of public consultations and insufficient verification of supporting documentation by the competent authorities during the environmental permitting process. Furthermore, the approved coordinates for mining operations did not correspond to the actual location of the mining activities, which were conducted in close proximity to residential areas and within land that continued to retain the legal status of forest and pasture land, without obtaining the mandatory legal approvals for its exclusion from the forest/pasture fund and the change of land use. The audit also identified breaches of environmental permit conditions and deviations from the approved mining projects, including uncontrolled interventions in the riverbed, the disposal of inert and waste materials, the construction of unauthorised technical structures, and activities posing risks to drinking water sources. Monitoring and inspection of mining activities by the responsible institutions were not performed regularly or effectively, with extended periods during which no field inspections were carried out and with inadequate follow-up of the mining operators' self-monitoring obligations. These institutional weaknesses created conditions that allowed mining activities to be carried out outside the applicable legal framework and contributed to the worsening of environmental and social impacts within the affected area.

At the Ministry of Tourism and Environment, the National Environment Agency, the National Agency of Protected Areas, and the Municipality of Përmet, concerning the complaint submitted by the residents of Piskovë village regarding the municipal waste disposal site

The audit conducted in response to complaints submitted by the residents of Piskovë village concerning the existing municipal waste disposal site concluded that its management was not in compliance with the applicable legislation and relevant administrative decisions. The audit established that the Piskovë waste disposal site had not operated in accordance with the approved legal framework and applicable decisions. The Integrated Waste Management Committee had decided that the Brackovë landfill should be rehabilitated in order to extend its operational life. However, the Ministry of Tourism and Environment, acting in its capacity as project developer, initiated procedures for the construction of a new landfill at Piskovë, contrary to decision No. 10, dated 18.11.2020, of the Integrated Waste Management Committee. The application file for the Preliminary Environmental Impact Assessment (Preliminary EIA) and the infrastructure permit for the Piskovë landfill was incomplete, lacking the required supporting documentation, in breach of Council of Ministers Decisions No. 686, dated 29.07.2015, and No. 408, dated 13.05.2015. Furthermore, the National Sectoral Plan for Solid Waste Management envisaged the construction of a municipal waste transfer station for the Municipalities of Përmet and Këlcyrë; however, this project has not yet received the necessary approvals from the competent authorities.



Field inspections revealed that no waste segregation was carried out at the Piskovë landfill. Waste was disposed of in an irregular manner, while compaction and daily soil cover were not performed consistently. In addition, the required environmental protection measures were incomplete, and part of the waste was located outside the designated disposal pit, creating a risk of surface water contamination. The audit further found that the landfill was not subject to continuous monitoring, thereby increasing the risk of damage to the perimeter fencing, deliberate fire-setting, and other unlawful interventions. In addition, the Cleaning and Green Areas Enterprise, responsible for the collection and transportation of municipal solid waste, did not hold the required Category III.2.B licence, while the Municipality of Përmet had not applied for the environmental permit required for the operation of the landfill. Finally, the audit established that the National Environment Agency and the National Agency of Protected Areas had not carried out inspections either at the Piskovë landfill or within the Hotovë–Dangëlli Fir National Park, despite their respective statutory responsibilities.

Thematic audit on the verification of the situation following the landslides on the “Matogjin–Bashaj” road in the Municipality of Selenicë

The audit and on-site inspections established that the landslides affecting the Velçë Bend–Vërmik road section, in the area of the villages of Bashaj and Matogjin, rendered the road impassable, resulting in the isolation of local residents and the disruption of normal traffic. The audit found that the Municipality of Selenicë had not initiated procedures to secure financial or material assistance for the affected families in the village of Bashaj. Furthermore, deficiencies were identified in strategic planning, the preparation of planning documents, and the technical assessment of geological risks. In this context, the planning of investments for the rehabilitation and maintenance of the affected road section was found to be insufficient, while the interventions carried out failed to provide a sustainable solution to the problem.

At the “Ramazan Kabashi” Resource Centre

The thematic audit conducted for the period from 1 January 2022 to 31 December 2024 concluded that the institution's activities were not fully compliant with the applicable legal and regulatory framework. The audit identified weaknesses in the budget planning process, as budget requests were insufficiently justified and were not supported by financial analyses by budget line item. Deficiencies were also identified in the management of public assets, resulting from the maintenance of incomplete asset registers and the implementation of administrative procedures without a clear segregation of duties and without the required supporting documentation. The processes for inventory-taking, asset valuation and disposal did not ensure the effective management and safeguarding of public assets. The audit further identified discrepancies between the approved weekly menus and the food items issued from the warehouse, as well as the absence of consultation with qualified specialists to ensure compliance with nutritional standards and dietary values. Vacancies in key positions were also identified, creating a high risk to the effective functioning of the internal control system. In addition, deficiencies were identified in the implementation of the public procurement legislation, including incomplete procurement planning, failure to calculate the estimated contract value, inaccuracies in establishing and justifying qualification criteria, inadequate verification of economic operators, and deficiencies in both the contractual provisions and supporting documentation relating to food supplies. The audit also identified a negative financial impact on the economical, efficient and effective use of public funds amounting to ALL 516 thousand, resulting from payments made in the absence of duly signed contracts.



At Korçë Regional Hospital, on the provision of food services to hospitalised patients

The thematic audit conducted for the period from 1 January 2024 to 30 September 2025 identified organisational, procedural and control deficiencies affecting food safety, service quality, and compliance with the legal framework and hospital accreditation standards. The hospital provided catering services through an internal organisational unit without approved written procedures governing the process, staff responsibilities, or control mechanisms throughout the food supply chain. The institution's Internal Regulation was not aligned with the approved organisational structure and did not provide for essential professional positions, such as a dietitian physician or dietitian nurse, thereby weakening professional oversight of therapeutic diets and daily meal plans. With regard to food safety requirements, the hospital had neither established nor maintained functional food traceability registers and had not fully implemented Good Hygiene Practices (GHP) and Good Manufacturing Practices (GMP), while food handling took place in environments exposed to contamination risks. Refrigeration equipment was not fitted with temperature monitoring devices, preventing effective control of food storage conditions. From a nutritional perspective, the approved diets did not cover all paediatric age groups treated by the hospital, and implementation of the revised nutritional allowances approved by the Ministry of Health and Social Protection had been delayed. During the audited period, a single menu was applied to all patients, without differentiation according to prescribed dietary requirements, thereby failing to ensure compliance with caloric intake, macronutrient requirements and dietary diversity, contrary to the requirements of individual clinical care plans. The audit also identified irregularities in the implementation of contracts for the supply of food products, including delays in deliveries, incomplete documentation upon receipt of supplies, contract amendments made in breach of the public procurement legislation, and the failure to apply contractual penalties amounting to ALL 118 thousand for delays attributable to economic operators. These shortcomings resulted in recurring shortages of food products and adversely affected the delivery of catering services to patients.

At the Ministry of Education and Sports, concerning the verification of a complaint submitted by a sports federation

The thematic audit concluded that the parallel existence of two legally recognised federations governing similar sporting disciplines, resulting from the absence of a clear inter-institutional coordination mechanism between the ministry responsible for sport and the Albanian National Olympic Committee (ANOC), has led to differing interpretations of the respective sporting disciplines and has prevented the establishment of a uniform standard of representation for Albanian sport at both national and international levels. Furthermore, the absence of a unified register of sports federations highlighted the need for institutional intervention to harmonise and standardise the procedures governing the recognition and representation of sports federations, in accordance with national and international standards.

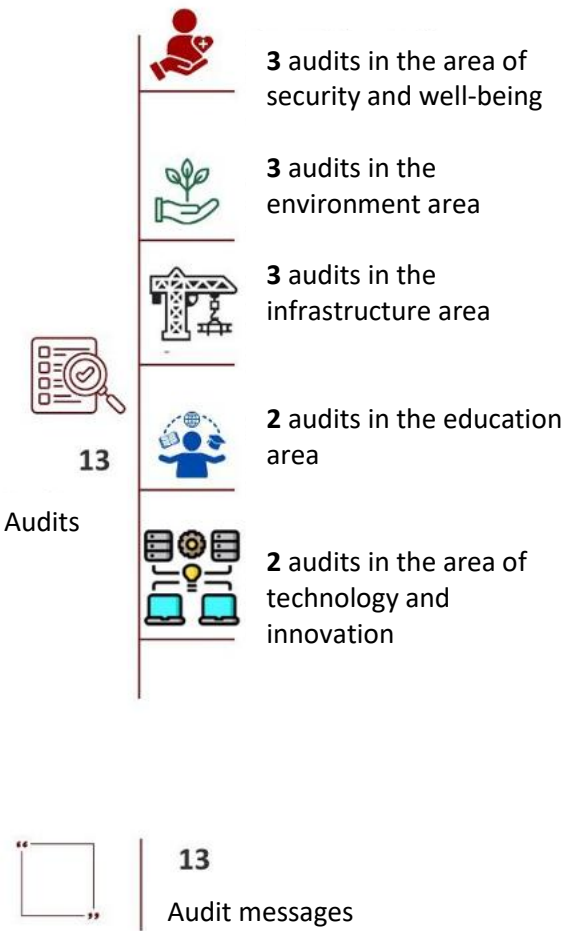


3.3 PERFORMANCE AUDITS

Performance audit is an independent, objective, and reliable examination of whether undertakings, systems, programmes, activities, or organizations are operating in accordance with the principles of sound financial management and whether there is scope for improvement. This audit is primarily based on ISSAI 3000 and the Performance Audit Manual of the Supreme State Audit Institution.

Performance audit aims to contribute to improvements in economy, efficiency, and effectiveness in the public sector. It also seeks to promote good governance, accountability, and transparency by providing new information, analyses, or insights and by recommending measures for improvement.

Performance audits conclude with the Audit Message, which is based on a comprehensive assessment and in-depth analysis of the audit topic and the activities of the audited entities, focusing on the audit findings, identified weaknesses, and opportunities for improvement.



3.4 PERFORMANCE AUDITS



In the area of Safety and Well-Being

I. The Quality and Certification of Bottled Drinking Water placed on the Market for Costumers

The performance audit entitled "The Quality and Certification of Bottled Drinking Water Placed on the Market for Consumers" was conducted at:

- Ministry of Agriculture and Rural Development;
- Ministry of Health and Social Protection;
- The Water Resources Management Agency.

According to data published by INSTAT, the consumption of bottled drinking water has been steadily increasing in Albania. From the water source to the placement of the final product on the market, several public institutions with different mandates are involved in activities relating to permits and licences, laboratory testing, monitoring, public information and other regulatory functions. At the time of the audit, 52 water resource use permits for bottled drinking water had been issued to 41 economic operators, comprising 14 concession agreements and 38 five-year permits/authorisations with the right of renewal. In addition, 49 production facilities were licensed for the production of bottled drinking water.

The objective of the audit was to assess the measures taken by the responsible institutions to ensure the quality of bottled drinking water placed on the market during the period 2020–2024. The audit focused on: The procedures for granting permits and approvals for water sources; The licensing of production facilities; Laboratory analyses performed by the competent authorities and their compliance with European Union Directives; Inspections and monitoring activities carried out by the responsible authorities; Inter-institutional coordination; and Public information and transparency.

Based on the audit findings and conclusions, the audit delivered the following key message:

The existing regulatory and institutional system has not provided adequate assurance to consumers regarding the quality of bottled drinking water placed on the market. Although the consumption of bottled drinking water has increased steadily each year, the responsible institutions have not fully discharged their responsibilities relating to its inspection, monitoring and laboratory analysis. Changes in the allocation of responsibilities among public institutions have created uncertainty regarding institutional roles and responsibilities, resulting in a fragmented system of governance. The legal and regulatory framework remains insufficiently harmonised and, in certain areas, internally inconsistent. It does not provide for effective competition between projects seeking rights to exploit water resources and establishes weak criteria for the granting of permits and licences. Furthermore, shortcomings relating to laboratory testing, inter-institutional cooperation and public information have prevented the competent authorities from providing adequate assurance regarding the quality of bottled drinking water and the level of consumer safety expected under the applicable regulatory framework.

II. Government Wide-Plans and Budget Aspects for an Ageing Population

The performance audit entitled "Government-wide Plans and Budgetary Aspects for an Ageing Population" was carried out during 2025, covering the audit period 2020–2025.

The audit was conducted at:



- o Ministry of Finance;
- o Ministry of Health and Social Protection;
- o Ministry of Economy and Innovation;
- o The Institute of Statistics;
- o The State's Social Service

Albania is undergoing a profound demographic transition: the number of older persons is increasing rapidly, while birth rates are declining and the younger population is shrinking. This demographic ageing has become one of the country's most significant long-term challenges. This trend is driven by several interconnected factors, including declining fertility rates and the emigration of young people. According to INSTAT, in 2023, 15.4% of Albania's population was aged 65 years and over. Projections indicate that by 2050 this proportion is expected to exceed 25%, representing one of the highest ageing rates in the region. This demographic transformation has created significant challenges across multiple sectors. One of the most important concerns relates to the changing role of the family. Traditionally, care for older persons in Albania has been provided primarily by family members. However, due to migration and changing social structures, many elderly people now live alone or receive only limited family support. According to the World Health Organization (WHO), more than 40% of older persons in Albania are in this situation, increasing their exposure to social isolation and to physical and mental health risks. The primary objective of this audit was to assess the policies, strategies and national plans addressing the challenges and issues arising from population ageing.

Based on the audit findings and conclusions, the audit delivered the following key message:

Albania does not have a comprehensive, cross-sectoral national plan to address population ageing. The issue is currently addressed through individual sectoral strategies and action plans which, taken together, do not provide comprehensive, coordinated and integrated support for the challenges associated with demographic ageing. The sectoral policies implemented to date by the responsible institutions have not produced the intended impact on key demographic indicators. Albania continues to experience a 72% decline in births between 1990 and 2024, a worsening negative migration balance, with net migration increasing from –15,030 persons in 2018 to –32,497 persons in 2022, and an increase in the median age from 32.6 years in 2011 to 44.3 years in 2025. Based on the indicators analysed, the audit concludes that long-term, targeted public policies should be designed and implemented, recognising that reforms relating to employment, fertility, migration, social protection and economic development require decades before producing sustainable societal outcomes.

III. Community-Based Care for the Older People and the Decentralization of the Social Care Services

The performance audit entitled *"Community-based Care for Older Persons and the Decentralisation of Social Care Services"* was conducted during 2025, covering the audit period 2020–2024.

The audit was carried out at:

- o Ministry of Health and Social Protection;
- o The State Social Service;
- o Municipality of Tirana;
- o Municipality of Kamëz



- Municipality of Belsh;
- Municipality of Berat;
- Municipality of Sarandë;
- Municipality of Malësi e Madhe.

A considerable number of municipalities have developed services for older persons, including day-care centres, residential care facilities and home-care services, often in cooperation with non-governmental organisations or through projects financed by international development partners. However, the capacity of residential care institutions (elderly care homes) remains highly limited and insufficient to meet the growing demand. As a result, many older persons without family support experience difficulties in accessing adequate accommodation and basic care services, negatively affecting their physical and psychological well-being. The World Health Organization (WHO) recommends that care for older persons should not be limited to institutional accommodation, but should also include home-based care, assistance with activities of daily living, basic healthcare services, psychological support and social inclusion. However, the current situation in Albania remains far from these recommendations. The objective of the performance audit entitled "Community-based Care for Older Persons and the Decentralisation of Social Care Services" was to assess whether municipalities, in cooperation with central government institutions, have taken the necessary measures to establish an effective and sustainable system of community-based care for older persons.

Based on the audit findings and conclusions, the audit delivered the following key message:

Community-based care services for older persons, within the framework of the decentralisation of social services, continue to face significant challenges at the local government level. Although responsibility for delivering these services has been transferred to municipalities, their practical implementation is constrained by weaknesses in organisational arrangements, planning, financing and professional support, all of which directly affect both the quality and the coverage of services. The absence of functional structures for identifying and assessing needs, the lack of standardised data, and the heavy dependence on central government financing have limited municipalities' capacity to establish sustainable and equitable services throughout the country. Consequently, the decentralisation process has not yet translated into accessible, needs-based and consistently delivered community care services for all older persons requiring support.



In the Enviromental Sector

I. Bathing Water Quality

The performance audit entitled "Bathing Water Quality" was conducted between May 2024 and June 2025, covering the audit period 2019–2023.

- Ministry of Infrastructure and Energy;
- Ministry of Tourism and Environment ;
- Ministry of Health and Social Protection and its Subordinate Institutions;
- The National Water Supply and Sewerage Agency;
- The National Environment Agency;



- Municipality of Shkodër,
- Municipality of Lezhë,
- Municipality of Durrës,
- Municipality of Kavajë,
- Municipality of Rrogozhinë,
- Municipality of Lushnjë,
- Municipality of Fier,
- Municipality of Vlorë,
- Municipality of Himarë.

All of these institutions have responsibilities and obligations that directly affect the quality of bathing waters and the implementation of measures required when water quality does not meet the prescribed standards. The water in which people bathe may become contaminated by *Escherichia coli* and intestinal enterococci, bacteria capable of causing human illness. These microorganisms generally originate from untreated wastewater discharged into bathing waters. The classification of bathing waters provides a comprehensive long-term assessment of their bacteriological quality and also indicates how effectively the principal pollution sources—primarily the discharge of urban wastewater—are being managed.

The objective of this audit was to assess the effectiveness of the monitoring of bathing water quality and the management of urban wastewater affecting the quality of bathing waters. More specifically, the audit examined:

- the identification and selection of bathing water monitoring sites;
- the preparation and updating of the legal and regulatory framework, including provisions that, for various reasons, have not been effectively implemented;
- awareness-raising and restrictive measures to be applied where bathing waters are classified as having poor quality;
- the condition of urban wastewater treatment plants, including their treatment capacity, applied technologies and operational challenges;
- planning, identified needs, investments and projects planned or implemented during the audit period;
- the installation of individual wastewater treatment systems by economic operators operating in coastal areas;
- compliance with environmental standards during the treatment of urban wastewater.

Based on the audit findings and conclusions, the audit delivered the following key message:

The management of bathing water quality has not been effective. The quality of bathing waters in Albania has deteriorated in recent years and, in 2023, Albania recorded the poorest bathing water quality in Europe. Monitoring activities intended to provide an accurate assessment of bathing water quality were not conducted in accordance with national secondary legislation or the relevant European Union Directive. Citizens and tourists were never informed when bathing waters were classified as having poor quality, nor were any bathing prohibitions imposed. The municipalities of Fier, Lushnjë and Rrogozhinë do not operate urban wastewater treatment plants. Consequently, all wastewater generated within these municipalities is discharged untreated into rivers or drainage canals, which ultimately flow into the sea.



Although wastewater treatment plants exist in the remaining municipalities, their treatment capacities are insufficient to process all wastewater generated within their respective territories. As a result, a significant proportion of untreated wastewater continues to be discharged directly into the sea, contributing to the deterioration of bathing water quality. Planning and investment in the wastewater collection and treatment sector continue to suffer from insufficient coordination among the responsible institutions, particularly regarding the allocation and prioritisation of investments, the absorption of available funding, and the exchange of information on implementation projects. The Task Force established to improve infrastructure for the treatment of wastewater discharged into or near bathing waters has not fully fulfilled the responsibilities assigned under Normative Act No. 8, dated 28.12.2023.

I. Measures Taken by the Responsible Institutions for the Elimination of Wastewater Discharges into the Lana River in Tirana

The audit entitled *“Measures Taken by the Responsible Institutions for the Elimination of Wastewater Discharges into the Lana River in Tirana”* was conducted at:

- Municipality of Tirana;
- Water Resources Management Agency;
- National Water Supply and Sewerage Agency;
- National Environment Agency.

The pollution of the Lana River, which significantly exceeds both national standards and those of the European Union, constitutes a serious threat to public health, the environment, and the quality of life in Tirana. The persistent problems related to urban wastewater discharges and the failure of strategic projects for their treatment have resulted in considerable environmental and financial consequences for the state. In this context, the audit aims to assess the effectiveness of institutional interventions, the use of public funds, and the responsibilities in water resources management, with the purpose of guiding corrective measures towards more sustainable urban development.

The objective of this audit was to assess the activities of the institutions involved in the audit with regard to the measures undertaken for the management of the water quality of the water body “Lana River”, aiming to reduce and eliminate the direct discharge of untreated urban wastewater into this receiving water body.

More specifically, the audit focused on urban wastewater discharges, based on the continuous identification of this issue in the State of the Environment Reports published annually by the National Environment Agency. The audit period covered 2020–2024; however, historical data outside this period have been included in order to provide a clearer overview of the evolution of various environmental indicators over the years.

Through the main findings and conclusions of this audit report, the following key message was reached: The responsible institutions have not taken effective measures to improve the water quality of the Lana River. For years, the State of the Environment Reports of the National Environment Agency have concluded that the water quality status of this water body is classified as heavily polluted, showing further deterioration even at the beginning of its course in Lanabregas during recent years.

The monitoring carried out by the National Environment Agency has been partial, failing to monitor all monitoring stations and all indicators necessary to fully assess the water quality and ecological status of the Lana River.



On the other hand, the lack of intervention by the Municipality of Tirana and Tirana Water Supply and Sewerage JSC (UKT Sh.A.) in the sewerage network, the failure to complete the investment for the Kashar Wastewater Treatment Plant by the National Water Supply and Sewerage Agency, as well as the lack of alternative solutions provided by all these institutions, has resulted in the untreated urban wastewater from the greater part of the city of Tirana continuing to be discharged without treatment, thereby negatively affecting water quality. The current situation demonstrates the need for the immediate commitment of the above-mentioned institutions in order to ensure an improvement of the situation.

I.Environmental and Health Impact of Oil and Gas Extraction Activities in the Patos–Marinëz Area

The performance audit entitled "Environmental and Health Impact of Oil and Gas Extraction Activities in the Patos–Marinëz Area" was carried out at:

- The Ministry of Tourism and Environment;
- The Ministry of Infrastructure and Energy;
- The Ministry of Health and Social Protection;
- The National Environment Agency;
- The National Agency of Natural Resources;
- The Municipality of Patos;
- The Municipality of Roskovec;
- The Municipality of Fier;
- The Municipality of Kuçovë; and
- The Municipality of Mallakastër.

Environmental protection against pollution and degradation constitutes a national priority and is a legal obligation for all residents of the Republic of Albania, all public authorities, and all domestic and foreign natural and legal persons conducting activities within the territory of Albania. The Patos–Marinëz oilfield is one of the largest oilfields in Europe in terms of petroleum reserves. According to data provided by the National Agency of Natural Resources, oil and natural gas operators in the Patos–Marinëz area produced 513,318 tonnes of crude oil during 2024. Communities living in the Patos–Marinëz area are exposed to significant environmental pollution associated with oil extraction activities. The seriousness of the current situation has also been confirmed in successive State of the Environment Reports.

The objective of this audit was to assess and analyse the environmental and public health impacts arising from oil and gas extraction activities, as well as to evaluate whether the responsible institutions have adopted appropriate measures to address environmental pollution.

Based on the audit findings and conclusions, the audit delivered the following key message:

The absence of an integrated regulatory framework, the lack of environmental monitoring stations, and the insufficient frequency of inspections and monitoring activities have created significant weaknesses in environmental pollution control and prevention, as well as in identifying risks to public health.



The audit also identified insufficient inter-institutional coordination and limited transparency in the publication of environmental data, reducing the ability of responsible institutions to respond promptly and effectively to environmental issues affecting the area. From a public health perspective, the absence of detailed data and comprehensive studies assessing the health impacts of pollution on local communities has prevented an adequate evaluation of risks and limited the planning of appropriate public health protection measures. At the local government level, investments undertaken for environmental rehabilitation and restoration have been minimal and insufficient to improve environmental quality and public health conditions. Consequently, the measures implemented by the responsible institutions to protect the environment and public health in the Patos–Marinëz area have not been adequate.

In the Infrastructure

I. Protection and Safety of Dams

The performance audit entitled "Protection and Safety of Dams" was carried out at:

- The National Committee on Large Dams;
- The Ministry of Infrastructure and Energy;
- The Ministry of Agriculture and Rural Development;
- The Municipality of Tirana;
- The Municipality of Berat;
- The National Agency of Natural Resources.

Albania currently has 350 large dams and approximately 300 small dams, ranking among the top six countries in Europe and the top twenty countries worldwide in terms of the total number of large dams. Albania also has the highest number of large dams per capita and per 1,000 km² in the world.

Considering their significant economic importance and the substantial risks associated with potential structural failures or flooding resulting from extreme rainfall events, effective maintenance, monitoring, inspection and continuous enhancement of dam safety are essential.

The objective of this audit was to assess the measures undertaken by the responsible institutions to improve the condition and safety of dams during the audit period 2021–2024. In particular, the audit focused on:

- the adequacy of the legal and regulatory framework governing dam operation and maintenance;
- the identification and updating of the national register of dams in accordance with the applicable legal framework;
- inspection and oversight activities carried out by the competent authorities; assessment of the technical condition of dams and their classification according to risk level;
- measures implemented by dam operators to improve dam safety;
- emergency preparedness plans and early warning systems;



-reporting by dam operators to the National Committee on Large Dams regarding the technical condition of dams and the management of abandoned dams.

Based on the audit findings and conclusions, the audit delivered the following key message:

The National Committee on Large Dams, the Ministry of Agriculture and Rural Development, the Municipalities of Tirana and Berat, and the other institutions responsible for dam supervision and inspection have not assessed the condition of all dams in Albania and have not taken adequate measures to improve their safety. The existing legal and regulatory framework does not ensure comprehensive supervision of all dams, leaving small dams outside effective institutional oversight. Although the mandate of the National Committee on Large Dams (NCLD) has focused primarily on approximately 350 large dams, the applicable legislation does not exclude the approximately 300 small dams from its scope. Through their activities, the National Committee on Large Dams, the National Secretariat on Large Dams, the Permanent Technical Council on Dams, and the Technical Inspectorate for Dams have not ensured effective inspection coverage of all dams nationwide. Monitoring, inspection and reporting on the technical condition and safety of dams continue to face significant challenges due to the absence of fully operational supervisory structures, incomplete monitoring systems and insufficient reporting mechanisms. Although rehabilitation investments have been carried out on 43 dams, sustained institutional attention and long-term investments aimed at improving dam safety have been lacking. The Municipalities of Tirana and Berat have not adopted a proactive approach to identifying and securing funding opportunities for rehabilitation projects concerning the dams under their administration.

II. Accessibility for Persons with Disabilities

The performance audit entitled "Accessibility for Persons with Disabilities" was carried out at:

- The Ministry of Health and Social Protection;
- The Ministry of Infrastructure and Energy;
- The Municipality of Durrës;
- The Municipality of Shkodër;
- The Municipality of Pogradec.

Accessibility to infrastructure and transport is fundamental to ensuring equality, independence and full social inclusion of persons with disabilities. It represents both a legally protected right and a prerequisite for equal access to education, employment, healthcare services and public life. The absence of accessibility is not merely a technical issue but constitutes a form of discrimination that limits quality of life and undermines social cohesion and sustainable development.

The objective of this audit was to assess the results achieved through implementation of the National Plan for Persons with Disabilities 2021–2025, particularly in the fields of infrastructure and road transport, with specific attention to the efforts undertaken by the audited institutions to guarantee the rights and accessibility of persons with disabilities during the period 2021–2025.

More specifically, the audit examined: implementation of the National Plan for Persons with Disabilities (2021–2025); implementation of legislation on the inclusion and accessibility of persons with disabilities;



compliance with accessibility standards in infrastructure and transport; licensing of road transport operators and compliance with accessibility requirements during licensing and service delivery; the activities of the National Accessibility Council; cooperation and coordination among responsible institutions in monitoring progress in accessibility.

Based on the audit findings and conclusions, the audit delivered the following key message:

Although Albania's legal and strategic framework recognises the right of persons with disabilities to accessibility and independent living, suitable conditions for the effective exercise of these rights have not yet been established in practice. The audit found that implementation of the National Plan for Persons with Disabilities (2021–2025) has been partial and fragmented. The Ministry of Health and Social Protection, the Ministry of Infrastructure and Energy, and the Municipalities of Shkodër, Durrës and Pogradec have not established effective and sustainable inter-institutional cooperation in this area. Significant shortcomings remain in both public road transport and public infrastructure.

The audited municipalities have not adopted dedicated accessibility plans, have not carried out systematic assessments of existing accessibility conditions, and have not consistently applied accessibility standards during the design and inspection of new construction projects. Although Albania's legal and independent living, suitable conditions for the effective exercise of these rights have not yet been established in practice. The audit found that implementation of the National Plan for Persons with Disabilities (2021–2025) has been partial and fragmented. The Ministry of Health and Social Protection, the Ministry of Infrastructure and Energy, and the Municipalities of Shkodër, Durrës and Pogradec have not established effective and sustainable inter-institutional cooperation in this area. Significant shortcomings remain in both public road transport and public infrastructure. The audited municipalities have not adopted dedicated accessibility plans, have not carried out systematic assessments of existing accessibility conditions, and have not consistently applied accessibility standards during the design and inspection of new construction projects. The current legal framework does not establish minimum accessibility requirements for public road transport, nor has national legislation been fully aligned with European Union accessibility standards. Without structured interventions, effective coordination mechanisms and sustainable technical and financial support, persons with disabilities continue to face significant barriers to equal participation in public life and remain unable to enjoy independent and dignified living conditions.

III. Treatment, Rehabilitation and Reintegration of Sentenced Persons

The performance audit entitled "Treatment, Rehabilitation and Reintegration of Sentenced Persons" was carried out at:

- The Ministry of Justice;
- The General Directorate of Prisons;
- The State Social Service; and
- The National Employment and Skills Agency.

The treatment, rehabilitation and reintegration of sentenced persons directly affect the protection of human rights, public safety and social cohesion.



Given the challenges facing Albania's penitentiary system—including prison overcrowding, inadequate infrastructure and limited rehabilitation capacity—this audit assessed the extent to which national practices comply with international standards and evaluated the effectiveness of the policies implemented. The audit also sought to identify weaknesses in inter-institutional coordination and to support the development of concrete measures aimed at establishing a more effective and sustainable rehabilitation and reintegration system.

The objective of the audit was to assess whether the responsible institutions have established an effective and coordinated system for the treatment, rehabilitation and reintegration of sentenced persons in accordance with national and international standards. The audit focused on: treatment conditions within penitentiary institutions; the effectiveness of rehabilitation programmes; post-release reintegration mechanisms; inter-institutional cooperation.

The audit covered the period 2022–2024 and focused on the public institutions responsible for developing, implementing and supervising policies relating to the treatment, rehabilitation and reintegration of sentenced persons as part of Albania's criminal justice system.

Based on the audit findings and conclusions, the audit delivered the following key message:

Albania's penitentiary system does not yet provide adequate conditions for the effective treatment, rehabilitation and reintegration of sentenced persons and therefore does not fully comply with national legislation and relevant international standards. The planned allocation and use of financial resources have not been adequately aligned with the achievement of specific objectives aimed at ensuring the sustainable financing of correctional institutions. Inter-institutional cooperation among the Ministry of Justice, the General Directorate of Prisons, the Probation Service, the National Employment and Skills Agency, the Ministry of Education, local government authorities and economic operators has been partial and often merely formal, with cooperation agreements that have not been fully implemented and referral mechanisms that have produced limited results. Consequently, such cooperation has not effectively supported the reintegration of former prisoners into their families and society. The penitentiary system continues to function primarily as a custodial system rather than as a comprehensive rehabilitation and reintegration mechanism, thereby increasing the risk of recidivism and falling short of the objectives established by the legal framework. Investments undertaken and the management of support services aimed at improving detention conditions have not achieved their intended purpose of ensuring a professional, fair and effective rehabilitation and reintegration process for sentenced persons following their release. Weaknesses in investment planning, financial management, documentation, monitoring and internal audit further reduce the efficiency and effectiveness of the penitentiary system. The very high proportion of pre-trial detainees and overcrowding in several Penal Institutions (IEVPs) create significant challenges for the management of pre-trial detention and limit the effective use of alternatives to imprisonment. The prison infrastructure is deteriorated, with particularly critical conditions in the Penal Institutions of Rrogozhinë and Lushnjë. At the same time, capital investments have been directed primarily towards security and transport infrastructure rather than improving living conditions, education, vocational training and recreational activities. Rehabilitation programmes—including education, vocational training, employment, psychosocial treatment and pre-release preparation—remain limited in scope, of insufficient quality, and are not adequately aligned with the actual needs of sentenced persons or with labour market requirements, both during imprisonment and following release.





In the Education

I. Psycho-social Service in the Pre-University Education System

The performance audit entitled "Psycho-social Service in the Pre-University Education System" was conducted at:

- The Ministry of Education and Sports;
- The Ministry of Health and Social Protection;
- The Office of the Minister of State for Youth and Children;
- The Agency for Quality Assurance in Pre-University Education;
- The National Agency for Pre-University Education.

Family conflicts and persistent economic difficulties have a significant impact on children, causing anxiety, stress, and difficulties in concentration and learning motivation. Furthermore, bullying—both within school environments and through social media—has become a phenomenon that adversely affects students' psycho-social well-being. These factors frequently result in serious psychological consequences, leaving young people feeling isolated and insecure. For these reasons, the psycho-social service within the pre-university education system represents a key mechanism for addressing these challenges and for ensuring a healthy and supportive learning environment for students. The psycho-social service in Albania's public pre-university education system currently employs 824 staff members, comprising 592 psychologists and 232 social workers, with staffing levels increasing year by year. At the same time, the number of students enrolled in public pre-university education has declined, affecting both rural and urban schools and leading to an increasing number of schools with small student populations.

The objective of this audit was to assess the measures undertaken by the responsible institutions to ensure the provision of equitable and inclusive psycho-social services throughout the public pre-university education system during the period January 2020 – April 2024. More specifically, the audit examined: the adequacy of the organisational structure and infrastructure established for delivering psycho-social services to pre-university students; the effectiveness of psycho-social services in identifying and appropriately addressing students' psycho-social issues; and the strategies and institutional activities implemented to ensure the effective functioning of the service.

Based on the audit findings and conclusions, the audit delivered the following key message:

The responsible institutions do not ensure equitable and inclusive psycho-social services for students attending pre-university schools, capable of providing a safe and supportive learning environment. A number of schools, particularly those located in rural areas, are not covered by psycho-social services. Dedicated counselling offices and supporting equipment are lacking and, even where available, are generally not reserved exclusively for psycho-social professionals. Psycho-social services for children with disabilities are not provided in accordance with the applicable requirements. The current strategic documents address psycho-social services in a fragmented manner, with objectives that frequently overlap. At the same time, the regulatory framework governing these services is not harmonised with other legislation and is often inconsistent. Although staffing levels have increased over the years, psycho-social services have yet to fulfil their role effectively in identifying and addressing students' psycho-social needs.



II. The Role and Effectiveness of School Safety Officers

The performance audit entitled "The Role and Effectiveness of School Safety Officers" was conducted at:

- the Ministry of Education and Sports;
- the Ministry of Interior;
- the Security Academy;
- the General Directorate of State Police;
- the Agency for Quality Assurance in Pre-University Education; and
- the National Agency for Pre-University Education.

This audit was undertaken in response to growing public and institutional concerns regarding school safety, accompanied by incidents of violence, conflict and bullying that undermine the educational environment. Given that ensuring a safe environment for children constitutes both a societal priority and part of Albania's legal and European commitments, it was considered necessary to assess the role and effectiveness of school safety officers. The audit aimed to evaluate the actual impact of this measure, identify existing shortcomings and propose improvements to strengthen safety and well-being within educational institutions.

The objective of this audit was to assess and analyse the effectiveness of the mechanisms established by the responsible institutions to ensure the safety of students in schools during the audit period September 2021 – December 2024.

More specifically, the audit focused on the activities of several pre-university education institutions, including: the Ministry of Education and Sports; the National Agency for Pre-University Education; the Agency for Quality Assurance in Pre-University Education; the General Directorate of State Police; the Security Academy; and other relevant institutions, with the aim of examining their respective responsibilities and activities concerning the role of school safety officers, while assessing the extent to which government policies have been implemented in accordance with the Education Development Strategy 2021–2026.

Based on the audit findings and conclusions, the audit delivered the following key message:

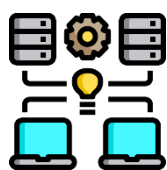
School safety during the period September 2021 – December 2024 was found to be ineffective due to deficiencies in the regulatory framework, the role assigned to school safety officers, the absence of effective monitoring of their performance, and insufficient coordination among the institutions involved in this process. The regulatory framework does not establish clear rules for the collection, processing and analysis of data relating to incidents occurring in schools.

The activities carried out by school safety officers do not adequately respond to the needs of schools, as no assessment tools are used to identify these needs and no physical inspections of students or school premises are conducted. Official reporting among the institutions involved is characterised by significant shortcomings, resulting in incomplete and inaccurate information.

The absence of school safety officers in all schools has further undermined school safety.

Coordination and cooperation among the National Agency for Pre-University Education, the General Directorate of State Police, the Agency for Quality Assurance in Pre-University Education and the Security Academy remain inadequate. School safety officers are not subject to effective monitoring, either by school management or by the relevant structures of the National Agency for Pre-University Education, including the Regional Directorates and Local Education Offices.





Technology and Innovation

I. Online Shopping in Albania: Taxation and Consumer Services

The performance audit entitled "Online Shopping in Albania: Taxation and Consumer Services" was conducted at:

- The Ministry of Finance;
- The General Directorate of Customs;
- The General Directorate of Taxes;
- The State Inspectorate for Market Surveillance;
- The Electronic and Postal Communications Authority.

This audit topic is particularly relevant as online shopping has become an increasingly important part of everyday life, directly influencing consumer behaviour and economic development. The growing use of the Internet and electronic commerce in Albania, particularly following the COVID-19 pandemic, has highlighted the need for an effective regulatory framework, stronger consumer protection and efficient tax and customs administration mechanisms. Although online shopping in Albania remains below the levels observed in neighbouring countries and the European Union, it presents significant potential for future growth while requiring stronger institutional attention to ensure consumer security, transparency and confidence.

The objective of this audit was to assess the measures undertaken by the responsible institutions in managing e-commerce, with particular emphasis on the formalisation of online commercial activities, consumer protection and compliance with fiscal obligations. More specifically, the audit focused on the activities of: the Ministry of Finance; the General Directorate of Taxes and its subordinate structures; the General Directorate of Customs and its subordinate structures; the State Inspectorate for Market Surveillance; and the Electronic and Postal Communications Authority. The selected audited entities, as well as the audit period, provide a comprehensive overview of the responsibilities and processes exercised by the responsible institutions in support of sound governance and management.

Through the main findings and conclusions of this audit report, the following key message was reached: Online commerce in Albania continues to grow; however, it remains significantly behind the countries of the region and the European Union in terms of participation and formalisation. According to the Balkan Barometer 2024 report, only a small percentage of Albanian businesses generate more than 5% of their sales through online channels, placing the country at the lowest level of online sales in the region.

The audit identified the absence of clear and integrated policies on online commerce by policymaking institutions, both with regard to the regulation of digital commercial activities and the exercise of their supervisory role.

On the other hand, law enforcement institutions, both at the central and local levels, have not succeeded in improving their internal procedures to effectively manage the risks associated with online purchases. Fiscal and customs controls remain fragmented, while awareness-raising campaigns targeting both consumers and online sellers are entirely lacking.

The absence of an integrated approach and insufficient inter-institutional coordination have created room for informality, thereby limiting the development of the digital market.



The responsible institutions are required to demonstrate concrete commitment to safeguarding the public interest and the fundamental rights of citizens in the digital era. Only through a coordinated inter-institutional approach, improvements to the legal framework, enhanced transparency, and the strengthening of public trust can online commerce function as a fair, secure, and equitable environment for all users.

Such interventions should not be regarded as optional, but rather as a priority, in order to protect citizens' trust and security in an economy that is undergoing rapid digitalisation.

I. Cybersecurity of the Critical e-Taxation Infrastructure

The performance audit entitled "Cybersecurity of the Critical e-Taxation Infrastructure" was conducted at:

- The General Directorate of Taxes;
- The National Agency for Information Society;
- The National Cybersecurity Authority.

With the rapid development of information technology and its increasing use throughout public administration, the importance of cybersecurity has grown significantly at the global level, affecting various aspects of countries' social, economic and institutional life. Over recent decades, the increasing use of digital systems in sectors such as finance, healthcare and taxation has made the security of data and critical information infrastructures one of the foremost priorities for governments and international organisations. In Albania, several major cyberattacks have occurred in recent years, exposing weaknesses in cybersecurity systems and highlighting the need for stronger protective measures. Among the most significant cyberattacks were: the cyberattack against the banking sector in 2016; the cyberattack against state institutions in July 2022; and the cyberattack against the TIMS system in September 2022.

The objective of the performance audit entitled "Cybersecurity of the Critical e-Taxation Infrastructure" was to assess and analyse the measures undertaken by the responsible institutions (the General Directorate of Taxes, the National Agency for Information Society and the National Cybersecurity Authority) concerning the operation and cybersecurity of the electronic taxation system.

Based on the audit findings and conclusions, the audit delivered the following key message:

The audit identified a number of deficiencies that directly affect the level of cybersecurity and the clarity of institutional responsibilities. The methodology required under Law No. 25/2024 "On Cybersecurity" for identifying operators of critical and important information infrastructures had not yet been established.

Although the General Directorate of Taxes (GDT) has been designated as the operator responsible for the administration of the critical e-Taxation system pursuant to Council of Ministers Decision No. 553/2020 "On the approval of the list of critical information infrastructures and the list of important information infrastructures", as amended, the infrastructure itself is administered by the National Agency for Information Society (NAIS), resulting in unclear allocation of institutional roles and responsibilities. The audit also identified inconsistencies between the regulatory framework of the National Cybersecurity Authority (NCSA) and Law No. 43/2023 "On Electronic Governance", which assigns NAIS responsibility for ensuring the implementation of security measures for the critical information infrastructures under its administration. Similar inconsistencies were identified with the National Cybersecurity Strategy, which requires that all government information infrastructures managed by NAIS implement the full range of security measures prescribed by the applicable legislation and the ISO/IEC 27001 standard.



As a consequence of the centralisation of information technology services within NAIS, the General Directorate of Taxes transferred both its IT infrastructure and specialised information technology personnel, creating shortages in specialised human resources. This situation has increased exposure to cyber risks and limited the institution's capacity to respond effectively to cybersecurity incidents. From a technical and operational perspective, the audit identified: non-compliance with the minimum required distance between the primary and secondary sites, contrary to NAIS guidelines; lack of documented needs assessments and training planning; absence of training plans for end users; lack of data encryption; absence of documentation relating to environmental controls at the Government Data Centre (such as flood protection, fire protection and periodic testing); lack of a documented schedule for reviewing system logs, contrary to internationally recognised good practices (NIST and CIS); and insufficient clarity and incomplete documentation regarding third-party access controls to the critical system.



3.5 INFORMATION TECHNOLOGY (IT) AUDITS

The role of Information Technology (IT) audit in providing assurance that appropriate processes have been established to manage relevant IT risks and vulnerabilities is essential if Supreme Audit Institutions (SAIs) are to report meaningfully on the efficiency and effectiveness of government and public sector operations.

The pace at which technology is advancing is faster than ever before, bringing with it significant implications for IT audits. IT systems are becoming increasingly complex. These systems are interconnected with other internal and external systems and networks, including the Internet, thereby further increasing their complexity.

The transition of public sector audited entities to IT systems and digital processing has created the need for the Supreme State Audit Institution to develop the necessary capacities to perform a comprehensive examination of controls related to IT systems, in accordance with its legal mandate.

During IT audits, the auditor shall obtain assurance that IT internal controls relating to the confidentiality, integrity, validity, and availability of data have been established and are operating effectively in support of the audited entity’s objectives. Upon completion of IT audits, the audit team issues the Audit Conclusion.



10 Audits



10 conclusions in IT audits

10 conclusions



3.4 INFORMATION TECHNOLOGY AUDITS

Lushnjë Educational Centre

The audit of information technology systems identified deficiencies in the IT infrastructure, which was found to be outdated, inefficient and lacking fundamental security components, including firewalls, managed switches and secure computer equipment. IT services relied on an underdeveloped infrastructure characterised by frequent interruptions of Internet connectivity through ADSL technology, the use of unlicensed software and obsolete peripheral devices. These factors significantly increase the risk to information security and hinder the stable and efficient operation of educational systems and services. Furthermore, the absence of monitoring systems in nurseries and kindergartens highlighted the need for a comprehensive assessment of IT infrastructure requirements, as well as the allocation of the necessary financial resources for its modernisation and consolidation.

Lezhë Regional Directorate for Pre-University Education

The audit of information technology systems found that the institution's IT infrastructure was affected by deficiencies that jeopardised the security and continuity of its services. The absence of a resilient network infrastructure, including firewalls and antivirus protection, the use of weak passwords, the lack of clearly defined access management and authentication policies, together with the physical exposure of IT equipment without adequate protective measures, left the institution vulnerable to cyberattacks and impaired the identification and traceability of responsibility for activities performed within the system. Overall, the Directorate was assessed as operating at a high level of cyber risk, owing to the absence of basic security controls and the lack of formalised policies governing systems management and access control.

Sports University of Tirana

The audit of information technology systems identified deficiencies in the management of IT security and service continuity. The University had not adopted information security policies or procedures, did not have antivirus systems installed and operated computers with outdated operating systems. The agreement concluded with the Albanian Academic Network (RASH) did not define service procedures, recovery time objectives or penalties for service failures, nor had an authorised officer been designated to monitor its implementation. Consequently, the University was exposed to interruptions affecting critical services. The functionality of the Pitagora information system was limited. Sections and reports were not generated automatically, certain users had access rights that exceeded those required for their roles, and no plan existed for the periodic monitoring of data transmitted by RASH. Furthermore, no working groups had been established to develop regulations governing the Pitagora system, the protection of personal data or video surveillance, thereby limiting the institution's ability to manage its information systems in a secure and well-regulated manner. The absence of appropriate organisational structures, regulations, procedures and internal controls, together with the limited functionality of the Pitagora system, increases the risk of human error, service interruptions and weaknesses in the management of academic and personal data.

Regional Statistical Office of Fier

The audit of information technology systems identified deficiencies in information technology management and data security that exposed the institution to operational and cyber risks.



The Office did not have an IT specialist responsible for implementing the requirements of ISO/IEC 27001 and nationally and internationally recognised best practices. Consequently, technical issues were not addressed in a timely manner and cybersecurity policies were not implemented consistently. The IT infrastructure was not centrally managed or monitored. Clear responsibilities had not been assigned for the management and safeguarding of electronic data created and stored locally by employees. In addition, users operated with administrative privileges, enabling software installations without prior authorisation. The Office had not adopted basic regulations and guidelines governing information technology management in accordance with legal requirements. INSTAT's policies and regulations are primarily designed for the central level and do not provide detailed guidance for regional offices. Furthermore, the Regional Office did not use INSTAT's central information systems, and data exchange was carried out via electronic mail or traditional correspondence, creating operational risks and compromising the security, integrity and continuity of business processes. These deficiencies created a high-risk operating environment, highlighting the need for corrective measures to strengthen information technology governance and information security.

National Centre of Cinematography

The information technology systems audit identified significant deficiencies in information technology management, data security, and service continuity. The National Center of Cinematography (NCC) had not documented an IT incident management plan for the identification, handling, and reporting of IT incidents, nor did it have an information technology management policy aligned with best practices and the applicable legal framework. As a result, IT operations were conducted on an ad hoc basis, with responsibilities not formally assigned. The Application Management System (AMS) and the Document Management System with Electronic Signature (SQDNE) were used exclusively by the IT specialist, without segregation of user roles based on employees' functions, thereby increasing the risk of excessive user privileges and compromising the integrity of business processes. The AMS lacked system-specific operating procedures for the NCC, test records were present in the live production environment, and the system did not allow accurate reporting of applications. The former filmcoproduction.com system is no longer in use, and neither its source code nor its data are administered by the NCC, undermining administrative control and constituting non-compliance with the Law on the Protection of Personal Data. During the period 2018–2023, a total of ALL 1.407 million (VAT included) was invested in this system, representing a use of public funds that did not comply with the principles of economy, efficiency, and effectiveness. Furthermore, the NCC has not taken the necessary measures to assume control over the database generated by the economic operator during the period in which the system was operational, leaving the information accumulated over the years unmanaged. The NCC has also failed to take measures to host and exercise control over the online application system integrated with the e-Albania platform, continuing contractual arrangements with the economic operator without a clearly defined server location and without ensuring control over the data. Furthermore, the systems and confidential data subject to access have not been identified, and no IT business continuity or disaster recovery plans have been established, thereby increasing the risk of service disruption and data loss. In addition, not all physical copies of films produced under funded projects remain readable, no responsible personnel have been designated for their preservation and documentation, and only a single copy is stored on a Network Attached Storage (NAS) device, without any documented administrative backup procedure.



Centre for Studies and Publications for the Arbëresh

The audit of information technology systems found that the current network infrastructure relies on a limited internet connection and on fragmented, unmanaged network equipment, which does not enable traffic monitoring, anomaly detection or the assurance of adequate system performance. Furthermore, the absence of basic security mechanisms, including a firewall, significantly increases exposure to external cyber threats and highlights the need to develop and implement comprehensive information security policies, procedures and technical controls for the protection of information assets and IT infrastructure, in accordance with international standards and recognised best practices.

Agency for the Administration of Seized and Confiscated Assets

The audit of information technology systems identified significant deficiencies in ICT governance and management. The institution had not established a sustainable IT organisational structure and had not received continuous technical support from the National Agency for Information Society (AKSHI) or from the information technology structures within the Ministry of Interior. Consequently, the management of the electronic system relied primarily on the basic IT knowledge of employees and on a temporary IT specialist engaged under a one-year contract, thereby increasing the risk of errors, delays and the compromise of the security and integrity of automated processes. All users operated with local administrator privileges, without prior approval for software installation or modification, significantly increasing the risk of unauthorised software installation and data compromise, contrary to the requirements of ISO/IEC 27001:2022. No antivirus solution had been deployed across the network, exposing the institution to viruses, malware and ransomware attacks and jeopardising business continuity and data integrity. The absence of regulatory and technical documentation governing the use and management of information technology—including documentation of the technology architecture, data backup procedures, user management procedures and incident contact points—compromised information security, operational clarity, traceability and the preservation of the system's historical records, making it difficult to monitor activities and maintain effective process controls. Furthermore, Microsoft Office products installed on seven computers were not supported by documented software licences, creating legal and operational risks. In addition, no responsibilities had been assigned for performing electronic data backups, thereby increasing the risk of information loss. Responsibility for maintaining and updating the electronic system had been assigned to an employee with a legal background who lacked the necessary technical expertise, making the effective execution of these responsibilities impracticable. The electronic system for recording seized and confiscated assets was not operational and remained unused throughout the audit period. Instead, asset records were maintained exclusively through Microsoft Excel spreadsheets, limiting the effective administration of seized and confiscated assets, restricting information exchange with other responsible institutions, and reducing the economy, efficiency and effectiveness of the public investments made in the development and maintenance of the electronic system.

Court of First Instance of General Jurisdiction of Shkodër

The audit of information technology systems identified deficiencies in institutional IT governance and the use of information technology, which directly affect the operation, security and effectiveness of institutional processes. The Court had not adopted an IT strategy or strategic IT plan and had therefore failed to plan the resources and capabilities necessary to support its institutional objectives, increasing the risk of inefficient resource management. The absence of an internal regulatory framework governing information technology—including policies, procedures and guidelines for system use, user management and risk management—undermined operational clarity, traceability and the preservation of audit trails. The Integrated Case Management Information System (ICMIS), which constitutes a critical information system for the justice sector, has undergone numerous technological developments over the years, including additional functionalities, user roles and system enhancements.



However, the audit identified multiple deficiencies that significantly hinder users' work, adversely affecting the accuracy and completeness of information, while reducing the accessibility and usability of data by other institutions to which the Court reports. The central IT infrastructure was not aligned with applicable national and international standards, guidelines and recognised best practices. The ICMS was not used effectively due to the absence of documented procedures governing user management, password management, access control and role-based access policies, as well as deficiencies in the archiving and coordination of physical case files with their corresponding electronic records, thereby increasing the risk of duplicate and inaccurate information. The Active Directory environment remained configured with default settings, increasing the risk of unauthorised access. Physical access to the institution's premises was not adequately monitored, compromising physical security. Backup procedures, log management and incident management processes had not been formally documented, exposing the institution to risks of data loss and disruption of critical services. Furthermore, the physical infrastructure of the server room failed to meet minimum technical and security standards, including the absence of fire suppression systems, alarm systems, surveillance cameras and suitable environmental conditions for IT equipment. The Court's website was unable to generate statistical reports relating to civil and criminal cases, thereby limiting transparency and restricting public access to judicial information.

National Diaspora Agency

The audit of information technology systems identified organisational and operational deficiencies in the administration of the information system and the underlying database. The system does not comply with the requirements of Council of Ministers Decision No. 504/2020, "On the establishment of the State Database of Students Studying Abroad and Foreign Citizens of Albanian Origin Benefiting from Scholarships Granted by the Republic of Albania." Specifically, the system had not established dedicated categories for foreign citizens of Albanian origin receiving scholarships or for self-funded Albanian students studying abroad. Consequently, the database does not fully reflect the purpose for which it was established and has not demonstrated effective utilisation by other public institutions. The audit also found that the Agency primarily administered data originating from the activities of the Ministry of Education and Sports, pursuant to Council of Ministers Decision No. 160/2020, "On the Financial Support of Outstanding Students and Civil Servants (Excellence Fund)." This situation resulted in overlapping institutional functions and uncertainty regarding responsibilities for the administration, processing and protection of the personal data of scholarship recipients studying abroad. Furthermore, the audit identified the absence of approval of the Agency's new organisational structure and the failure to update its internal regulations, contrary to the requirements of Council of Ministers Decision No. 120/2024, "On the Establishment, Organisation and Functioning of the National Diaspora Agency." In addition, electronic self-declaration mechanisms for diaspora data, either through the Agency's official website or via the e-Albania platform, were not operational. This has limited the establishment, updating and effective utilisation of the database as a reliable source of information to support evidence-based policymaking and decision-making processes.

Defence and Security College

The audit of information technology systems identified deficiencies including the absence of procedures for managing incidents and problems affecting the unclassified network, of which the Defence and Security College is a user. It also found a lack of specialised training for personnel responsible for information technology, as well as insufficient training for employees using IT equipment and information systems. The identified weaknesses mainly relate to access management, the condition of the IT infrastructure and the documentation of IT procedures. Furthermore, the audit identified the use of equipment operating on outdated operating systems, exposing the institution to significant information security risks.

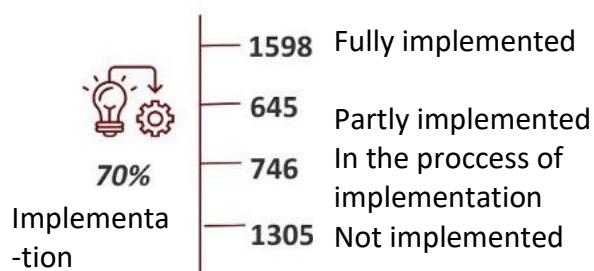
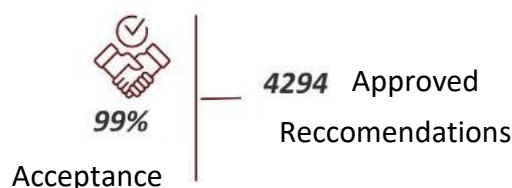
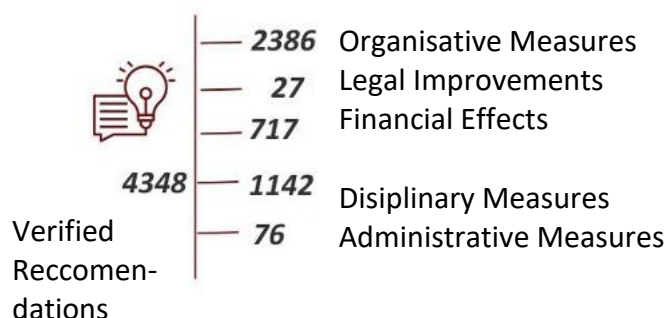
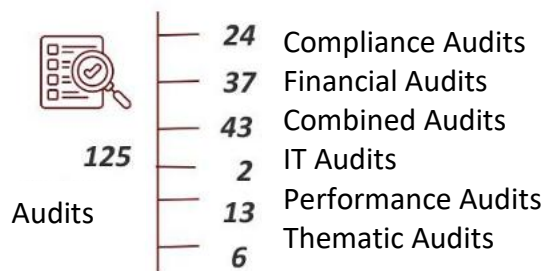


3.5 FOLLOW-UP AUDITS ON THE IMPLEMENTATION OF THE RECOMMENDATIONS

The recommendations addressed represent the instruments through which the audit can bring added value to public entities. The effectiveness of the follow-up on the implementation of recommendations by the Supreme State Audit Institution (ALSAI) is essential for achieving the maximum benefits from the audit activity.

The requirements of the INTOSAI Framework of Professional Pronouncements (IFPP) clearly define the roles and responsibilities of the audited entities and the Supreme Audit Institutions (SAIs), according to which it is essential that the responsibility for the timely and effective implementation of the recommendations lies with the audited entities, while, on the other hand, it is the responsibility of the SAIs to follow up the implementation of the recommendations, namely to verify the actions undertaken and whether the expected results have been achieved.

The procedures for verifying the implementation of recommendations in ALSAI aim to identify and document the degree of implementation, and they are based on: the requirements of the Constitution of the Republic of Albania, Articles 163 and 164; Law No. 154/2014 "On the Organization and Functioning of the Supreme State Audit Institution", Articles 15 and 30; the INTOSAI Framework of Professional Pronouncements (IFPP); the International Standards of Supreme Audit Institutions (ISSAIs); the ALSAI Manual for the Follow-up of the Implementation of Audit Recommendations; the institutional electronic register; as well as the ALSAI Strategy 2023–2027.



3.6 FOLLOW-UP AUDITS ON THE IMPLEMENTATION OF THE RECOMMENDATIONS

Institutional performance cannot be achieved without a consolidated and effective system for monitoring the implementation of audit recommendations. This represents the only sustainable approach to achieving the strategic objectives of the institution's mission and vision, while meeting the expectations of Parliament, the public and other stakeholders. The requirements of the INTOSAI Framework of Professional Pronouncements (IFPP) clearly define the roles and responsibilities of audited entities and Supreme Audit Institutions (SAIs).

Under these principles, responsibility for the timely and effective implementation of audit recommendations rests with the audited entities, while SAIs are responsible for following up on recommendation implementation by assessing whether the corrective actions taken have achieved the intended results.

The follow-up process and the implementation of corrective measures by audited entities provide comprehensive information on the value added by the work of the Supreme State Audit Institution (ALSAI) while also demonstrating the institution's professionalism, independence and objectivity.

The establishment of an effective mechanism for the systematic verification and reporting of recommendation implementation, supported by standardised, clear and well-defined methodologies and procedures, enables not only the Supreme State Audit Institution but also third parties—including Parliament, the Government and other stakeholders—to obtain continuous and reliable information regarding the actions undertaken by audited entities in preparing institutional and national strategic documents and in initiating legislative, administrative and organisational reforms.

The methodology and approach applied for monitoring the implementation of recommendations are designed to generate consolidated institutional indicators regarding the acceptance and implementation of audit recommendations. This, in turn, strengthens parliamentary oversight of the executive and enhances accountability in the management of public funds.

During 2025, the Supreme State Audit Institution verified the implementation of recommendations issued in 125 audits, covering the monitoring and follow-up of 4,348 recommendations. The results were submitted to:

The Parliament of the Republic of Albania, by letters: No. 282, dated 25.02.2025; No. 282/3 Prot., dated 04.07.2025; and No. 282/4 Prot., dated 18.12.2025.

The Minister of State for Relations with Parliament, by letters: No. 282/1, dated 25.02.2025; No. 282/2 Prot., dated 04.07.2025; and No. 282/5 Prot., dated 18.12.2025.

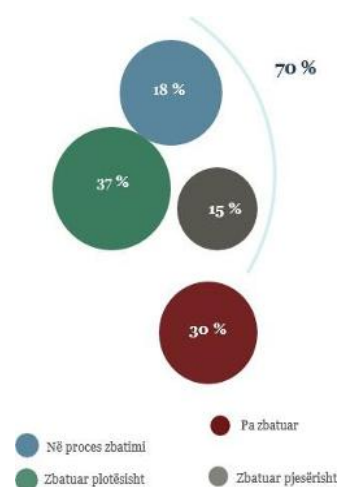
Note: The above figures also include 119 recommendations concerning disciplinary measures and 6 recommendations concerning administrative measures, which are no longer considered relevant.



Field verification of the implementation of the recommendations showed that, of the 4,348 recommendations issued during 2024, 4,294 recommendations were accepted, representing approximately 99% of the total, while 54 recommendations, or approximately 1%, were not accepted.

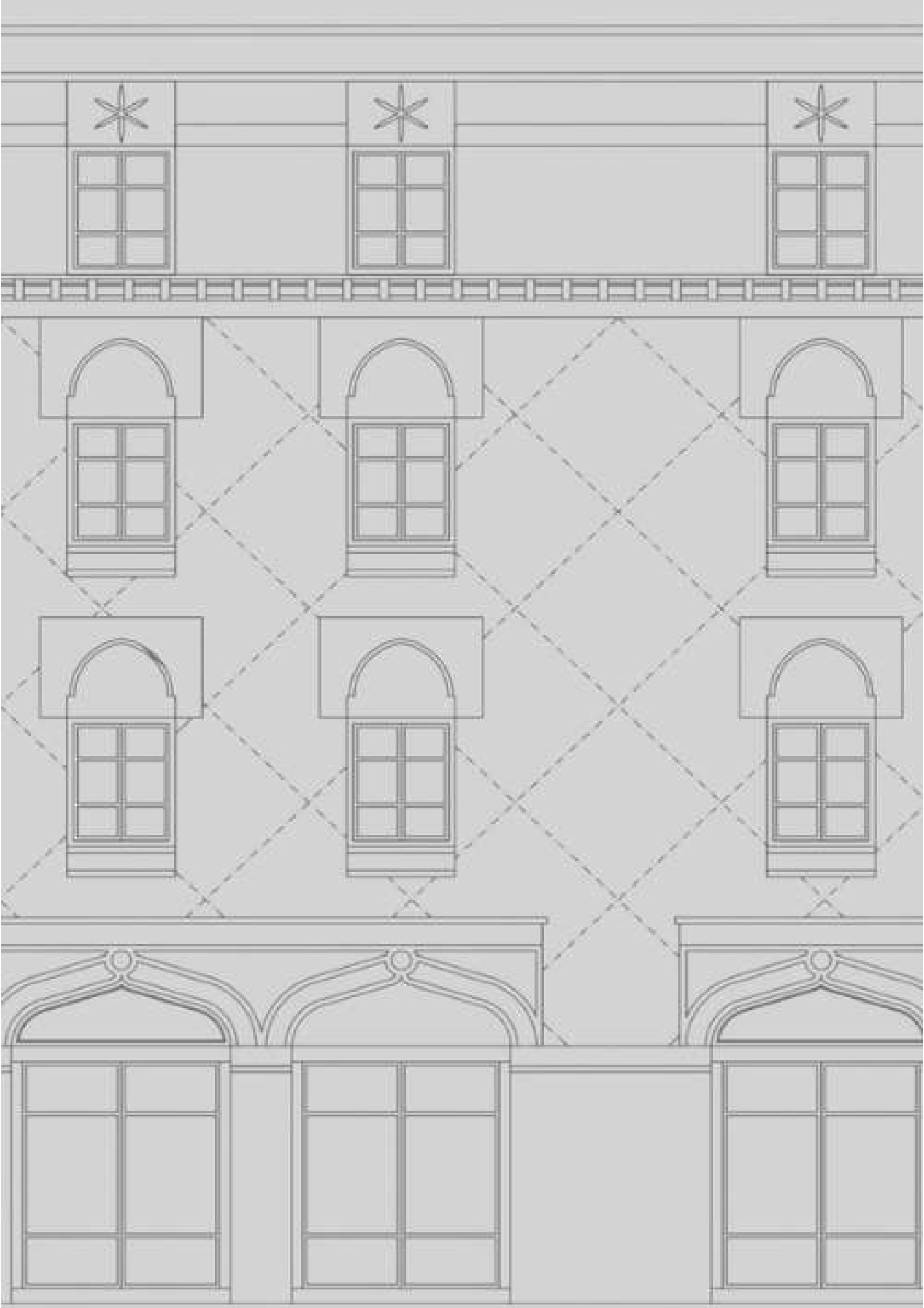
Of the 4,294 accepted measures, 1,598* were found to have been fully implemented (approximately 37% of the total accepted measures), 645 measures were partially implemented (approximately 15%), 746 measures were in the process of implementation (approximately 18%), and 1,305 measures remained unimplemented (approximately 30%).

In conclusion, the status of the recommendations, classified by category, was as follows:



- ✓ 27 legislative improvement measures, of which 26 measures (96%) were accepted and 1 measure (4%) was not accepted. Verification of implementation showed that, of the accepted measures, 5 (19%) were fully implemented, 7 (27%) were partially implemented, 8 (31%) were in the process of implementation, and 6 (23%) remained unimplemented.
- ✓ 2,386 organisational measures, of which 2,350 measures (98%) were accepted and 36 measures (2%) were not accepted. Verification of implementation showed that, of the accepted measures, 793 (34%) were fully implemented, 356 (15%) were partially implemented, 536 (23%) were in the process of implementation, and 665 (28%) remained unimplemented.
- ✓ 535 measures for eliminating adverse effects, of which 530 measures (99%) were accepted and 5 measures (1%) were not accepted. Verification of implementation showed that, of the accepted measures, 85 (16%) were fully implemented, 121 (23%) were partially implemented, 134 (25%) were in the process of implementation, and 190 (36%) remained unimplemented.
- ✓ 182 compensation for damages measures, of which 178 measures (98%) were accepted and 4 measures (2%) were not accepted. Verification of implementation at the audited entities showed that, of the 178 accepted recommendations, 64 measures (36%) were fully implemented, 28 (16%) were partially implemented, 25 (14%) were in the process of implementation, and 61 (34%) remained unimplemented.
- ✓ 1,142 disciplinary measures, of which 1,134 measures (99%) were accepted and 8 measures (1%) were not accepted. Verification of implementation showed that, of the accepted measures, 621* (55%) were fully implemented, 133 (12%) were partially implemented, 42 (4%) were in the process of implementation, and 338 (30%) remained unimplemented.
- ✓ 76 administrative measures, all of which (100%) were accepted. Verification of implementation showed that, of the accepted measures, 30* (40%) were fully implemented, 1 measure (1%) was in the process of implementation, and 45 measures (59%) remained unimplemented.





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04

Institutional Management and Strategic Development

4.1 ANNUAL MONITORING OF THE “INSTITUTIONAL DEVELOPMENT STRATEGY 2023–2027”

The ALSAI Institutional Development Strategy 2023–2027 constitutes the Institution’s principal strategic document, guiding both the audit and non-audit activities of the Supreme Audit Institution of Albania (ALSAI) in accordance with local and global developments. This document is currently in its fourth year of implementation.

In implementing the Strategy, with the objective of enhancing the quality of audits and aligning with developments in professional standards, particularly in establishing the audit quality management system, the relevant sub-objectives and corresponding specific activities have been identified. ALSAI has consolidated its strategic, annual and operational planning practices in accordance with the updated methodologies, making greater use of visualisation tools to improve the efficiency of monitoring audit activities. At the same time, communication of audit results and ALSAI’s institutional activities has been strengthened through social media, the written and audiovisual media, as well as through brochures, newsletters and other awareness-raising activities. The consolidation of relations with the Parliament and the Parliamentary Subcommittee on Public Sector Auditing, through parliamentary hearings and continuous reporting, has been aimed at strengthening the follow-up of recommendations and enhancing the effectiveness of audit work for the benefit of the wider public.

With a view to achieving the strategic objectives, sub-objectives and specific activities, ALSAI continued during 2025 to implement the Action Plan for the implementation of the Strategy, approved by Decision No. 144 of the Chairman of ALSAI, dated 1 August 2023. The Action Plan was systematically monitored to assess the achievement of the objectives against the planned targets. All organisational structures of the Institution remained continuously engaged in implementing the specific activities and reporting the results achieved under the three strategic goals of the Strategy:

Strategic Goal 1: Strengthen and enhance ALSAI’s role as a supporter of the Parliament in ensuring effective accountability and thorough scrutiny of entities managing public funds.

Strategic Goal 2: Increase the impact of audit work on good governance by improving the level of implementation of audit recommendations.

Strategic Goal 3: Optimise professional capacities with the objective of acquiring innovative knowledge in audit work.

With regard to the implementation of the objectives and sub-objectives **under the first Strategic Goal**, ALSAI prepared and approved the 2025 Annual Audit Plan in accordance with the Annual Audit Planning Methodology (approved in 2023). This methodology was also applied in planning performance audits, in conjunction with the Performance Audit Manual and the Guide on Risk Areas (revised), as part of the ongoing consolidation of the process for preparing ALSAI’s Annual Audit Plan. In fulfilment of the Sustainable Development Goals (SDGs) under the 2030 Agenda, and in accordance with the recommendations of the Parliament of Albania, through audit work aligned with the strategic priorities of INTOSAI, the Performance Audit Department carried out several audits during 2025 covering SDG-related areas. These included: SDG 1 – No Poverty: “Effectiveness of the measures undertaken within the framework of SDG Target 1 – Ending poverty in all its forms.” SDG 5 – Gender Equality: “Women’s representation in politics and governance.” SDG 6 – Clean Water and Sanitation: “Quality and certification of drinking water placed on the market for consumers.” “Quality of bathing waters.” “Pollution of the Tirana Artificial Lake.” “Measures undertaken by the responsible institutions to eliminate the discharge of wastewater into the Lana River in Tirana.”



During 2025, the Supreme Audit Institution of Albania (ALSAI) continued strengthening the quality and professionalism of the implementation of the International Standards of Supreme Audit Institutions (ISSAIs) through the continuous updating and implementation of the relevant manuals and guidance documents. In this context, ALSAI initiated the implementation of the revised ISSAI 140 by introducing the Quality Management System (QMS), developed in full compliance with the requirements of the Standard and under the methodological supervision of the INTOSAI Development Initiative (IDI/INTOSAI). The Quality Management System, which includes guidance on monitoring, evaluation and risk management, has consolidated the transition towards an integrated quality management approach within the audit process. At the same time, the Guide for Identifying Risk Areas was updated and approved, thereby enhancing the effectiveness of audit planning and ensuring that audit resources are focused on areas of higher risk. In order to further improve the quality of performance audits, the revision of the Performance Audit Manual continued throughout 2025 in cooperation with the Office of the Auditor General of Norway (OAGN), while completion of the draft is expected in April 2026. In addition, the Manual on the Follow-up of the Implementation of Recommendations was revised with the objective of strengthening the follow-up methodology and enhancing the effectiveness of audit recommendations.

During 2025, the Information Technology Audit Department continued its cooperation with the Office of the Auditor General of Norway (OAGN) with the objective of strengthening professional capacities and improving the quality of audits in the fields of information security and cybersecurity. Within this framework, specialised training activities were delivered and the use of open-source IT tools employed by OAGN was piloted through a joint Ethical Hacking audit conducted on ALSAI's information technology infrastructure. At the same time, significant improvements were made to the Information and Communication Technology (ICT) infrastructure, including network optimisation and the implementation of advanced security policies in accordance with international standards and the legal requirements governing cybersecurity. Furthermore, the recommendations arising from the cybersecurity audit were implemented, thereby increasing the resilience and security of the Institution's digital environment.

During 2025, ALSAI further intensified its relationship with the Parliament, strengthening institutional communication and cooperation through regular reporting to the Parliamentary Subcommittee on Public Sector Auditing. Cooperation with Parliament was further consolidated through ALSAI's participation in joint activities and through the periodic reporting of audit results by means of audit reports, statistical bulletins and information bulletins, thereby contributing to stronger institutional dialogue and greater accountability in the oversight of public finances.

With regard to the achievement **of the second Strategic Goal**, the Supreme Audit Institution of Albania continued throughout 2025 to strengthen communication, transparency and public access to information by communicating its audit activities through effective communication channels, with the objective of reaching citizens and enhancing the role of public sector auditing. In order to improve the quality of communication and adopt international good practices, the Action Plan for the Implementation of ALSAI's Communication Strategy was updated in cooperation with experts from the National Audit Office of the United Kingdom (NAO UK) under the coordination of the Westminster Foundation for Democracy. During 2025, the Supreme Audit Institution of Albania submitted to the Parliament of Albania 186 Final Audit Reports, together with the Annual Performance Report for 2024 and the Report on the Implementation of the 2024 State Budget. At the same time, the Institution published its Final Audit Reports on its official website, thereby ensuring full public access to the results of its audit work.



As part of its institutional information and promotion activities, Albanian Supreme Audit Institution prepared and published a range of informational and promotional materials during 2025, including the brochure “100 Years of ALSAI”, the information leaflet marking the 100th anniversary, the album of centenary activities, the 2025 Annual Bulletin, and 12 monthly information bulletins. All publications were issued in both Albanian and English, with the objective of enhancing accessibility for both domestic and international audiences.

In order to promote audit reports, during 2025 the Performance Audit Department continued its institutional and international cooperation through participation in joint activities and the conduct of assisted and parallel performance audits with peer Supreme Audit Institutions (SAIs). Several assisted performance audits conducted with the support of the Office of the Auditor General of Norway (OAGN) were successfully completed, while other audits were carried out and continue to be conducted in cooperation with the SAIs of Israel, Kosovo, North Macedonia and Sweden.

During 2025, ALSAI’s activities received extensive media coverage. A total of 1,115 articles and media reports were published, including 96 articles in the printed press, 914 articles in audiovisual and online media, and 105 news reports, primarily covering the audit findings and results of ALSAI’s audits.

The Institution’s official website continued to be enhanced through the continuous enrichment of its content, the reorganisation of information and the improvement of its functionality. These improvements have contributed to greater transparency, facilitated public access to information and strengthened interaction with the public and other stakeholders.

With regard to communication with citizens, during the period January–December 2025, ALSAI processed a total of 189 letters, complaints, requests for information and reports submitted by individuals and various entities. In accordance with their nature and significance, these submissions were subject to verification procedures or special audits, as appropriate.

The Supreme Audit Institution of Albania also continued improving the quality of its audit reports, focusing on clarity, comprehensibility and the use of clear, professional language. To this end, in cooperation with the National Audit Office of the United Kingdom (NAO UK), the Institution further enhanced its editorial processes and language standardisation practices, while also providing continuous training on report drafting, presentation and reporting techniques.

Furthermore, dedicated software applications for the preparation of infographics and data visualisations were introduced and applied in key institutional documents, including Quality Management policies and guidance, statistical bulletins, and reports on the implementation of recommendations. These tools are being progressively integrated into ALSAI’s principal reporting documents, thereby enhancing the effectiveness of institutional communication and strengthening transparency.

With regard to the achievement **of the third Strategic Goal**, the Supreme Audit Institution of Albania, through its Continuing Professional Development (CPD) Programme, continued to strengthen the knowledge and competencies required by auditors for the achievement of audit objectives. This has contributed significantly to improving the quality of audit work, thereby promoting transparency, good governance, the sound management of public funds, and increasing the confidence of the public and external stakeholders in ALSAI.



The Institution periodically carried out training needs assessments and implemented training programmes in accordance with the Integrated Professional Development Programme for Albanian Supreme Audit Institution Staff.

Training activities were delivered both internally and in cooperation with national and international institutions, with the objective of enhancing the professional knowledge and competencies of staff and improving audit quality. During 2025, a substantial number of training activities were organised by both domestic institutions and international partners, involving both audit and non-audit staff. These activities contributed to strengthening participants' professional knowledge and skills and exceeded the Institution's minimum annual training targets.

The Supreme Audit Institution of Albania also continued its cooperation and participation in the internship programme of the European Court of Auditors (ECA) with the objective of strengthening audit capacities and promoting the exchange of best professional practices. Within this framework, one ALSAI auditor successfully completed the internship programme at the European Court of Auditors.

Meanwhile, the Supreme Audit Institution of Albania continued to consolidate a supportive and motivating working environment through the implementation of sustainable human resource management policies. In this context, the records relating to the professional and academic development of auditors were updated periodically, while semi-annual performance evaluations were carried out to monitor performance efficiency and identify professional development needs.

Objectives for 2026

During 2026, the Supreme Audit Institution of Albania (ALSAI) will continue to be guided in its activities by the mission, vision and strategic objectives established in the ALSAI Strategic Development Plan 2023–2027, as follows:

In pursuing **Strategic Goal No. 1**, the Institution will continue its efforts to further consolidate strategic audit planning practices, based on updated risk analyses and the application of contemporary audit methodologies as an integral part of the strategic planning process. This approach aims to ensure more effective and higher-quality audit coverage of public sector entities. ALSAI will remain fully committed to the comprehensive implementation of the International Standards of Supreme Audit Institutions (ISSAIs) and international best professional practices throughout all phases of the audit process, with the objective of enhancing the professionalism, objectivity and reliability of audit products. At the same time, cooperation with the Parliament, law enforcement institutions and other stakeholders will be further strengthened in order to prevent abusive practices, reinforce the fight against corruption and promote the results of audit work.

In pursuing **Strategic Goal No. 2**, and with a view to continuously promoting the role of ALSAI and its audit work as a safeguard for the sound management of public funds, the Institution will intensify, during 2026, the use of communication tools, particularly digital platforms and social media, with the objective of enhancing transparency and public accountability. ALSAI will continue to place particular emphasis on preparing audit reports that are clear, understandable and accessible, ensuring that audit findings, conclusions and recommendations can be readily understood by the public and stakeholders, particularly in audits involving matters of significant public interest.



In pursuing **Strategic Goal No. 3**, the Supreme Audit Institution of Albania will continue throughout 2026 to optimise the professional capacities of its staff, with particular emphasis on acquiring innovative knowledge and enhancing technical competencies in audit work. This objective will be achieved through participation in various knowledge-sharing and best practice exchange activities, including seminars, workshops, internships, projects, and joint or parallel audits conducted in cooperation with international organisations and peer institutions, including INTOSAI, EUROSAL, the U.S. Government Accountability Office (GAO), the European Court of Auditors (ECA), the Office of the Auditor General of Norway (OAGN) and other peer Supreme Audit Institutions (SAIs).

The implementation of the Supreme Audit Institution of Albania Institutional Development Strategy 2023–2027 will continue to be systematically monitored in order to assess the progress achieved, identify emerging priorities and guide the measures required for the successful achievement of the Institution’s strategic objectives.

4.2 HUMAN RESOURCE MANAGEMENT

In pursuit of Strategic Goal No. 3 of the Institutional Development Strategy 2023–2027, namely “Optimising professional capacities with the objective of acquiring innovative knowledge in audit work,” ALSAI continued throughout 2025 to ensure a competent and professional audit staff capable of effectively performing its statutory responsibilities and contributing to the achievement of the Institution’s strategic objectives. In the area of human resource management, ALSAI:

- Applies the applicable legal framework;
- Implements the INTOSAI International Standards relating to human resource management, together with international best practices appropriate to ALSAI;
- Seeks to recruit highly qualified professionals with foreign language proficiency, as well as experts and specialists with recognised expertise in various fields, including information technology and other specialised disciplines;
- Ensures continuous professional development and capacity building through internship programmes, fellowship programmes, and continuous professional training;
- Applies an objective performance appraisal system, based on individual performance, the achievement of individual objectives and compliance with professional competency requirements.

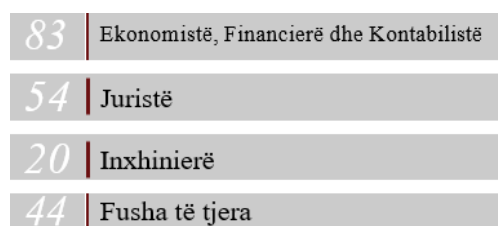
Organisational Structure for 2025

The organisational structure of the Albanian Supreme Audit Institution (ALSAI) is established by Decision No. 19 of 31 January 2022 of the Chairman of Albanian Supreme Audit Institution, “On the Organisational Structure, Job Classification and Salary Levels of ALSAI,” as amended. For 2025, the approved staffing establishment comprised 243 positions, unchanged from 2024. At the end of 2025, the actual number of employees at ALSAI was 215, of whom the audit staff accounted for 72% of the total workforce, corresponding to 154 auditors.



Educational Profile, Qualifications and Professional Certifications

According to the educational profile of the organisational structure for 2025, 201 employees, representing approximately 93% of the Institution's total actual workforce, held higher education qualifications. Classified according to their academic background, employees holding higher education degrees primarily consisted of economists, finance specialists, accountants, lawyers, engineers, architects, and professionals from other disciplines. With the objective of strengthening professional and methodological competencies and improving institutional performance, a number of employees have completed second-cycle university studies in additional fields of specialisation or have participated in training programmes and obtained professional certifications, both domestically and internationally, in response to emerging developments in the field of public sector auditing.



Classified according to their academic qualifications, of the 201 employees holding a university degree, 33 employees (16%) hold a second university degree in the following fields:

- 24 employees hold a second university degree in Law;
- employees hold a second university degree in Economics / Finance and Accounting;
- the remaining 5 employees hold second university degrees in other fields of study.

Albanian Supreme Audit Institution staff continue to pursue professional qualifications and certifications as part of their Continuing Professional Development (CPD). During 2025, the Institution's professional profile included:

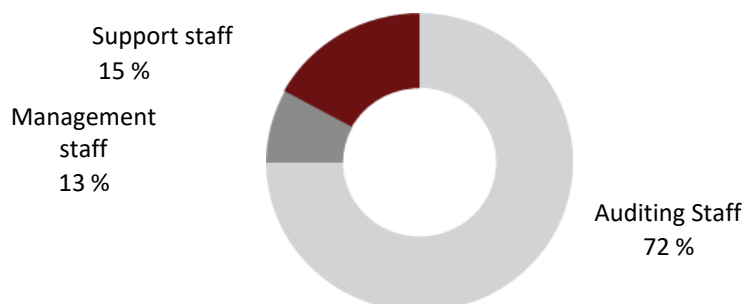
- 1 employee holds the academic title of Associate Professor;
- 2 employees hold a Doctor of Science (PhD) degree;
- 1 senior manager holds the internationally recognised Certified Public Accountant (CPA) qualification;
- employees (three senior managers and one Senior Auditor) hold the Chartered Institute of Public Finance and Accountancy (CIPFA) qualification, as well as an International Internal Audit Certificate;
- 1 employee holds the Association of Chartered Certified Accountants (ACCA) qualification;
- 19 employees of ALSAI have participated over the years in the internship programme of the European Court of Auditors (ECA), including one auditor who completed the programme during 2025;



- employees have participated over the years in the Fellowship Programme of the U.S. Government Accountability Office (GAO);
- 3 employees hold the qualification of Certified Accountant;
- 16 employees hold an Internal Auditor Certificate;
- 12 employees hold a Real Estate Valuation Certificate;
- 3 employees have been certified through international training programmes delivered by the INTOSAI Development Initiative (IDI) as SAI Compliance Auditors;
- 2 employees have been certified through international training programmes jointly delivered by the INTOSAI Development Initiative (IDI) and EUROSAI as IntoSAINT Moderators.

Staff Composition by Functional Category

The management staff, comprising the Secretary General, Director General, Director of the Chairman's Cabinet, Department Directors, Directorate Directors, Advisers, and Heads of Sector, represent approximately 13% of ALSAI's total actual workforce, corresponding to 28 employees. The audit staff, consisting of Principal Auditors and Auditors, represent 72% of the total actual workforce, corresponding to 154 employees. The support staff, including specialists, legal advisers, administrative personnel and service staff, represent approximately 15% of the total actual workforce, corresponding to 33 employees.



Recruitment Process

Throughout 2025, employee recruitment procedures were carried out in accordance with the ALSAI Institutional Development Strategy 2023–2027 and the Institution's approved human resource management policies, with the objective of ensuring that ALSAI recruits personnel possessing the qualifications, competencies and professional experience required to meet both its current and future organisational needs. As a highly important process that directly contributes to improving the Institution's performance. During 2025, a total of 37 Orders of the Chairman of ALSAI were issued to fill vacant positions, as follows:

- 27 Orders for filling vacant positions in the professional staff category, including Auditors and Specialists;
- 10 Orders for filling vacancies in managerial positions.

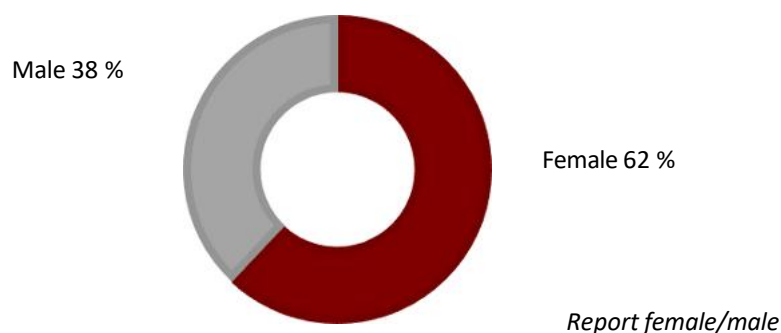


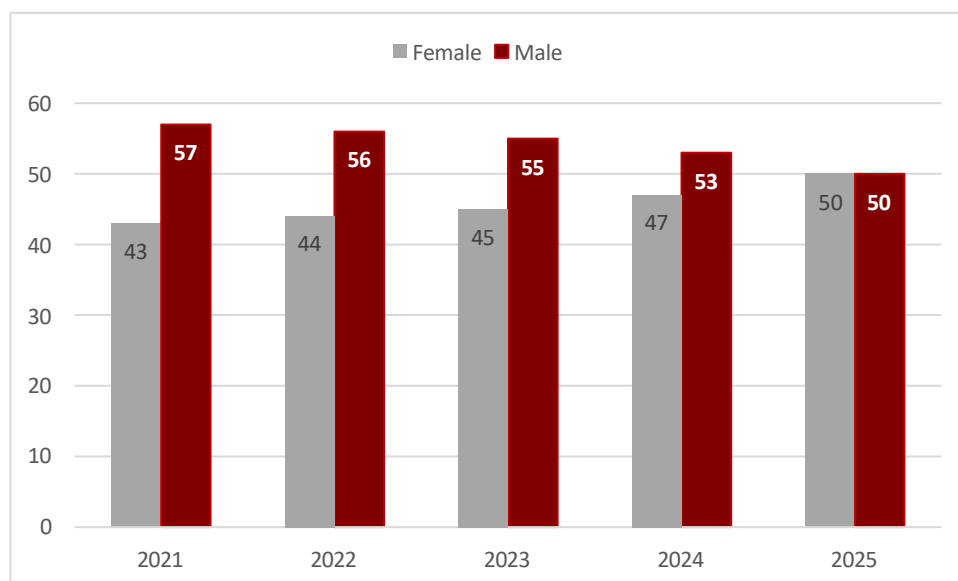
Following the completion of the recruitment procedures for vacancies in the professional staff category (Auditors and Specialists), 15 candidates were successfully selected. The remaining recruitment procedures were concluded without a successful candidate and were subsequently re-opened in accordance with the applicable legal provisions. Following the recruitment procedures for managerial positions, 9 candidates were successfully selected. The filling of vacant positions was affected by recruitment procedures that concluded without successful candidates, the need to reopen certain procedures on more than one occasion, as well as the suspension of recruitment procedures during the electoral campaign period. The recruited employees were appointed, as required, to the audit departments or to the support departments and directorates, in accordance with the staffing needs of each organisational unit for the implementation of the Annual Audit Plan and the achievement of its operational objectives and statutory responsibilities. In addition, 8 employees were appointed to positions governed by the provisions of the Labour Code.

Gender Equality Policies

In its human resource management policies and practices, Albanian Supreme Audit Institution has attached particular importance to ensuring compliance with the principle of gender equality across all institutional policies, activities and operations, with the objective of eliminating all forms of gender-based discrimination. The ratio of female to male employees continued to improve, reaching an equal gender balance in 2025. ALSAI's policy of supporting the career development of women is reflected in the significant representation of women at all managerial levels, with women holding 62% of management positions (24 management positions out of a total of 39). These positions include the Secretary General, Department Directors, Directorate Directors, Principal Auditors, Heads of Sector, and Advisers.

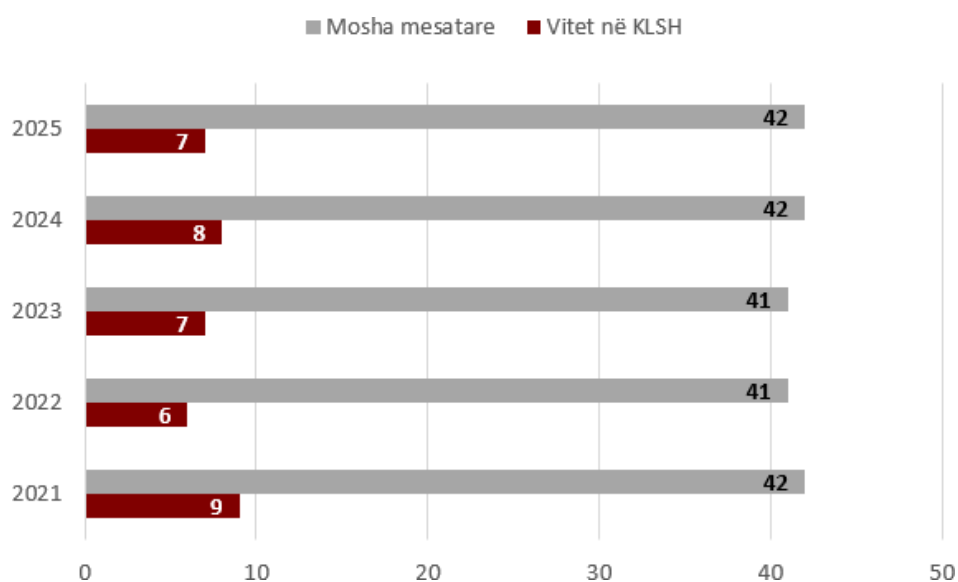
Management Level, year 2025





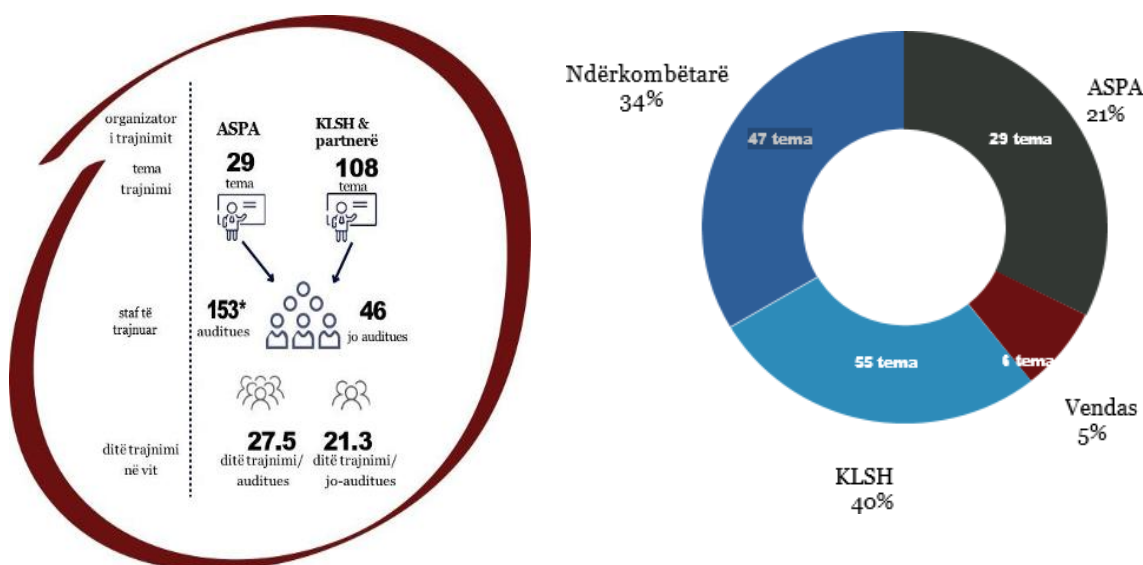
Average Age of Employees and Length of Service within the Institution

An important indicator of the policies pursued to ensure business continuity and to combine the experience of senior auditors with that of newly recruited staff is reflected in the indicators relating to the average age of employees and their length of service within the Institution. At the end of 2025, the average age of The Supreme Audit Institution of Albania employees was 42.2 years, remaining unchanged compared with 2023. Meanwhile, the average length of service at the Supreme Audit Institution of Albania in 2025 was 7.3.



4.2 CONTINUING PROFESSIONAL DEVELOPMENT

Training and the professional development of auditors constitute a strategic investment of time, energy and resources aimed at strengthening audit capacity. The Supreme Audit Institution of Albania has devoted particular attention to the continuing professional development of its staff, as one of its principal priorities for building and strengthening audit capacity, in cooperation with both domestic and international partners. For 2025, the Supreme Audit Institution of Albania carried out a training needs analysis through Google Forms questionnaires completed by the entire audit staff. Based on the identified training needs, taking into consideration the good practices of peer Supreme Audit Institutions, and in implementation of the Strategic Objectives of the Supreme Audit Institution of Albania, the Integrated Professional Development Programme for the Staff of the Supreme Audit Institution of Albania was approved by Decision No. 18 of the Chairman of the Supreme Audit Institution of Albania, dated 21 January 2025.



Pursuant to the Action Plan for the implementation of the “Integrated Professional Development Programme for the Staff of the Supreme Audit Institution of Albania” for 2025, the Institution devoted particular attention to the continuing professional development of its staff, as a key priority for building and strengthening audit capacity, in cooperation with both domestic and international partners, including INTOSAI, EUROS AI, the World Bank, OECD, the European Court of Auditors (ECA), the Centre of Excellence in Finance (CEF), peer Supreme Audit Institutions (SAIs), the Guardia di Finanza, the INTOSAI Development Initiative (IDI), the National Audit Office of Kosovo (NAO), the Albanian School of Public Administration (ASP A), the National Agency for Information Society (AKSHI), and others.

During the period January–December 2025, a total of 137 training topics were delivered, of which 29 were organised by ASP A, 55 by the Supreme Audit Institution of Albania, 6 by local partners, and 47 by international partners. As a result of these activities, an average of 27.5 training days was achieved for the audit staff, exceeding the annual target of 20–25 training days, while an average of 21.3 training days was achieved for the non-audit staff, exceeding the minimum annual target of 14 training days. These figures refer to all audit staff who participated in training activities during the year.



Throughout 2025, the Supreme Audit Institution of Albania continued to act as the promoter and organiser of a wide range of staff professional development activities, in accordance with the strategic directions for the period 2023–2027, accounting for the largest share of the training days organised, followed by international and local partners.

With regard to the diversity of training topics, approximately 47 topics, representing 34% of the total number of training topics, were organised by international partners, including peer Supreme Audit Institutions, INTOSAI, EUROSAI, the Centre of Excellence in Finance (CEF), and others. A significant proportion of the training topics was delivered using the internal resources of the Supreme Audit Institution of Albania. Specifically, 55 training topics, representing 40% of the total number of training topics organised during 2025, were delivered by drawing upon the expertise of the staff of the Supreme Audit Institution of Albania, particularly its audit staff, who had specialised and received training in previous years, thereby contributing to strengthening knowledge transfer within the Institution.

The training activities organised by international partners primarily covered topics relating to: Quality Management; knowledge transfer in Performance Audit; Environmental Auditing; Cybersecurity; the Audit of Concessions and Public-Private Partnerships (PPPs); Strategic Planning; Report Writing; and Anti-Corruption, among others. The Training Plan was also supported by ASPA and domestic partners, which delivered 29 training topics, representing approximately 21% of the total number of training topics organised during 2025. In particular, ASPA contributed a total of 29 training topics, of which 12 were certification training topics (41%) and 17 were other training topics (59%), which contributed to enhancing the professional knowledge of the Institution's audit and non-audit staff.

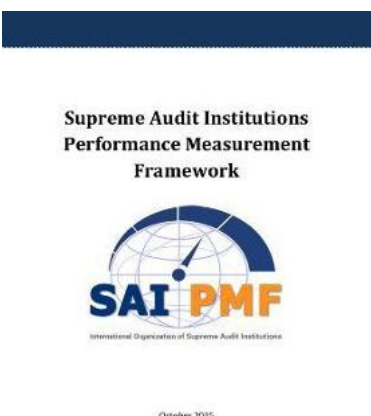
The training activities of the Supreme Audit Institution of Albania, carried out with the objective of strengthening audit and non-audit capacities, included both face-to-face training sessions conducted in the Institution's training facilities and online training delivered through the Microsoft Teams platform. Likewise, international and domestic partners also organised both face-to-face and online training activities. More specifically, approximately 75% of the training activities delivered during 2025 were conducted online, thereby ensuring a more appropriate alignment between the need for continuous knowledge enhancement and the audit and non-audit assignments of staff, while also taking into account the Institution's workload. Approximately 25% of the remaining training activities were delivered through face-to-face participation, either at the Supreme Audit Institution of Albania or at other institutions within Albania and abroad, thus taking advantage of the benefits offered by participation in specialised face-to-face training activities.



4.3 ANNUAL SELF-ASSESSMENT IN ACCORDANCE WITH THE INTOSAI PERFORMANCE MEASUREMENT FRAMEWORK

During 2025, the Supreme Audit Institution of Albania used the Supreme Audit Institutions Performance Measurement Framework (SAI PMF) as an important instrument for monitoring and assessing its institutional performance. This framework serves to analyse the Institution's performance in a structured manner, focusing on the effectiveness of its processes, the management of resources, and the quality of audit results.

The application of the SAI PMF enables a comprehensive assessment of the activities of the Supreme Audit Institution of Albania, closely linking them to the principles of Quality Management and the objectives of the Institutional Development Strategy. This framework has been recognised by INTOSAI as a Global Public Good, which may be applied by Supreme Audit Institutions in accordance with their specific conditions and needs.



Within this framework, the Supreme Audit Institution of Albania carried out its 2025 self-assessment, based on the updated guidance of the INTOSAI Development Initiative (IDI), which recommends that annual monitoring should focus only on selected components and indicators. This approach is based on the fact that not all performance indicators produce immediate results, since some of them relate to medium-term and long-term impacts. In accordance with ISSAI 140 and the requirements for Quality Management, the self-assessment focused on key areas that can be measured on an annual basis and provide assurance regarding the effective functioning of the Institution.

Specifically, the monitoring focused on:

- Institutional Independence and its implementation in practice
- The capacity to fulfil the audit mandate through audit planning
- The quality of audit work

The independence of the Supreme Audit Institution of Albania constitutes a fundamental element for the exercise of its mandate. During 2025, the Supreme Audit Institution of Albania strengthened its cooperation with the Parliament of Albania, contributing to increased transparency and to the follow-up of the implementation of audit recommendations. Through parliamentary hearings and reports prepared by the parliamentary structures, efforts were made to improve the implementation of recommendations and to strengthen the accountability of public institutions. With regard to the fulfilment of its audit mandate, the Supreme Audit Institution of Albania continued to apply the risk-based approach in the Annual Audit Planning process. This approach ensures that audits are focused on institutions and areas of greater significance and higher risk, while making effective use of the available resources. Furthermore, an essential element of the self-assessment is the functioning of the Institution's internal organisational system and the audit quality control system. The audit process within the Supreme Audit Institution of Albania is subject to continuous quality control throughout all stages of the audit, from planning to the publication of the Final Audit Report. This process is carried out through a hierarchical review system and in accordance with the International Standards of Supreme Audit Institutions. The Supreme Audit Institution of Albania has strengthened its Quality Management Framework by moving from a quality control approach to a comprehensive Quality Management System, in accordance with ISSAI 140.



Within this framework, new policies and instruments have been approved, including Quality Management Policies, the Risk Register, and the relevant guidance documents.

Within the context of the Annual Self-Assessment in accordance with the INTOSAI Performance Measurement Framework (SAI PMF), a fundamental element of the assessment is the evaluation of the effectiveness of the System of Audit Quality Management (SoAQM). This system represents a significant strategic development aimed at improving the Institution's performance. The SoAQM has been designed and implemented as a structured and comprehensive system, based on three core processes: quality risk management, monitoring and continuous improvement, and system evaluation.

These processes have been developed and operate in an integrated manner, creating a self-correcting mechanism aimed at enhancing audit quality throughout all phases of the audit cycle. During the self-assessment, an analysis was carried out to determine whether these processes had been designed and were operating in accordance with the requirements of the ISSAI Standards, in particular ISSAI 140, and whether they contributed to the achievement of the Institution's quality objectives.

The results indicate that the quality risk management process has been implemented systematically, enabling the identification and assessment of risks that may affect audit quality, as well as the determination of appropriate responses to address them. At the same time, the monitoring and improvement process ensured the collection of the information necessary to assess the functioning of the system and to identify deficiencies, thereby enabling corrective and improvement actions to be undertaken.

This process was carried out both at the organisational level and at the audit engagement level, ensuring an integrated approach to quality. Monitoring at the organisational level was carried out through the operation of the key components of the system, including the implementation of quality policies and procedures. Monitoring at the audit engagement level was conducted through the inspection of a sample of Financial Audits, Compliance Audits, Performance Audits and Information Technology Audits.

The quality review process covered 30% of the audit files completed during 2025, specifically 35 audit files, selected on a random basis from all audit departments of the Supreme Audit Institution of Albania. The quality review for 2025 indicates that the Quality Management System of the Supreme Audit Institution of Albania operates effectively and consistently, and that audits are conducted in accordance with the professional standards and the applicable regulatory framework. Upon completion of these processes, the overall evaluation of the SoAQM was carried out, providing the basis for reaching a conclusion on the effectiveness of the system. This evaluation was supported by an analysis of the identified deficiencies, both at the individual level and at the aggregated level, in accordance with the methodological requirements established for this purpose.

The findings of this evaluation indicate that the system provides a reasonable level of assurance for the achievement of the quality objectives and that the identified deficiencies do not have a material impact on its operation.

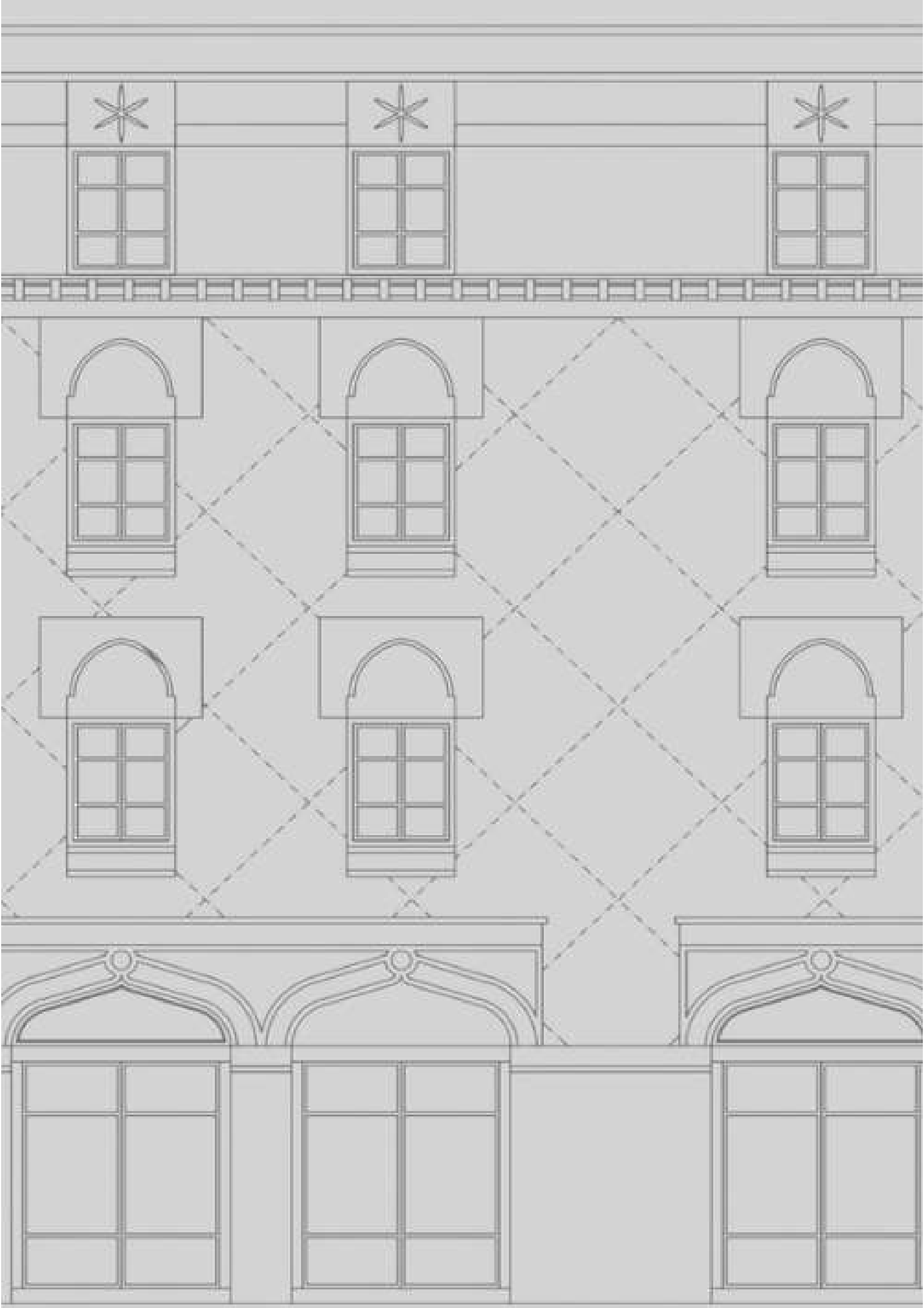
Following this evaluation, and within the framework of the continuous improvement cycle, an Action Plan was prepared and approved to address the identified deficiencies.

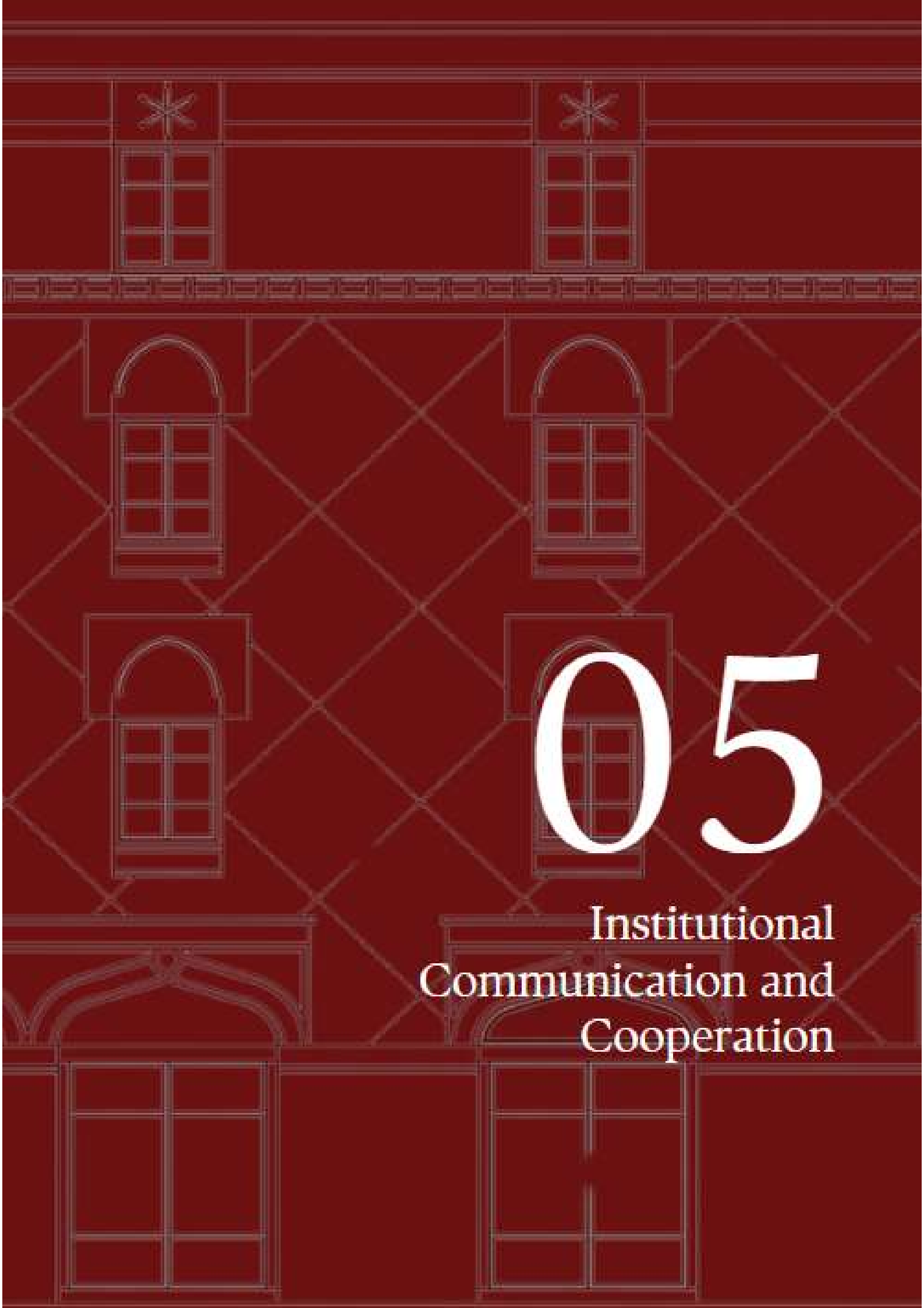


This Action Plan constitutes a concrete instrument for the further strengthening of the SoAQM and for enhancing its effectiveness in subsequent periods.

Furthermore, the self-assessment conducted in accordance with the SAI PMF indicates that the implementation of the SoAQM has contributed to improving the consistency and standardisation of audit processes, thereby strengthening the link between audit planning, audit implementation and audit reporting. The results of the self-assessment confirm that the SoAQM is a functional system undergoing continuous development, supporting the achievement of the Institution's Strategic Objectives and contributing to the sustainable improvement of its performance. In conclusion, the self-assessment conducted in accordance with the SAI PMF for 2025 served as an important mechanism for identifying the Institution's achievements and challenges, thereby supporting the continuous improvement of institutional performance and audit quality.



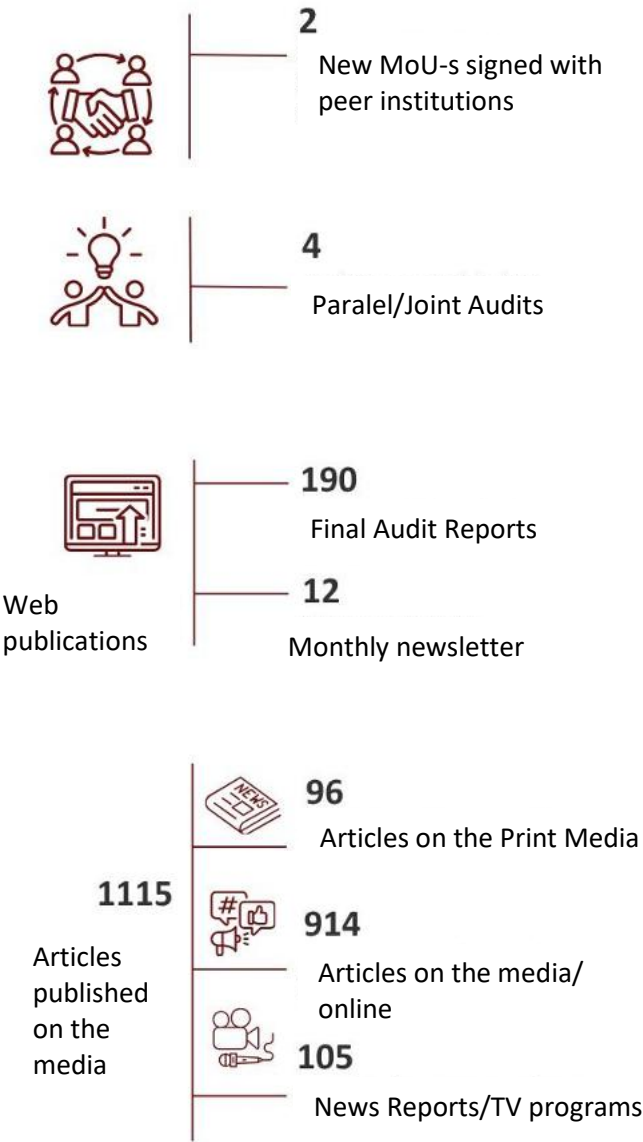


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05

Institutional Communication and Cooperation

5.0 INSTITUTIONAL COMMUNICATION AND COOPERATION



5.1 ALSAI AND THE PARLIAMENT

Strengthening communication with the Parliament has a direct impact on enhancing the implementation and effectiveness of ALSAI's recommendations. As one of the strategic objectives of the Albanian Supreme Audit Institution, and in line with the requirements of the EU institutions, as specified in the European Commission Progress Reports, Chapter 32 "*Financial Control/External Audit*", ALSAI has consistently prioritized the strengthening of its relations with the Parliament.

Within this framework, throughout 2025, in addition to fulfilling its statutory reporting obligations, ALSAI worked intensively to deepen its cooperation with the Subcommittee on Public Sector Auditing, established by Parliament Decision No. 70, dated 25 July 2024, and subsequently by Decision No. 104, dated 4 December 2025. Throughout this cooperation process, ALSAI and the Parliament received support from the National Democratic Institute for International Affairs (NDI).

The Supreme Audit Institution of Albania reporting to the Parliament

In fulfilment of its constitutional and legal obligations, specifically pursuant to Law No. 154/2014 "On the Organization and Functioning of the Supreme Audit Institution of Albania", Article 31, "Reporting to the Parliament", paragraph 3, during 2025 ALSAI submitted the following to the Parliament:

- The reporting on ALSAI's activities for 2024 continued with a hearing held on 29 October 2025 during the joint meeting of the Committee on Economy, Employment and Finance and the Committee on Citizens' Initiatives, Cooperation and Institutional Oversight. The reporting on the Institution's activities for 2024 concluded at the plenary session of the Parliament of Albania on 6 November 2025, during which the Resolution on the Assessment of the Activities of the Albanian Supreme Audit Institution for 2024 was adopted.
- The Report on the Implementation of the 2024 State Budget, by letter No. 1056/1-2, dated 29 October 2025. The presentation of this report continued with a hearing before the Committee on Economy, Employment and Finance on 4 November 2025.
- 186 audit reports;
- 3 summary reports on the implementation of recommendations;
- monthly information bulletins;
- four-month statistical bulletins on ALSAI's activities.

ALSAI Participation in Parliamentary Hearings and Joint Activities

During 2025, a series of hearings and joint activities were organized with the objective of strengthening cooperation between the Parliament and ALSAI, with representatives from both institutions participating, including:

- The hearing of 28 January 2025, concerning the approval of the draft decision of the Subcommittee "On announcing the selection procedure for the group of independent auditors who will audit the financial statements of the Albanian Supreme Audit Institution";
- The hearing of 11 February 2025, during which the report on the implementation of the recommendations issued following the audits conducted at the State Cadastre Agency and its regional directorates for the period 2022–2023 was presented;



- The hearing of 12 March 2025, concerning the action plan for the implementation of recommendations and the progress made in implementing the recommendations issued following the audits conducted at the State Cadastre Agency and its regional directorates for the period 2022–2023; The hearing of 9 June 2025, concerning the approval of the Subcommittee report "On the implementation of the recommendations issued following the audits conducted at the State Cadastre Agency and its regional directorates for the period 2022–2023."
- On 16–17 December 2025, the National Democratic Institute for International Affairs (NDI) organized a roundtable discussion on strengthening the constructive partnership between the Subcommittee on Public Sector Auditing and the Supreme Audit Institution of Albania.

In addition, the Chairman of the Supreme Audit Institution of Albania held a series of meetings aimed at further strengthening cooperation between the Supreme Audit Institution of Albania and the Parliament with representatives of partner organizations, including NDI and SIGMA.

Implementation of the Recommendations of the Parliamentary Resolution

During 2025, the Supreme Audit Institution of Albania continued the implementation of the recommendations contained in the Resolution of the Parliament of Albania on the assessment of the Performance Report of the Supreme Audit Institution of Albania for 2023, adopted by the Parliament on 17 October 2024 and transmitted to the Institution by letter No. 4065 Prot., dated 29 October 2024, which set 30 June 2025 as the deadline for the implementation of the recommendations.

The Supreme Audit Institution of Albania reported on the progress made in implementing the recommendations of the Resolution through letters No. 68/1, dated 15 January 2025, No. 68/2, dated 15 April 2025, and No. 68/3, dated 26 June 2025, as well as during the hearing held on 29 October 2025 before the Committee on Economy, Employment and Finance.

Subsequently, on 6 November 2025, the Parliament of Albania adopted the Resolution on the Assessment of the Activities of the Supreme Audit Institution of Albania for 2024, transmitted by letter No. 1244/3 Prot., dated 14 November 2025, which included seven recommendations. In response, the Chairman of the Supreme Audit Institution of Albania approved the Action Plan for the Implementation of the Recommendations by letter No. 1102/1, dated 12 December 2025.

The current status of the implementation of the recommendations is presented below.

Recommendation No. 1: "The Supreme Audit Institution of Albania should finalize the audit reports on concession contracts, particularly those approaching the end of their implementation period, focusing on the verification of costs declared by private operators, compliance with service standards, and fulfilment of fiscal and contractual obligations."

In implementation of this recommendation, the Supreme Audit Institution of Albania included in its 2026 Annual Audit Plan, approved by Decision of the Chairman No. 242, dated 17 December 2025, the following three audits of concession contracts:

- Audit of the concession contract for the package of basic medical check-up services (currently under audit);



- Audit of the concession/Public-Private Partnership (PPP) contract for the "Thumanë–Fushë-Krujë–Vorë–Kashar Road Project" (currently under audit);
- Audit of the concession/Public-Private Partnership (PPP) contract for the provision of integrated services for the supply of customized surgical instrument sets, the provision of sterile single-use medical consumables for operating theatres, as well as the treatment of biological hazardous waste and the disinfection of operating theatres (currently under audit).

Recommendation No. 2: *"The Supreme Audit Institution of Albania should finalize the integration of the methodology for the assessment of economic damage into the Regulation on Audit Procedures, ensuring that the relevant amendments reflect the INTOSAI Principles by enabling comprehensive documentation of audit evidence, applying a uniform methodology for similar cases, and exercising professional due care by identifying only measurable and verifiable economic damage."*

By Decision of the Chairman of the Supreme Audit Institution of Albania No. 221, dated 27 October 2025, the Compliance Audit Manual was revised through the addition of Annex 12, "On the Calculation of Economic Damage", which establishes the procedures for documenting audit evidence and applying a uniform methodology in similar cases.

Furthermore, by Order of the Chairman of the Supreme Audit Institution of Albania No. 28, dated 13 March 2026, a working group was established to update the Regulation on Audit Procedures. Within this process, the provisions relating to economic damage and negative financial effects on the State Budget, currently addressed as part of the classification of measures issued by the Supreme Audit Institution of Albania under this Regulation, will be reviewed with the aim of further developing the methodology, harmonizing it with the Institution's internal regulatory framework, and improving and clarifying their wording in order to enhance their implementation by audited entities.

Recommendation No. 3: *"A formal, structured and comprehensive system for monitoring the implementation of audit recommendations should be established and made operational, enabling the systematic follow-up of all audited public entities and the regular updating of the implementation status of recommendations issued in previous years. This system should ensure an effective, transparent monitoring process aligned with international standards and best practices in public accountability, while also facilitating communication with the Parliamentary Subcommittee on Public Sector Auditing."*

Pursuant to Parliament Decision No. 134, dated 20 December 2018, "On the Monitoring of the Annual and Periodic Monitoring Manual", Part I, "General Rules for Reporting by Institutions under Monitoring", "Special Rules for Certain Categories of Independent Institutions", paragraph 5, and Part II, "Rules for Heads of Central State Administration Institutions with Coordinating and Reporting Responsibilities to the Parliament", "Responsibilities of the Minister Responsible for Relations with the Parliament", the updating of the Parliament's electronic platform could not be carried out due to technical issues affecting its operation.

For this reason, the Supreme Audit Institution of Albania continued informing the Parliament of Albania on the recommendations issued and their implementation status through the consolidated audit reports on the implementation of recommendations, transmitted by letters No. 282, dated 25 February 2025, No. 282/3, dated 4 July 2025, and No. 282/4, dated 18 December 2025, as well as to the Minister of State for Relations with Parliament by letters No. 282/1, dated 25 February 2025, No. 282/2 Prot., dated 4 July 2025, and No. 282/5 Prot., dated 18 December 2025.



For the purpose of monitoring the implementation of recommendations, the Supreme Audit Institution of Albania maintains a functional database containing recommendations and their implementation status. The database processes data in real time, contains comprehensive information, is continuously updated by the Department of Methodology and Strategic Planning, and serves as the primary source for the analyses and statistical data included in institutional reports.

However, in view of the continuously increasing volume of data, this database is currently being assessed for migration to a dedicated application designed for data management and processing. This project will be included among the requirements of the relevant Medium-Term Budget Programme (MTBP). In addition, throughout 2025, work continued on the revision of the Manual on the Audit and Reporting of the Implementation of Recommendations, which is currently in the approval phase.

Recommendation No. 4: *"The quality of performance audits should be enhanced by aligning them with the standards applied in EU Member States and with SIGMA recommendations, through broadening the thematic scope of these audits and establishing an institutional history of interaction with public institutions/agencies."*

Based on its commitment to aligning with European best practices and within the framework of its close cooperation with the Office of the Auditor General of Norway (OAGN), the Supreme Audit Institution of Albania included the revision of the Performance Audit Manual in the bilateral cooperation agreement.

To this end, both in-person and online meetings were held with OAGN experts. In addition, further meetings were scheduled and agreed for March and April 2026 to finalize the Manual and submit it for approval by June 2026. Furthermore, during 2025, with the objective of broadening the thematic scope of performance audits, particular emphasis was placed on issues related to urban wastewater treatment. In this context, the Supreme Audit Institution of Albania conducted a series of performance audits, including "Pollution of the Tirana Artificial Lake", "Measures Taken by the Responsible Institutions to Eliminate the Discharge of Wastewater into the Lana River in Tirana", and "Bathing Water Quality". These audits identified the absence or non-functioning of urban wastewater treatment plants in several major cities, including Tirana, Fier, Kavajë, and Lushnjë. Another important issue addressed through performance auditing was the protection and safety of dams in Albania, representing the first audit on this subject conducted using a performance audit approach.

During 2025, another performance audit introducing a new area of focus compared to previous years was "Effectiveness of the Measures Undertaken under SDG 1 – End Poverty in All Its Forms Everywhere." This audit was the first to focus specifically on the monitoring, implementation and reporting of a single objective from the 17 Sustainable Development Goals (SDGs).

In implementation of this recommendation, and with reference to the 2026 Annual Audit Plan, the thematic scope of performance audits has been further expanded to include a broader range of new topics that will be audited for the first time through performance audits. These include, among others, the operation of hydropower plants (HPPs) in Albania, photovoltaic solar energy systems, grain quality control, and the effectiveness of the Medical Commission for Determining Working Capacity (KEMP).



Over the past two years, cooperation with peer institutions, including the Supreme Audit Institutions of Norway, Sweden, Kosovo, North Macedonia and Israel, as well as with international organizations such as UN Women, has continued through the implementation of a number of parallel performance audits. These audits provide an important opportunity for auditors from peer Supreme Audit Institutions to exchange experience, knowledge and good practices. This commitment is also reflected in the active participation of performance auditors in international seminars, workshops and training programmes. In 2025 alone, participation in such activities exceeded 116 training days per auditor.

Recommendation No. 5: *"The Supreme Audit Institution of Albania should expand audits in the field of information technology by including reviews of system security, data integrity, the functionality of public electronic platforms, and compliance with international standards for IT systems management."*

By Decision of the Chairman of the Supreme Audit Institution of Albania No. 242, dated 17 December 2025, the 2026 Audit Activity Programme was approved and published on the Institution's official website. The Programme includes 17 IT systems audit programmes and 2 audit programmes on the implementation of recommendations for each semester. These programmes are designed, inter alia, to assess issues related to system security controls, data integrity, the functionality of public electronic platforms, and compliance with international standards for IT systems management.

Recommendation No. 6: *"The Supreme Audit Institution of Albania should intensify and accelerate the full digitalization of its work processes by using modern technologies for the automation, management and storage of audit data."*

Regarding the full digitalization of work processes, a working group was established by Order No. 121, dated 31 December 2025, with the objective of analyzing and assessing the logistical needs and technical capacities required for the digitalization of audit processes. This initiative also aims to identify the investment funding requirements, which will be incorporated into the relevant Medium-Term Budget Programme (MTBP) budget proposals.

Recommendation No. 7: *"The SAI should intensify its efforts to fill vacant positions and focus on optimizing the professional capacities of its staff through a fair distribution of audit workloads, specialized training, and the development of innovative knowledge in the field of auditing."*

With regard to filling vacant positions, due to the institution's operational dynamics, the SAI continuously announces and conducts recruitment procedures to fill vacancies, in accordance with the Annual Recruitment Plan approved by the Chairperson of the SAI in February 2026. With regard to the full digitalization of work processes, a working group was established by Order No. 121, dated 31 December 2025, with the task of analysing and assessing the logistical requirements and technical capacities necessary for the digitalization of audit processes. The working group will also identify the investment funding requirements, which will be incorporated into the relevant Medium-Term Budget Programme (MTBP) budget proposals.

From 6 November 2025, when the Resolution on the Activities of the Supreme Audit Institution of Albania for 2024 was adopted, until 30 March 2026, 18 recruitment procedures were announced through the official website of the Supreme Audit Institution of Albania and the National Employment Portal. Of these, 12 recruitment procedures have been completed, resulting in the filling of six vacant positions.



At the same time, 12 recruitment procedures remain ongoing for the recruitment of 19 vacant positions. With regard to training and the continuous enhancement of staff capacities, the Supreme Audit Institution of Albania regularly implements internal training programmes and participates in international training activities. By Decision of the Chairman of the Supreme Audit Institution of Albania No. 245, dated 29 December 2025, the Integrated Professional Development Programme for the Staff of the Supreme Audit Institution of Albania for 2026 was approved. In addition, the Supreme Audit Institution of Albania continues to strengthen its cooperation with peer Supreme Audit Institutions. Among the activities planned for 2026 are specialized training sessions, exchanges of professional experience for auditors, and the implementation of parallel audits under the existing cooperation agreements with the Supreme Audit Institutions of Norway, Türkiye, Kosovo, North Macedonia and Azerbaijan.

In preparing the 2026 Annual Audit Activity Plan, an average workload of 1.6 audits per auditor, based on the Institution's actual staffing structure, has been established. This planning reflects a balanced distribution of workload, taking into account the audits conducted annually to fulfil constitutional obligations, the type and scope of each audit, as well as the professional profile of the auditor assigned in each case.



5.2 ALSAI AND THE MEDIA

The media represents an important partner in fulfilling the mission of the Supreme Audit Institution of Albania, as it communicates the Institution's audit work by making it accessible and understandable to the general public and other stakeholders. Through detailed reporting, analyses and news coverage, the media gives visibility to audit findings and recommendations, thereby strengthening the role and impact of the Supreme Audit Institution of Albania in promoting transparency in the management of public funds, as well as sound governance of budgetary funds and public property by state institutions.

At the same time, media coverage of the issues identified by the Supreme Audit Institution of Albania can have a positive impact on strengthening public accountability by encouraging audited entities to take concrete measures for the implementation of recommendations. In this way, the media contributes not only to increasing the rate of implementation of recommendations but also to preventing abuses, promoting a culture of integrity and strengthening public confidence in oversight mechanisms and good governance.

Throughout 2025, the activities of the Supreme Audit Institution of Albania continued to receive significant media attention, resulting in 1,115 media publications across print, broadcast and online media. Of these, 96 articles were published in the printed press, while 914 publications appeared in audiovisual media and online platforms. In addition, 105 television reports and programmes were dedicated to the findings of final audit reports and the recommendations addressed to audited entities, reflecting the media's continued interest in issues related to the management of public funds and the results of the Institution's audit activities. The audits most frequently covered by the media addressed findings relating to matters of high public interest, including the availability of medicines for the treatment of cancer patients, the shortage of reimbursable medicines, the audit of the Sasaj Hydropower Plant in Sarandë following the dam failure, drinking water quality, pollution of the Tirana Artificial Lake and the Lana River, psychosocial services in pre-university education institutions, and school safety, among others. Media coverage also highlighted the 100th anniversary of the Supreme Audit Institution of Albania, through the presentation of its historical documentary and the various events organized to mark this milestone, drawing attention to the Institution's role and contribution over the past century.

In fulfilment of its legal obligation to ensure transparency and keep the public informed, the Supreme Audit Institution of Albania guarantees the openness of its activities through a wide range of information published on its official website. This includes the publication of the Annual Report submitted to the Parliament of Albania, audit reports, as well as statistical and monthly bulletins on the Institution's activities. The Institution also publishes its annual and monthly audit plans, which provide information on each planned audit, press releases, and any other information that, in the opinion of the Chairman of the Supreme Audit Institution of Albania, contributes to ensuring transparency, accountability and comprehensive public information regarding the Institution's activities.



A major innovation introduced in 2025 was the redesign of the official website of the Supreme Audit Institution of Albania, which was restructured to make it more accessible and user-friendly. The redesigned website includes sections dedicated to open data, communication channels for citizens, and improved navigation facilitating access to information on both the Institution's activities and its audit work.

Within this framework, during 2025, the official website of the Supreme Audit Institution of Albania published 190 final audit reports, 44 press releases, 2 four-month statistical bulletins, 12 monthly information bulletins, and 1 annual information bulletin.

The Supreme Audit Institution of Albania ensures continuous transparency and communication with the public, extending beyond its official website. During 2025, it continued the preparation and publication of its monthly information bulletins, an initiative launched in December 2024, which has proven to be an effective instrument for informing the public not only about the main audit results but also about the Institution's broader activities.

As a continuation of this practice, in December 2025, the Supreme Audit Institution of Albania also prepared and published a compilation of the monthly information bulletins.



The Supreme Audit Institution of Albania disseminates the results of its audits and its institutional activities through traditional media, digital platforms, and social media channels, including Facebook, Instagram, and LinkedIn, considering these platforms as important tools for providing information and facilitating faster and more direct interaction with the public.



During 2025, the Institution published 118 posts across its official social media accounts, providing followers with updates on audit activities, institutional announcements, the publication of final audit reports, and materials related to the 100th anniversary of the Supreme Audit Institution of Albania. These posts not only expanded citizens' access to timely information but also fostered more direct communication with the public, increased the visibility of the Institution's work, enhanced interaction with diverse audiences, and promoted employment opportunities through recruitment announcements published on its digital platforms.

During 2025, the Supreme Audit Institution of Albania further consolidated the presentation of its activities on its official website in both Albanian and English, with the aim of serving not only the domestic public but also peer institutions and international partners, thereby providing an additional channel for communication and the timely dissemination of institutional information.

In this way, through an active and interactive approach, the Supreme Audit Institution of Albania engages all stakeholder groups, positioning the media as a key communication channel between the Institution and citizens, while ensuring that information on its activities and audit findings reaches the public widely and in a timely manner.

Publication of Informational Videos and Documentaries

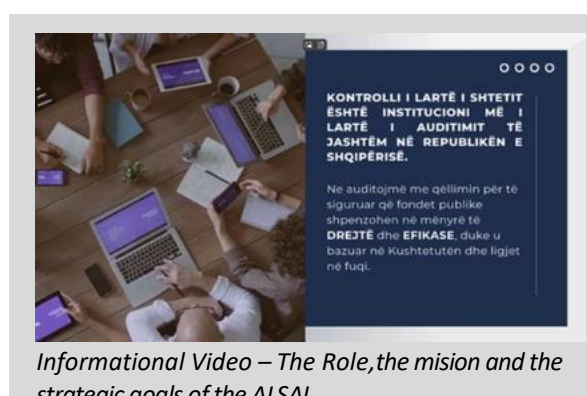
The official website of the Supreme Audit Institution of Albania features a series of informational videos designed as visual communication tools to explain the Institution's role and mandate. These audiovisual materials aim to present, in a clear, structured and comprehensive manner, the constitutional role, mission, functions and activities of the Supreme Audit Institution of Albania, making them more accessible and understandable to the general public. This visual communication initiative has been developed to enhance public awareness and understanding of the Institution's important role in promoting transparency, accountability and integrity in the management of public resource.



Documentary - 100 years of the ALSAI



Informational Video - ALSAI



Informational Video – The Role, the mission and the strategic goals of the ALSAI



5.3 THE ALSAI AND STRATEGIC PARTNERS

During 2025, the Supreme Audit Institution of Albania expanded and strengthened its cooperation with both national and international partners, with a focus on implementing the most advanced auditing standards and best practices. This cooperation has served as an important mechanism for enhancing the Institution's professional quality and strengthening its technical expertise. Through the exchange of experience and knowledge, the Supreme Audit Institution of Albania has sought to continuously improve its performance, ensuring greater responsiveness to the evolving challenges of the environment in which it operates, while further consolidating its role within the system of public oversight and accountability.

Memoranda of Understanding Signed During 2025

Bilateral cooperation was further strengthened through the signing of two new Memoranda of Understanding:

1. Memorandum of Understanding, signed on 19 May 2025, between the Supreme Audit Institution of Albania and the Chamber of Accounts of the Republic of Azerbaijan;
2. Memorandum of Understanding, signed on 10 March 2025, between the Supreme Audit Institution of Albania and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women).

Cooperation with peer Supreme Audit Institutions was further intensified through parallel audits, the exchange of professional experience, the implementation of existing cooperation agreements and memoranda of understanding, training activities, and participation in international events. Among the most significant partnerships was the following:



The ALSAI and The SAI of Norway

Following the Cooperation Agreement signed in 2024 with the Supreme Audit Institution of Norway, covering a five-year period in the fields of IT auditing, performance auditing, communication, and audit procedures in the extractive industries, a wide range of planned activities were implemented during 2025 in accordance with the agreed work plans, including:

- In the Field of IT auditing:
 - Training on "External cybersecurity for web and external interfaces"
 - Workshop on "Internal ethical hacking of ALSAI"
- Workshop on "Cybersecurity II" attended not only by representatives of the Office of the Auditor General of Norway, but also by representatives of other peer Supreme Audit Institutions, including the Turkish Court of Accounts, the National Audit Office of Kosovo, the Supreme Audit Institution of Slovenia, the Swedish National Audit Office, and the State Audit Office of North Macedonia. The workshop covered both the theoretical and practical stages of conducting a cybersecurity penetration test.
- In the Field of Performance Auditing:

A series of workshops providing technical support for the performance audits entitled "*Bathing Water Quality*" and "*Psychosocial Services in the Pre-University Education System*", delivered through both in-person sessions and online modules.

In addition to these activities, work continued on the revision of the Performance Audit Manual, with technical support from the Office of the Auditor General of Norway. For this purpose, a dedicated working group was established, which held two meetings at the premises of the Supreme Audit Institution of Albania, as well as two online meetings between the respective working groups.



In addition, the Supreme Audit Institution of Albania agreed to participate in the Regional Balkan IT Programme, an initiative launched by the Office of the Auditor General of Norway (OAGN) with the participation of the Supreme Audit Institution of Albania and the State Audit Office of North Macedonia. The Programme aims to strengthen the institutional capacity of Supreme Audit Institutions in the Balkan region to conduct IT audits, promote regional cooperation, establish a regional network of IT audit experts, and enhance the digital transparency of the public sector as well as cybersecurity resilience.



The Supreme Audit Institution of Albania and the Turkish Court of Accounts

The Supreme Audit Institution of Albania and the Turkish Court of Accounts (TCA) As part of the ongoing cooperation with the Turkish Court of Accounts (TCA) and in accordance with the Action Plan developed under the Memorandum of Understanding signed in 2024, a study visit was conducted to the Turkish Court of Accounts from 5 to 9 May 2025, with the support of the Turkish Cooperation and Coordination Agency (TİKA). The study visit focused on the exchange of experience in "Auditing the Security Sector." Its primary objective was to enable representatives of the Supreme Audit Institution of Albania to learn from the Turkish Court of Accounts' experience in auditing the defence and security sector.



The Supreme Audit Institution of Albania and the National Audit Office of Kosovo

In June 2025, the Supreme Audit Institution of Albania and the National Audit Office of Kosovo (NAO) agreed to carry out a parallel audit entitled "Protection and Safety of Dams." To support the implementation of this audit, a series of meetings were held between auditors of the two institutions to exchange professional experience and coordinate the audit process. The audit has now been completed and published on the official website of the Supreme Audit Institution of Albania. Furthermore, cooperation with the National Audit Office of Kosovo also extends to a joint audit focusing on the social issue of strengthening the role of women in politics, conducted under the Cooperation Agreement between the Supreme Audit Institution of Albania, the National Audit Office of Kosovo, and the State Audit Office of North Macedonia, with the support of UN Women.



The Supreme Audit Institution of Albania and the State Audit Office of North Macedonia

On 3 December 2025, the Supreme Audit Institution of Albania hosted a working visit by the Auditor General of the State Audit Office of North Macedonia, Mr. Maksim Acevski, who was received by the Chairman of the Supreme Audit Institution of Albania, Mr. Arben Shehu. During the meeting, both sides acknowledged the productive and long-standing cooperation between their institutions, emphasizing the importance of further strengthening their partnership, particularly through parallel audits in which both institutions are actively engaged. These audits focus on issues of significant public interest and social impact, including those carried out under the Joint Audit Agreement supported by UN Women.





The Supreme Audit Institution of Albania and the European Court of Auditors

The European Court of Auditors (ECA) is one of the most important strategic partners of the Supreme Audit Institution of Albania and represents its longest-standing partnership in strengthening the professional capacities of young auditors through participation in the ECA Traineeship Programme. Since 2014, a total of 23 auditors from the Supreme Audit Institution of Albania have participated in this programme. The European Court of Auditors plays a particularly important role in supporting the Supreme Audit Institutions of EU candidate and potential candidate countries. Through this cooperation, the ECA contributes to strengthening institutional capacities and promoting alignment with European auditing standards. In addition, the Supreme Audit Institution of Albania participated in the conference entitled "Defence", organized by the European Court of Auditors, where discussions focused on the current geopolitical environment and the European Union's response to the urgent need to strengthen its defence capabilities and security. The conference also featured perspectives from EU Member States and NATO experts, highlighting the role of Supreme Audit Institutions in ensuring the sound management and effective use of public resources allocated to the defence sector.



The Supreme Audit Institution of Albania and the UK National Audit Office

Within the framework of the programme "Enhancing Government Accountability through a More Responsive Parliament", implemented by the Westminster Foundation for Democracy (WFD), the Supreme Audit Institution of Albania continued its exchange of experience with the UK National Audit Office (NAO UK). Senior representatives of the NAO UK were received by the Chairman of the Supreme Audit Institution of Albania, Mr. Arben Shehu, during a series of meetings, including: The meeting of 20 March 2025 with Mr. Benjamin Peters, Head of External Communications at the UK National Audit Office, and other senior officials of the Office, focusing on strengthening cooperation in the areas of audit report writing and institutional communication. The meeting of 3 June 2025 with senior representatives of the Westminster Foundation for Democracy (WFD), including Mr. Chris Levick, as well as representatives of the British Embassy. Following these meetings, cooperation with NAO UK experts resulted in technical assistance for updating the Action Plan for the Implementation of the Communication Strategy of the Supreme Audit Institution of Albania. In addition, training sessions were delivered for the Institution's auditors to enhance audit report drafting techniques and methodologies and strengthen institutional communication by addressing both the theoretical and practical aspects of communicating audit activities. The programme also facilitated the exchange of experience on enhanced reporting mechanisms with the Parliament, civil society, and the media. This phase of cooperation was concluded in February 2026, while leaving the way open for continued collaboration in other areas of mutual interest.



The Supreme Audit Institution of Albania and the Swedish National Audit Office

The Supreme Audit Institution of Albania actively participated in the programme organized by the Swedish National Audit Office (SNAO) for young performance auditors from the Western Balkans and Türkiye. Within this programme, the Supreme Audit Institution of Albania was represented by three auditors, who attended training sessions relating to the performance audit entitled "Community Care for Older Persons and the Decentralization of Service Delivery." Participation in this programme represents a tangible outcome of the cooperation between the Supreme Audit Institution of Albania and the Swedish National Audit Office in the field of performance auditing, with the objective of enhancing the quality of audit work and maintaining European standards for performance auditing.



Cooperation in Parallel, Joint and Peer-Supported Audits

During 2025, the Supreme Audit Institution of Albania continued its active engagement in parallel audits, joint audits, and audits supported by peer Supreme Audit Institutions, with the objective of promoting the exchange of professional experience, good practices and audit methodologies. The following audits were carried out:

- Performance audit entitled "Bathing Water Quality", conducted with the support of the Office of the Auditor General of Norway (OAGN);
- Performance audit entitled "Psychosocial Services in the Pre-University Education System", conducted with the support of the Office of the Auditor General of Norway (OAGN);
- IT performance audit entitled "Cybersecurity in the Critical e-Taxation Infrastructure", conducted with the support of the Office of the Auditor General of Norway (OAGN);
- Parallel performance audit entitled "Population Ageing", coordinated by the Supreme Audit Institution of Israel, involving the participation of six Supreme Audit Institutions: Albania, Portugal, Paraguay, North Macedonia, Slovakia, and Israel;
- Joint audit entitled "Artificial Intelligence", coordinated by the Supreme Audit Institution of Israel, with the participation of 17 Supreme Audit Institutions within the EUROSAI framework, including those of Albania, Estonia, France, Italy, Latvia, Lithuania, North Macedonia, Poland, Romania, Slovakia, Switzerland, and Israel as the coordinating institution;
- Joint audit entitled "Protection and Safety of Dams", conducted in cooperation with the National Audit Office of Kosovo;
- Joint audit entitled "Strengthening the Role of Women in Leadership Positions and Decision-Making", implemented as part of the joint project with the National Audit Office of Kosovo and the State Audit Office of North Macedonia, in cooperation with UN Women, for which a Joint Audit Agreement was signed by the three participating Supreme Audit Institutions.

In addition, during 2025, the Supreme Audit Institution of Albania committed to participating in a number of parallel and coordinated audits in cooperation with peer Supreme Audit Institutions and EUROSAI Working Groups in the areas of disaster risk management, security and defence, environmental protection, and other fields. These audits are scheduled to be carried out throughout 2026 and beyond, in accordance with the implementation timetable agreed among the participating Supreme Audit Institutions.



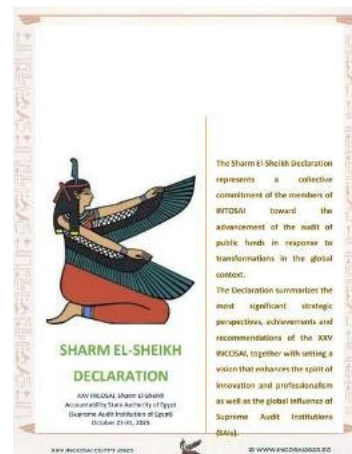
ALSAI and INTOSAI

The most significant INTOSAI event of 2025 was the XXV INCOSAI – *International Congress of Supreme Audit Institutions*, hosted by the Supreme Audit Institution of Egypt from 27 to 31 October 2025, during which the Egyptian SAI assumed the INTOSAI Presidency for the following three-year term. The Congress focused on two technical themes of particular significance. The first examined the role of Supreme Audit Institutions in auditing central banks during financial and economic crises. The second addressed the use of Artificial Intelligence (AI) in auditing, recognizing its potential to enhance the efficiency and accuracy of audit work, improve the quality of audit findings, and facilitate the more timely identification of irregularities.



During the plenary sessions, reports were presented by the INTOSAI Governing Board, the INTOSAI Standing Committees, and the regional organizations AFROSAI, ASOSAI, CAROSAI, OLACEFS, ARABOSAI, EUROSAI, and PASAI. As part of the Congress's electoral process, the new INTOSAI Governing Board, its members, and the Organization's External Auditors were elected.

The members of INTOSAI also adopted the Sharm El-Sheikh Declaration, reaffirming the global audit community's shared commitment to building stronger, more independent and more resilient Supreme Audit Institutions, capable of responding effectively to future challenges. On the margins of the XXV INCOSAI Congress, representatives of the Supreme Audit Institution of Albania held a bilateral meeting with Dr. Hussam Alangari, President of the General Court of Audit of the Kingdom of Saudi Arabia. During the meeting, the representatives of the Supreme Audit Institution of Albania expressed their appreciation for the strengthening of bilateral relations and the further development of institutional cooperation. Dr. Alangari reaffirmed his commitment to further strengthening these relations through continued mutual cooperation. During 2025, the Supreme Audit Institution of Albania became a member of the INTOSAI Working Group on Follow-Up Audit (WGFA). The WGFA was established during the 78th INTOSAI Governing Board Meeting in October 2024, becoming the second-largest working group within INTOSAI.



As part of this engagement, representatives of the Supreme Audit Institution of Albania participated in webinars and online discussion sessions with other members of the Working Group and submitted comments and suggestions on the WGFA Action Plan 2025–2028, which envisages the development of a Good Practice Guide on Follow-Up Audits, with active contributions from the Working Group members. The Supreme Audit Institution of Albania also participated in the 14th UNCTAD Conference on Effective and Resilient Debt Management, jointly organized by the United Nations and INTOSAI, with the objective of exchanging experiences and perspectives among governments, international organizations, academia and civil society on current developments in public debt in developing countries and on debt management challenges. The conference addressed pressing issues by exploring innovative debt management strategies, with particular emphasis on building resilience, mitigating risks, and navigating the complexities of global crises.

The United Nations High-level Political Forum entitled *"Empowering Supreme Audit Institutions for the Implementation of the Sustainable Development Goals"*, organized by the INTOSAI Development Initiative (IDI) in cooperation with the INTOSAI Knowledge Sharing and Knowledge Services Committee (KSC), brought together senior representatives of Supreme Audit Institutions, INTOSAI bodies, United Nations organizations, international organizations and civil society to exchange practical experiences from SDG audits, with particular focus on SDG 3 (Good Health and Well-being) and SDG 5 (Gender Equality).

The Workshop on Training Facilitators for the IntoSAINT Integrity Self-Assessment Tool, held in Romania from 7 to 10 October 2025, brought together 22 participants from 12 EUROSAI member countries, including representatives of the Supreme Audit Institution of Albania. The workshop was the first to be delivered using the updated and fully digitalized IntoSAINT methodology and was led by three experienced trainers from the Supreme Audit Institutions of Norway and the Netherlands.



Following the workshop, participants will undertake the next stage of qualification through training on the Questback platform, an essential requirement for obtaining certification and becoming qualified to independently facilitate IntoSAINT integrity self-assessment processes within their respective Supreme Audit Institutions. The Supreme Audit Institution of Albania also participated in the international webinar *"Guardians of Public Accountability: Audit Culture and Institutional Evolution"*, organized by the State Audit Office of the Kingdom of Thailand as part of the celebration of the 150th anniversary of public auditing in Thailand. In addition, the Institution participated in the webinar *"Charting Global Trends – Future Implications for Supreme Audit Institutions"*, organized in connection with the INTOSAI Global Trends Report. The webinar examined the potential implications for Supreme Audit Institutions arising from the key drivers of change expected to shape the global environment over the next 15 years.



The Supreme Audit Institution of Albania continued its active engagement in EUROSAI Working Groups and participated in a wide range of activities organized under the EUROSAI framework. These included:

- Membership in the EUROSAI Task Force on the Sustainable Development Goals (SDGs), chaired by the Turkish Court of Accounts;
- Participation in the online course on "Water Issues", organized by the National Audit Office of Estonia in cooperation with the University of Tartu;
- Online participation in the closing conference of the project "Improving the Efficiency and Transparency of Public Procurement", organized by the Portuguese Court of Auditors and the Organisation for Economic Co-operation and Development (OECD);
- Participation in the webinar on Artificial Intelligence, organized by the Swedish National Audit Office;
- Participation in the Strategic Goal 1 (Professional Cooperation) webinar, organized by the EUROSAI Project Group on Recovery and Preparedness, entitled "Cybersecurity and Reflections of Supreme Audit Institutions in Their Work";
- Participation in the Third Meeting of the EUROSAI Strategic Goal 1 Working Group on Real-Time Auditing;
- Participation in the regional workshop "Information Technology Audits – Developments and Challenges", organized by the National Audit Office of Kosovo;
- Participation in the regional conference on "Audit Quality Management Systems", organized by the Supreme Audit Institution of Bosnia and Herzegovina;
- Participation in the seminar "Supreme Audit Institutions, Artificial Intelligence and Ethics", organized by the Portuguese Court of Auditors within the framework of the EUROSAI Network on Ethics (N.ET);
- Participation in the Eighth EUROSAI Workshop on "Data Envelopment Analysis (DEA) and Other Benchmarking Methods."



Working Group on Environmental Auditing

As a member of the EUROSAI Working Group on Environmental Auditing (WGEA), the Supreme Audit Institution of Albania participated in the following activities:



- The working session "Measuring Environmental Performance in the Public Sector", organized by the EUROSAl WGEA in cooperation with the French Court of Auditors on 6 February 2025;
- The EUROSAl WGEA Spring Session, held from 6 to 8 May 2025, on "Climate Change Adaptation and Mitigation Policies as a Challenge for Agriculture";
- The EUROSAl WGEA Annual Meeting, held from 7 to 10 October 2025, on the theme "The Climate–Water–Biodiversity Nexus";
- The EUROSAl WGEA international cooperation meeting on the audit "Forest Management Adaptation to Climate Change", organized by the Supreme Audit Office of Poland.



Information Technology Working Group (ITWG)

During 2025, the Supreme Audit Institution of Albania participated in the e-seminar entitled *"Auditing Critical Information Infrastructure."*

EUROSAl Development Activities (EDA)

The EUROSAl Development Activities (EDA) initiative was established in June 2025, during the 64th EUROSAl Governing Board Meeting, with the objective of supporting Supreme Audit Institutions in areas such as professional training programmes, workshops on advanced audit methodologies, audit report writing, and governance-related issues, including ISSAI 140 and ISSAI 150. Within this framework, the Supreme Audit Institution of Albania participated in the workshop "EUROSAl Development Activities Project Launch and Audit Impact Workshop", organized by the Swedish National Audit Office from 2 to 5 December 2025, marking the official launch of EUROSAl's new development project.



Working Group on Municipal Auditing (WGMA)

The Supreme Audit Institution of Albania remains an active member of the Working Group on Municipal Auditing (WGMA). During 2025, it participated in seminars and online meetings and contributed comments and suggestions on common working documents, including the Group's Annual Action Plan. Furthermore, the Institution participated in the parallel audit initiated by the Working Group and coordinated by the State Audit Office of Latvia.



Working Group on the Audit of Funds Allocated for Disasters and Catastrophes

The Supreme Audit Institution of Albania participated in the online meetings and seminars organized by the Working Group on the Audit of Funds Allocated for Disasters and Catastrophes (WGAFADC). In addition, during 2025, the Institution joined the coordinated audit initiated by the Working Group and led by the Accounting Chamber of Ukraine, with its auditors actively participating in the related online meetings and seminars.





ALSAI and IDI

The INTOSAI Development Initiative (IDI) continues to be one of the Supreme State Audit Institution's (SSA) key partners in supporting audit work and strengthening professional capacities. In cooperation with IDI, several activities were carried out during 2025, including:

The joint report *"Global Climate Change Adaptation Audits for a Resilient Future: Findings and Recommendations from Supreme Audit Institutions"* was published by the INTOSAI Working Group on Environmental Auditing (WGEA) in cooperation with the INTOSAI Development Initiative (IDI). As part of this initiative, the Supreme State Audit carried out the performance audit *"Implementation of the National Climate Change Adaptation Plan"*, which is linked to Sustainable Development Goal (SDG) 13.

Two SSA auditors participated in the PESA-P Professional Education for SAI Auditors Programme during 2025. The programme aims to strengthen the knowledge and capacities of Supreme Audit Institutions (SAIs) in the areas of financial, compliance, and performance auditing. Its primary objective is to help auditors develop advanced knowledge and practices, while providing certification of the competencies acquired upon successful completion of the programme and the professional assessment.

A new development in 2025 was the SSA's participation in the pilot certification programme *for Audit Quality Management Specialists (AQMS)*, implemented in the context of the revised ISSAI 140. The certification seeks to establish a global pool of IDI-certified audit quality management specialists who are capable of supporting the design, implementation, and operation of Audit Quality Management Systems (SoAQM) within Supreme Audit Institutions.

In support of the ongoing cooperation between the SSA and IDI, and based on the nomination of *an SSA resource person*, participation was ensured in the training sessions delivered under IDI's support mission to the Timor-Leste Court of Accounts on the System of Audit Quality Management (SoAQM), as well as in training sessions on Independent Reviews under the SAI Performance Measurement Framework (SAI PMF). The primary objective of these activities was to equip SAI staff with comprehensive knowledge of the SAI PMF methodology, enabling them to conduct institutional performance assessments using the framework developed by IDI.

During 2025, the SSA also participated in the High-Level Meeting on Capacity Development, organized by UNCTAD in cooperation with IDI. The meeting focused on the growing importance of sustainability reporting in the public sector and the critical role of Supreme Audit Institutions in providing audit and assurance on sustainability-related disclosures.



ALSAI and SIGMA

During 2025, the Supreme Audit Institution of Albania continued its close cooperation and coordination with SIGMA experts in two main areas: the implementation of the peer review process and the support provided for strengthening cooperation with the Parliament of Albania.



As part of the peer review process, meetings were held with all organizational units of the Supreme Audit Institution of Albania, including both audit and non-audit staff. Various audit documents were reviewed and assessed for their compliance with the Institution's legal and regulatory framework. According to the draft peer review report, several areas for improvement were identified in the Institution's existing audit manuals, with the objective of further enhancing the quality and effectiveness of its audit work. In addition, during 2025, SIGMA, in coordination with the National Democratic Institute (NDI), supported the Supreme Audit Institution of Albania in strengthening its cooperation with the Parliament of Albania and the Parliamentary Subcommittee on Public Sector Auditing.



ALSAI and SECO

Building on the successful cooperation established with the Swiss State Secretariat for Economic Affairs (SECO) through the project "Strengthening External Audit Oversight of Concessions and Public-Private Partnerships (PPPs) in Albania," the Supreme Audit Institution of Albania continued its cooperation with SECO to strengthen its audit capacities in the banking and financial sectors. The Institution maintained regular communication with SECO and the Embassy of Switzerland with the aim of finalizing a new cooperation agreement providing clearly defined contributions to the development of audit methodologies and the enhancement of the Institution's professional capacities. Through the provision of international expertise, pilot audits, staff training and the engagement of relevant stakeholders, the initiative aims to improve audit methodologies, strengthen institutional audit capacities, and promote greater transparency and accountability in the governance of the financial sector, in line with the constitutional mandate of the Supreme Audit Institution of Albania. At present, the terms of the new Financing Agreement are being finalized between the parties.



ALSAI and NDI

Throughout 2025, experts from the National Democratic Institute (NDI), in cooperation with SIGMA experts, provided continuous support to the Supreme Audit Institution of Albania in strengthening and consolidating its cooperation with the Parliamentary Subcommittee on Public Sector Auditing. Within the framework of this cooperation, a series of activities were carried out, including working meetings at the Supreme Audit Institution of Albania and joint events organized with the Parliament of Albania.

NDI experts also shared with the Supreme Audit Institution of Albania the experience of the European Parliament's Committee on Budgetary Control (CONT), which is responsible for overseeing the implementation of the European Union budget. Particular emphasis was placed on the Committee's close cooperation with the European Court of Auditors (ECA) in the discharge procedure, through which the European Parliament approves the implementation of the EU budget by the executive.





ALSAI and UN Women

Following the signing of the Memorandum of Understanding in March 2025 between the Supreme Audit Institution of Albania and UN Women, work focused on the preparation and approval of a Work Plan containing the activities jointly agreed by the parties. At the regional level, the Supreme Audit Institution of Albania participated in a workshop held in Pristina, together with the National Audit Office of Kosovo and the State Audit Office of North Macedonia, where discussions focused on the initiative for joint performance audits supported by UN Women. The approved Work Plan includes a range of activities and meetings focused on the parallel audit conducted by the Supreme Audit Institution of Albania, the National Audit Office of Kosovo, and the State Audit Office of North Macedonia, as well as study visits and training activities aimed at strengthening capacities in gender-related social issues. As a result of the joint work between UN Women and the Supreme Audit Institution of Albania, the Gender-Responsive Auditing Guide was developed and approved with the objective of promoting the integration of a gender perspective into audit processes. This Guide has been incorporated into the set of Performance Audit Manuals relating to the Sustainable Development Goals (SDGs).

Participation in Conferences, Training Courses, Seminars and Meetings

During 2025, the Supreme Audit Institution of Albania participated in numerous meetings, training courses, conferences, workshops, seminars and other professional events, both in person and online. These activities contributed to the exchange of experience and good practices while strengthening the Institution's professional capacities. During the year, these activities were organized by internationally recognized organizations and institutions, ensuring high professional standards and facilitating the exchange of knowledge at the global level. They included: the "Smart Finance" Regional Project on auditing the Sustainable Development Goals, organized by UNDP; the pilot programme on "The Misuse of Information Technology in Financial Crime", organized by the OECD in cooperation with the Guardia di Finanza; training on the Debt Management Performance Assessment (DeMPA) methodology, delivered by the World Bank in cooperation with the Joint Vienna Institute (JVI); the conference "Integrity, Transparency and Innovation in Public Procurement", organized within the framework of the EU-funded project "A.C.T – Anti-Corruption in Tenders"; the regional workshop on Project Financial Management (PFM) Capacity Building, organized by the Islamic Development Bank; specialized training programmes in information systems auditing, e-government, and the use of data analytics and technology in auditing, delivered at the International Centre for Information Systems and Audit (iCISA) in Noida, India, among others.

Activities Marking the 100th Anniversary of the Supreme Audit Institution of Albania

In the year marking its institutional centenary, the Supreme Audit Institution of Albania launched the celebrations of its 100th anniversary in the city of Vlora, the birthplace of Albania's independence. On 10 April 2025, the Chairman of the Supreme Audit Institution of Albania, Mr. Arben Shehu, together with the Auditor General of the National Audit Office of Kosovo, Ms. Vlora Spanca, and representatives of both institutions, paid an official visit to Vlora, officially inaugurating the programme of events commemorating the Institution's centenary.



On 20 May 2025, the Supreme Audit Institution of Albania organized the official ceremony marking the 100th anniversary of its establishment in the plenary hall of the Parliament of the Republic of Albania. The ceremony was attended by the Speaker of the Parliament, the Ambassador of the European Union Delegation to Albania, senior representatives of international auditing organizations, delegations from 19 Supreme Audit Institutions from the region and beyond, ambassadors and members of the diplomatic corps, international partners, ministers, Members of Parliament, heads of independent institutions, academics, representatives of the media and civil society, as well as current and former employees of the Supreme Audit Institution of Albania.

The ceremony also featured congratulatory addresses from the President of EUROSAI and State Comptroller of Israel, the INTOSAI Presidency, represented by the Minister of the Federal Court of Accounts of Brazil, the Auditor General of the National Audit Office of Kosovo, the President of the Supreme Audit Office of Poland, and the Vice-President of the Hellenic Court of Audit.

In addition to the official ceremony, the Supreme Audit Institution of Albania organized a series of events to commemorate the 100th anniversary of its establishment. A highlight of these celebrations was the Scientific Conference entitled *"Building Adaptive Institutions: Responding to a Changing Environment – An External Audit Perspective."*



The Conference brought together representatives of the Supreme Audit Institutions of Kosovo, Bosnia and Herzegovina, Romania, Greece, Türkiye, Azerbaijan, and Sweden. It was also attended by senior representatives of international audit organizations, including the INTOSAI Development Initiative (IDI) and SIGMA–OECD. During the Conference, the participating Supreme Audit Institutions presented papers addressing the management of emergency situations and discussed modern approaches to audit methodologies, the role of technology, quality management, capacity development, and the challenges encountered in the audit process.

Following the Conference, the Supreme Audit Institution of Albania published a book of conference proceedings, which has been made available on the Institution's official website.



MEETINGS AND OFFICIAL VISITS BY THE CHAIRMAN OF THE ALSAI



Mr. Arben Shehu, Chairman of the ALSAI, reports about Implementance of the Budget YEAR 2024



Mr. Arben Shehu, Chairman of the ALSAI, meets the Italian Ambassador in Albania, Mr. Marco Alberti



Mr. Arben Shehu, Chairman of the ALSAI, meets the President of EUROSAT, Mr. Matanyahu Engلمان



Mr. Arben Shehu, Chairman of the ALSAI, meets the representative of INTOSAI Presidency, Mr. Augusto Nardes



Mr. Arben Shehu, Chairman of the ALSAI, signs the MoU with the Chairman of the Azerbaijan SAI, Mr. Vugar Gulmammadov



Mr. Arben Shehu, Chairman of the ALSAI, meets the Chairman of the Kosova SAI, Mrs. Vlora Spanca

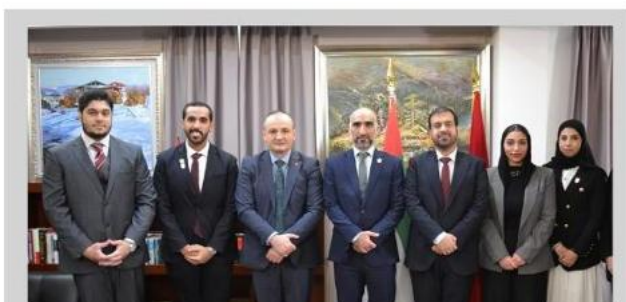




The Chairman and representatives of ALSAI in the meeting with the EU Delegation in the framework of the Mission in Albania and Montenegro



The Chairman and representatives of ALSAI in the meeting with the Delegation of the International Monetary Fund



Mr.Arben Shehu, Chairman of the ALSAI, in the meeting with the delegation of the UAE Accountability Authority



Mr.Arben Shehu, Chairman of the ALSAI, in the meeting with representatives from Moldavia and the region in the framework of the Project "Smart Finance" for a Responsible Governance



Mr.Arben Shehu, Chairman of the ALSAI, in the meeting with the Head of the SIGMA program, Mr.Gregor Virant



Mr.Arben Shehu, Chairman of the ALSAI, in the meeting with the representatives of the Special Anticorruption Unit of Guardia di Finanza



Mr.Arben Shehu, Chairman of the ALSAI, in the meeting with the General Auditor of the SAI of North Macedonia, Mr.Maksim Acevski



Cooperation with Civil Society

The cooperation of the Supreme Audit Institution of Albania with civil society organizations constitutes a key component of the Institution's commitment to strengthening oversight mechanisms and enhancing transparency and accountability. This cooperation enables citizens and civil society stakeholders to participate in monitoring processes and contribute to improving institutional accountability. This cooperation continued throughout 2025, with the Supreme Audit Institution of Albania participating in and contributing to a number of roundtable discussions, meetings and other public events.



During 2025, representatives of the Supreme Audit Institution of Albania contributed to discussions organized by the Albanian Institute of Science on the role of the Parliament in the fiscal autonomy of local government units, as well as to a forum organized by the Albanian Center for Economic Research (ACER) on the experience and challenges of Public-Private Partnerships (PPPs). At a roundtable organized by Qëndresa Qytetare (Civic Resistance),

the findings of the monitoring of public procurement procedures in several municipalities were presented and discussed, highlighting the importance of oversight and control of public expenditure. The Supreme Audit Institution of Albania also actively participated in a number of national initiatives aimed at strengthening integrity, transparency and accountability in the management of public finances. In this context, the Institution participated in the national conference "Budgeting with Integrity in Albania", organized by the Institute for Democracy and Mediation in cooperation with the Delegation of the European Union to Albania, within the framework of a project designed to strengthen the capacity of civil society organizations to oversee budget transparency.

Representatives of the Institution also participated in several roundtable discussions organized by the association Together for Life, where issues affecting the healthcare sector and public perceptions of these challenges were discussed, with the participation of representatives of the media and other civil society organizations.

Through these activities, the Supreme Audit Institution of Albania further strengthened inter-institutional cooperation, exchanged professional experience, and contributed to the advancement of professional standards in the field of public sector auditing.



Cooperation with Universities

The Supreme Audit Institution of Albania places great importance on its cooperation with public universities, considering academic engagement an effective means of exchanging ideas and promoting the Institution's role among students as future auditors. During 2025, the Institution maintained an active presence within the academic community through guest lectures, presentations and discussions on the role and importance of public external auditing.



As part of the activities marking the 100th anniversary of the Supreme Audit Institution of Albania, a series of open lectures was organized at four public universities across the country to promote the Institution's role during this important historical milestone.

These events provided students with the opportunity to gain a deeper understanding of the role and functioning of the Supreme Audit Institution of Albania, as well as the importance of public auditing and oversight in ensuring sound public administration and good governance.

On 9 May 2025, the Supreme Audit Institution of Albania organized an open lecture entitled *"100 Years of Credibility, Integrity and Service to Citizens – The Supreme Audit Institution of Albania as a Guarantor of Transparency and Good Governance in Albania"* for students of the Faculty of Law at the University of Tirana.

On 13 May 2025, an open lecture was delivered for students at the "Ismail Qemali" University of Vlora.

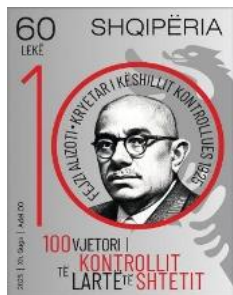
On 22 May 2025, the Supreme Audit Institution of Albania held an open lecture for students and academic staff of the Faculty of Business at "Aleksandër Moisiu" University of Durrës.

On 23 May 2025, the Institution organized another open lecture as part of its 100th anniversary celebrations for students and academic staff of the Faculty of Economics at "Luigj Gurakuqi" University of Shkodër.

On 31 October 2025, the Supreme Audit Institution of Albania held an open information session for students and academic staff at "Fan Noli" University in Korçë.

Cooperation with Albanian Post on the Issuance of Commemorative Postage Stamps

To mark the 100th anniversary of the establishment of the Supreme Audit Institution of Albania, Albanian Post issued, on 20 May 2025, a commemorative series consisting of two postage stamps together with a special commemorative envelope bearing the logo "100th Anniversary of the Supreme Audit Institution of Albania." The first stamp features the portrait of Mr. Fejzi Alizoti, the first Head of the Institution, which at the time was known as the Supervisory Council. Mr. Alizoti was a distinguished politician, economist and diplomat who made a significant contribution to the Albanian public administration, including serving as Minister of Finance. In May 1925, he was appointed Chairman of the Supervisory Council, marking the beginning of a new era in the financial oversight of the Albanian State. The second stamp features the current official emblem of the Supreme Audit Institution of Albania, symbolizing the continuity of its institutional history and its enduring mission to safeguard the public interest.



5.4 ASSESSMENTS BY INTERNATIONAL INSTITUTIONS

A. European Commission- Albania 2025 Progress Report

In the Albania 2025 Progress Report, published on 4 November 2025, the European Commission acknowledged the work and contribution of the Supreme Audit Institution of Albania to Albania's European integration process. The Report notes that the quality of the Institution's audit work continued to comply with the standards of the International Organization of Supreme Audit Institutions (INTOSAI). The European Commission also emphasizes that Albania should improve the implementation of external audit recommendations.

Chapter 32: Financial Control

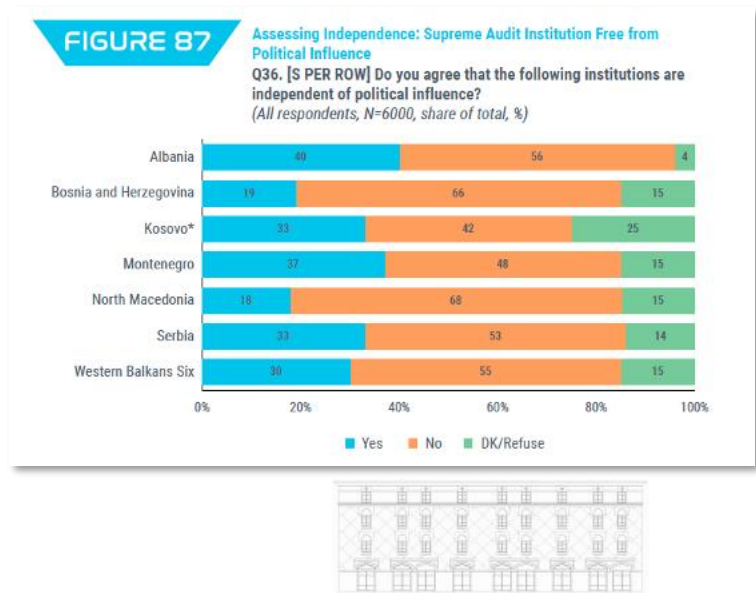
The Legal Framework of Albania protects the independence of the Supreme Audit Institution of Albania.

The quality of audit work continued to comply with the standards of the International Organization of Supreme Audit Institutions (INTOSAI). The impact of audit activities further improved. Ninety-nine per cent of the recommendations issued in the 2024 audits were accepted, of which 47 per cent were fully or partially implemented.

Albania should improve the implementation of external audit recommendations. During the reporting period, the Parliamentary Subcommittee on Public Sector Auditing held several hearings and adopted resolutions concerning a number of audits conducted by the Supreme Audit Institution of Albania, representing a positive development.

B. Balkan Barometer 2024,Regional Cooperation Council

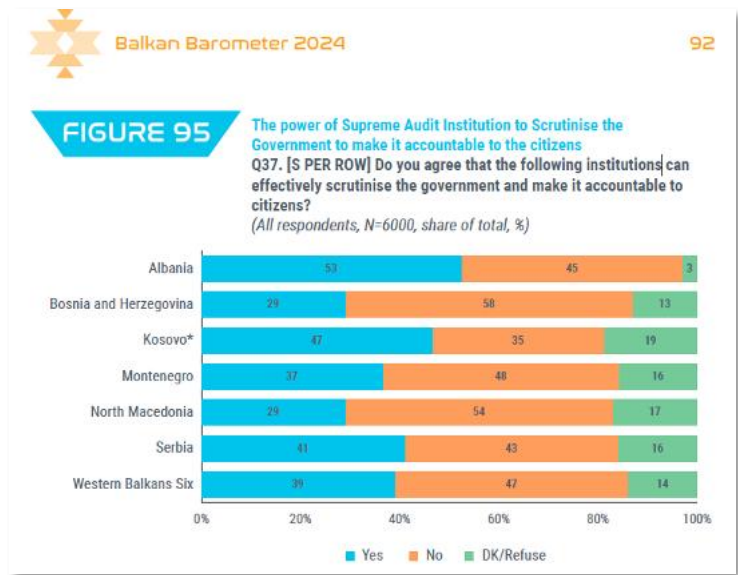
In its annual report, Balkan Barometer 2024, prepared with the support of the European Union, the Regional Cooperation Council (RCC) recognized the independence and effectiveness of the Supreme Audit Institution of Albania in serving the public interest. According to the findings of the report, the Supreme Audit Institution of Albania maintained its strong position with regard to institutional independence and its oversight role in promoting greater government accountability to citizens. The Balkan Barometer surveys were conducted during March and early April 2024 in Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. Compared with the other countries in the region, the Supreme Audit Institution of Albania ranked first in terms of institutional independence, despite the generally high level of public scepticism observed across all countries surveyed, as illustrated in the chart below. Assessment of Independence: Supreme Audit Institution Free from Political Influence.



Source: Balkan Barometer 2024, Public Opinion

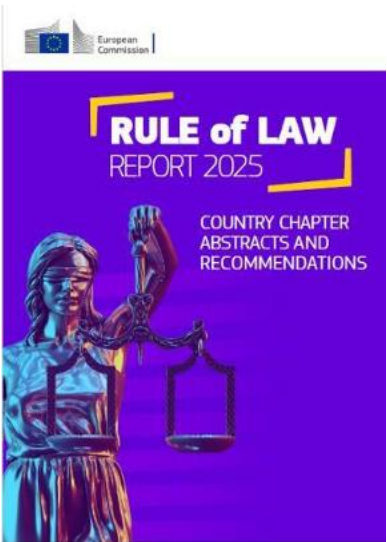
Across the six Western Balkan countries, the report's findings indicate that Albania and Kosovo rank among the countries with the highest levels of public trust in their respective Supreme Audit Institutions. Specifically, 53% of respondents in Albania and 47% in Kosovo believe that their Supreme Audit Institutions are capable of effectively scrutinizing the work of the Government and holding it accountable to citizens.

The Supreme Audit Institution's capacity to oversee the Government and ensure its accountability to citizens.



Source: Balkan Barometer 2024, Public Opinion

C. The European Commission recognizes the Role of the ALSAI in the Fight Against Corruption



European Commission has acknowledged the active and consistent role of the ALSAI in the fight against corruption in Albania, including its contribution to the country's European integration process.

In its 2025 Rule of Law Report on Albania, the European Commission identifies ALSAI as one of the institutions demonstrating tangible performance and effective cooperation with judicial authorities. The Commission highlights that ALSAI has established a solid track record in addressing irregularities by referring high-priority cases to investigative authorities.

"The Supreme Audit Institution of Albania has a stronger track record regarding judicial referrals and cooperation with prosecution authorities. In 2024, referred 13 cases involving criminal elements for prosecution.

In addition, 35 referrals concerning cases requiring further investigation were shared with the prosecution authorities at their request," the European Commission states in its 2025 Report. The European Commission also calls for mandatory institutional cooperation between the bodies responsible for preventing corruption and the relevant law enforcement authorities. It emphasizes that the work of ALSAI should be supported as a key pillar in the fight against corruption.



D. SIGMA appreciates the work of the ALSAI

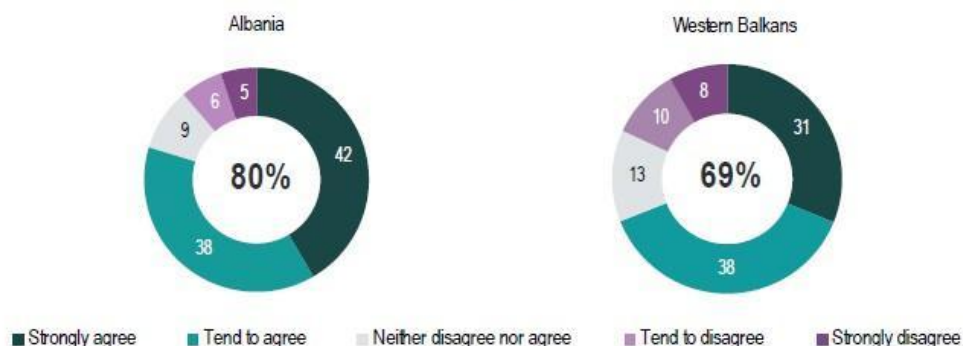


The SIGMA Report on the Public Administration of Albania 2024 recognizes the independent audit activities of the ALSAI as an institution that provides assurance over the use of public resources and contributes to improving the performance of the public sector. The following section presents the SIGMA Report's assessment of ALSAI.

ALSAI is established under the Constitution as an independent Supreme Audit Institution, which defines its role in broad terms. The Law on the Organization and Functioning of the Supreme Audit Institution of Albania further specifies ALSAI's functional, operational, and financial independence and, together with the Constitution, provides the legal framework governing the institution. This legal framework is aligned with the International Standards of Supreme Audit Institutions.

ALSAI is mandated to audit budget execution and revenue collection, as well as the management and safeguarding of public funds and public or state-owned assets. It is also authorized to audit, among other entities, recipients of public funds provided by the European Union or other international organizations, as well as state funding allocated to political parties. Its audit mandate is comprehensive and is rarely challenged.

Figure 54. Perception of SSAI independence among civil servants, compared to the WB average



Notes: Percentages of valid responses to the question: "To what extent do you agree or disagree with the following statements?" "The SAI carries out its work and activities independently of the government". The percentage in the middle is the share respondents who answered "strongly agree" or "tend to agree".

Sources: SIGMA Survey of Public servants on public administration in the Western Balkans.

According to the findings of the SIGMA Survey of Public Officials on Public Administration in the Western Balkans 2024, 70% of respondents considered ALSAI's audit reports to be easy to understand.

Furthermore, 69% stated that the reports contain relevant and useful recommendations. The recommendations issued in audit reports are generally accepted by audited entities.

Of the 4,631 recommendations issued in 2022, 97% (4,494) were accepted by the audited entities, representing a significant improvement compared to the 80% acceptance rate recorded in 2021.



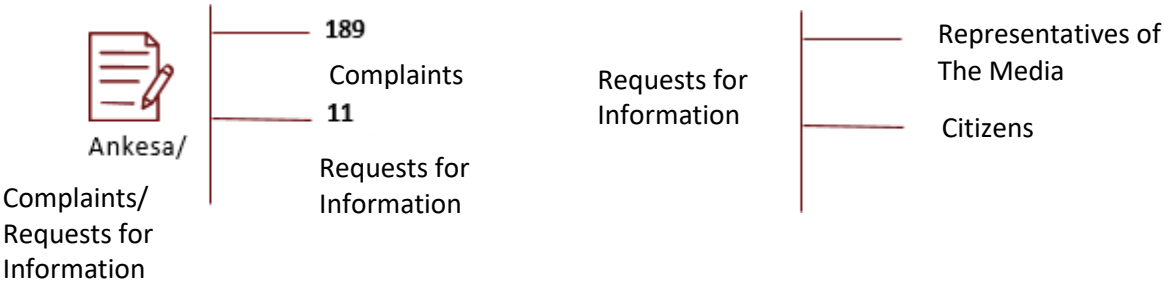
ALSAI seeks to engage external stakeholders—including the public, civil society organizations, and international partners—in the annual audit planning process as well as in relation to specific audit reports or audit topics. To strengthen communication and enhance public confidence, ALSAI has adopted a Communication Strategy for the period 2022–2025.

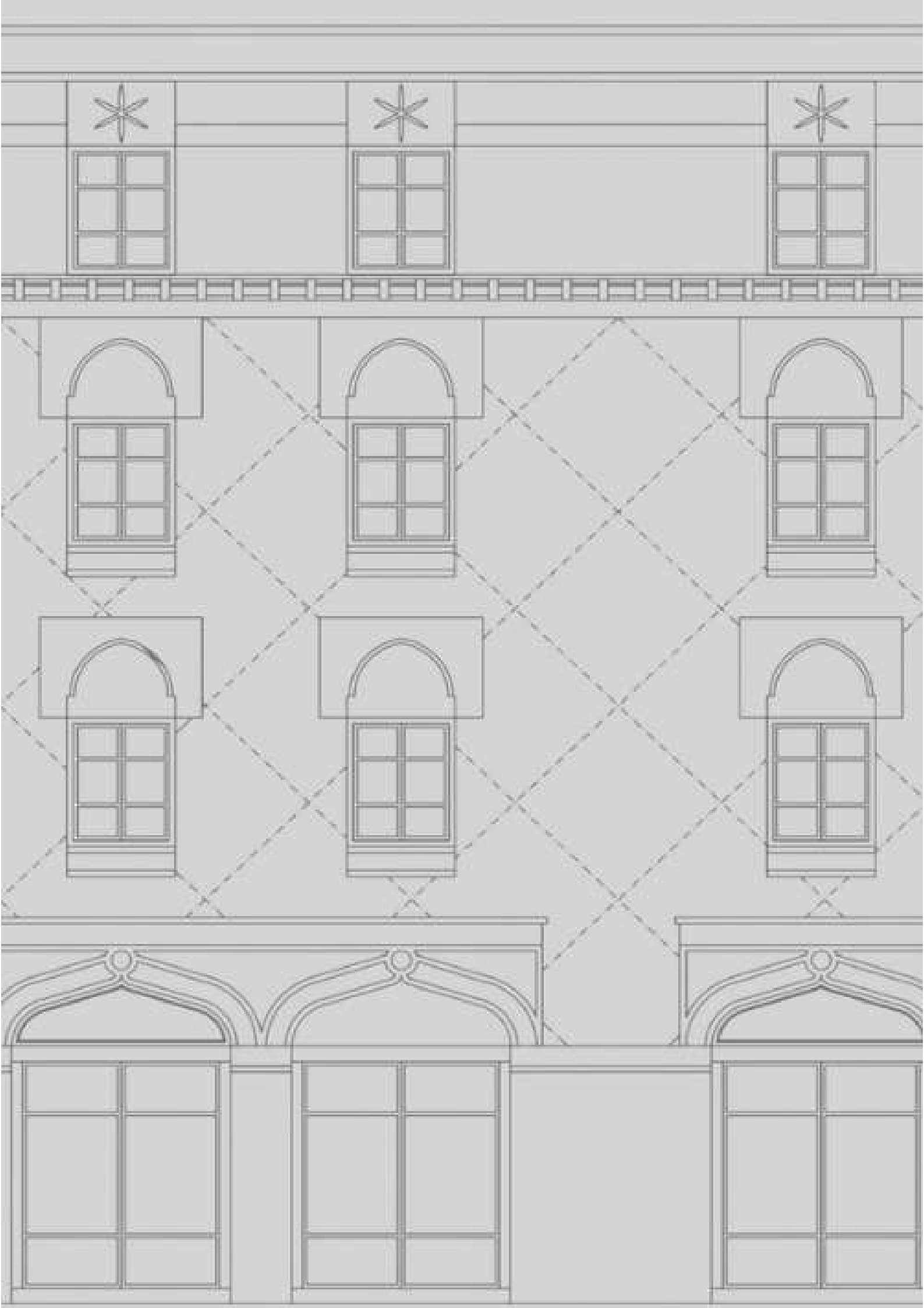
5.5 TRANSPARENCY PROGRAM AND THE RIGHT TO INFORMATION

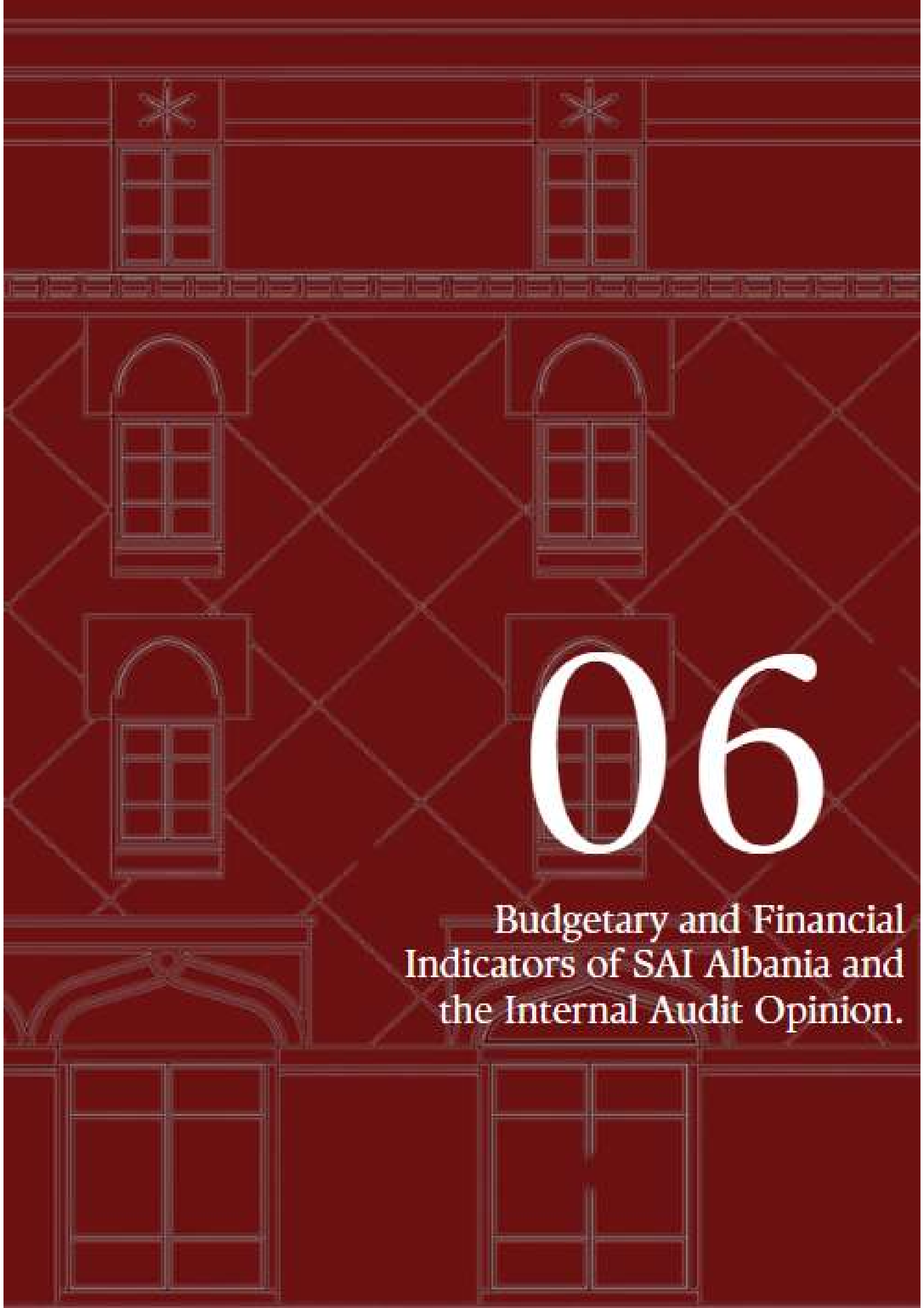
In fulfilling its legal obligations regarding transparency and public access to information, the ALSAI guarantees full access to its activities by publishing final audit reports, press releases, and any other relevant information. On the official website of the ALSAI, the dedicated “Open Data” section has been established and continuously updated, where documents and relevant information are published and regularly updated in open formats, in accordance with the requirements of the applicable legislation. Through this approach, the ALSAI ensures that its activities remain transparent, understandable, and accessible to citizens, public institutions, and other stakeholders.

The right to information is guaranteed by the Constitution and enshrined in the Law “On the Right to Information”, as a fundamental right of citizens, civil society, the media, and other actors in a democratic society. In implementing this legal framework, the SAI processes a considerable number of requests for information each year while maintaining high standards of transparency. In this context, the ALSAI received and examined 189 letters/complaints submitted by individuals and various entities, including 11 requests for information (6 from media representatives and 5 from citizens). The majority of the complaints concerned issues related to Local Self-Government and Public Property, with approximately 90 complaints being processed.

Each request and complaint was carefully examined and responded to, ensuring that citizens received accurate information within the deadlines established by law.





The background of the page features a repeating pattern of a building facade. It includes several windows of different sizes, some with arched tops, and a prominent diamond-shaped grid pattern that covers the central portion of the image. The entire design is rendered in a light beige or cream color against a dark red background.

06

**Budgetary and Financial
Indicators of SAI Albania and
the Internal Audit Opinion.**

6.1 BUDGET AND FINANCIAL INDICATORS OF THE ALSAI

The budget policy of the ALSAI has been focused on ensuring the timely and high-quality fulfilment of its legal obligations, institutional objectives, and priorities set out in the 2023–2027 Strategic Development Plan, while taking into account the requirements of the international auditing community and the European Union, as defined in the EU–Albania Stabilisation and Association Agreement and monitored within the framework of the European integration process.

The budget allocated to the programme "ALSAI Audit Activities" was prepared in accordance with the Policy Statement developed during the preparation of the 2025–2027 Medium-Term Budget Programme (MTBP). For 2025, the implementation of the budget of the Supreme Audit Institution was based on Law No. 115/2024 "On the 2025 State Budget", as well as on Instruction No. 9, dated 20 July 2018, of the Minister of Finance and Economy, "Standard Procedures for Budget Implementation," as amended, and Instruction No. 14, dated 30 May 2023, "On Standard Procedures for Budget Monitoring in General Government Units."

The budget allocated for 2025, amounting to ALL 694,000 thousand, was distributed as follows:

- Salaries and Social Insurance Expenditure: ALL 598,100 thousand
- Goods and Services Expenditure: ALL 80,900 thousand
- Capital Expenditure with Domestic Financing: ALL 15,000 thousand

The budget was further supplemented under Item 606 – "Financial Assistance" in the amount of ALL 1,500 thousand, as well as by a Foreign-Financed Capital Grant amounting to ALL 5,043 thousand. Based on the institution's financial requirements, the annual budget plan was reallocated within the current and capital expenditure categories. The funds allocated and utilised for the operation of the Supreme Audit Institution during 2025, by expenditure category, are presented below.

In thousands of lek

Chapt.	Article	Description	Code Project	Fact 2024	Budget Law	Normative Act October	Normative Act December	Fact 2025	%
01	600	Salary	92401AA	456,121	531,300	486,300	480,300	475,960	99%
01	601	Assurance	92401AA	69,813	66,800	76,800	73,800	71,704	97%
	600-601		0	525,934	598,100	563,100	554,100	547,664	99%
01	602	Goods and Services	92401AA	71,082	80,700	85,700	72,700	69,339	95%
01	605	Transfers Abroad	92401AA	292	200	200	200	100	50%
1	606	Transfers to individuals		1,151	1,500	1,500	1,500	1,164	78%
	602-605		0	72,525	82,400	87,400	74,400	70,603	95%
01	231	IT Equipment	M240009	0	7,000	7,000	3,800	3,742	98%
01	231	Transport Equipment	M240002	4,920	3,000	3,870	3,470	3,420	99%
01	231	Building Reconstruction	M240003	0	4,000	3,130	3,130	2,658	85%
01	231	Office Equipment	M240010	1,522	1,000	1,000	550	529	96%
01	230	Local Costs		2,190					
01	230	VAT		1,817					
01	230-231			10,449	15,000	15,000	10,950	10,349	95%
02	231	Foreign Grant		2,908	273	273	273		
02	230	Foreign Financing		4,129		4,770	4,770	4,770	100%
	Total		0	615,945	695,773	670,543	644,493	633,386	98%

Based on Law No. 115/2024 "On the 2025 State Budget," as amended, the budget allocated to the SAI, amounting to ALL 644,493 thousand, including the foreign grant, was executed in the total amount of ALL 633,386 thousand, representing an execution rate of 98%.

The execution of the budget by the main expenditure categories was as follows:

- Personnel expenditure: 99% execution rate.
- Other operating expenditure: 95% execution rate.



-Capital expenditure financed from domestic sources: 95% execution rate.

-Foreign financing: 100% execution rate.

Account 600–601 “Personnel Expenditure”

Under Law No. 115/2024 "On the 2025 State Budget", the budget allocated for Salaries and Social Insurance amounted to ALL 598,100 thousand, with an approved staffing level of 243 employees. During 2025, ALL 5,000 thousand was reallocated from this budget to the Goods and Services expenditure category, while the budget was also reduced through normative acts. The revised budget of ALL 554,100 thousand was executed in the amount of ALL 547,664 thousand, representing an execution rate of 99%. Compared with the actual expenditure of ALL 525,934 thousand in 2024, expenditure under this category increased by approximately 4%.

Account 602 – Expenditure on Goods and Other Services

The budget allocated for operating expenditure amounted to ALL 80,900 thousand, representing 12% of the 2025 budget plan. During 2025, ALL 5,000 thousand was reallocated from this category to Salaries and Social Insurance, while the budget was also reduced through normative acts. The revised budget of ALL 72,900 thousand was executed in the amount of ALL 69,439 thousand, corresponding to an execution rate of 95%. Compared with the actual expenditure of ALL 71,374 thousand in 2024, expenditure under this category decreased by approximately 3%. A significant share of operating expenditure consisted of travel and daily allowances for domestic and international official travel, amounting to ALL 39,582 thousand, representing 54% of the planned expenditure under the Goods and Services category. This budget line also covered administrative needs, including security services, electricity, water, telephone services, office supplies, UPS batteries, printing services, vehicle maintenance, and other operational expenses. This expenditure category also included costs related to the 100th anniversary of the establishment of the Supreme Audit Institution, an institution that has contributed for a century to strengthening the culture of accountability and improving governance in the management of public finances. This centenary represents a historic milestone not only for the SAI but also for the institutional development of modern Albania. Established in May 1925, at a decisive stage in the consolidation of the Albanian state, the Supreme Audit Institution has played an active role throughout every phase of the transformation of the country's public administration.

During 2025, the SAI completed several procurement procedures, including:

-The acquisition of IT software licences to ensure the optimal functioning of information technology equipment, strengthen network security, and facilitate the work of users of the SAI's technological infrastructure;

-The procurement of internet services, elevator maintenance, alarm system maintenance, air-conditioning maintenance, office supplies, cleaning and disinfecting materials, maintenance of transport vehicles, fuel, and other operational services.

Account 605 – Current and Foreign Transfers

During the 2025 reporting period, the SAI settled its membership contributions to INTOSAI and EUROSAI, as well as participation fees for international activities, in the amount of ALL 100 thousand, against a planned budget of ALL 200 thousand.

Account 606 – Transfers to Household Budgets

During the 2025 financial year, the Ministry of Finance allocated a Special Fund amounting to ALL 1,500 thousand to cover employee retirement benefits, financial assistance in cases of hardship, and illness. During the reporting period, ALL 1,163 thousand was utilised, representing an execution rate of 78%.



Account 230–231 “Capital Investment Expenditure”

- Capital Expenditure Financed from Domestic Sources

Pursuant to Law No. 115/2025 "On the 2025 State Budget", the budget allocated for capital investments amounted to ALL 15,000 thousand, financed from domestic sources.

During 2025, this budget was reduced by ALL 4,050 thousand through a normative act. The revised budget of ALL 10,950 thousand was executed in the amount of ALL 10,349 thousand, representing an execution rate of 95%.

The funds allocated and utilised under each investment project are presented below:

In thousands of lek

Description	Code	Budget Law	AN No. 11	Realisation	%
Computer Equipments	M240009	7,000	3,800	3,742	98%
Vehicles	M240002	3,870	3,470	3,420	99%
Building Reconstruction	M240003	3,130	3,130	2,658	85%
Office Equipments	M240010	1,000	550	529	96%
		15,000	10,950	10,349	95%

For 2025, the SAI completed procurement procedures for the purchase of a vehicle, IT equipment, office equipment, and the refurbishment of its premises. The allocation of investment funds to these projects was considered necessary to ensure the uninterrupted performance of the SAI's audit activities.

The budget allocated for the purchase of a vehicle, amounting to ALL 3,470 thousand, was executed in the amount of ALL 3,420 thousand, representing an execution rate of 99%.

The budget allocated for the purchase of IT equipment, including desktop computers and laptops to support audit activities, amounted to ALL 3,800 thousand and was executed in the amount of ALL 3,742 thousand, corresponding to an execution rate of 98%.

The budget allocated for building refurbishment, amounting to ALL 3,130 thousand, was executed in the amount of ALL 2,658 thousand. These funds were allocated to improve working conditions and to refurbish the vehicle parking facilities located on Don Bosko Street, with the aim of making better use of the available space and converting the existing garages into warehouse facilities for the SAI.

The budget allocated for the purchase of office equipment, following a reassessment of the condition of office furniture (chairs), amounted to ALL 550 thousand and was executed in the amount of ALL 529 thousand, representing an execution rate of 95%.

- Capital Expenditure Financed from Foreign Sources

During 2025, the final instalment under the project "Strengthening External Audit Oversight of Concessions and Public–Private Partnerships in Albania" was settled using the funds remaining from the project. The project was financed by the Swiss State Secretariat for Economic Affairs (SECO) and formalised through Agreement No. 307, dated 9 March 2020. No additional allocations were made for foreign-financed capital investments during 2025.



6.2 INTERNAL AUDIT OPINION ON THE 2025 FINANCIAL STATEMENTS

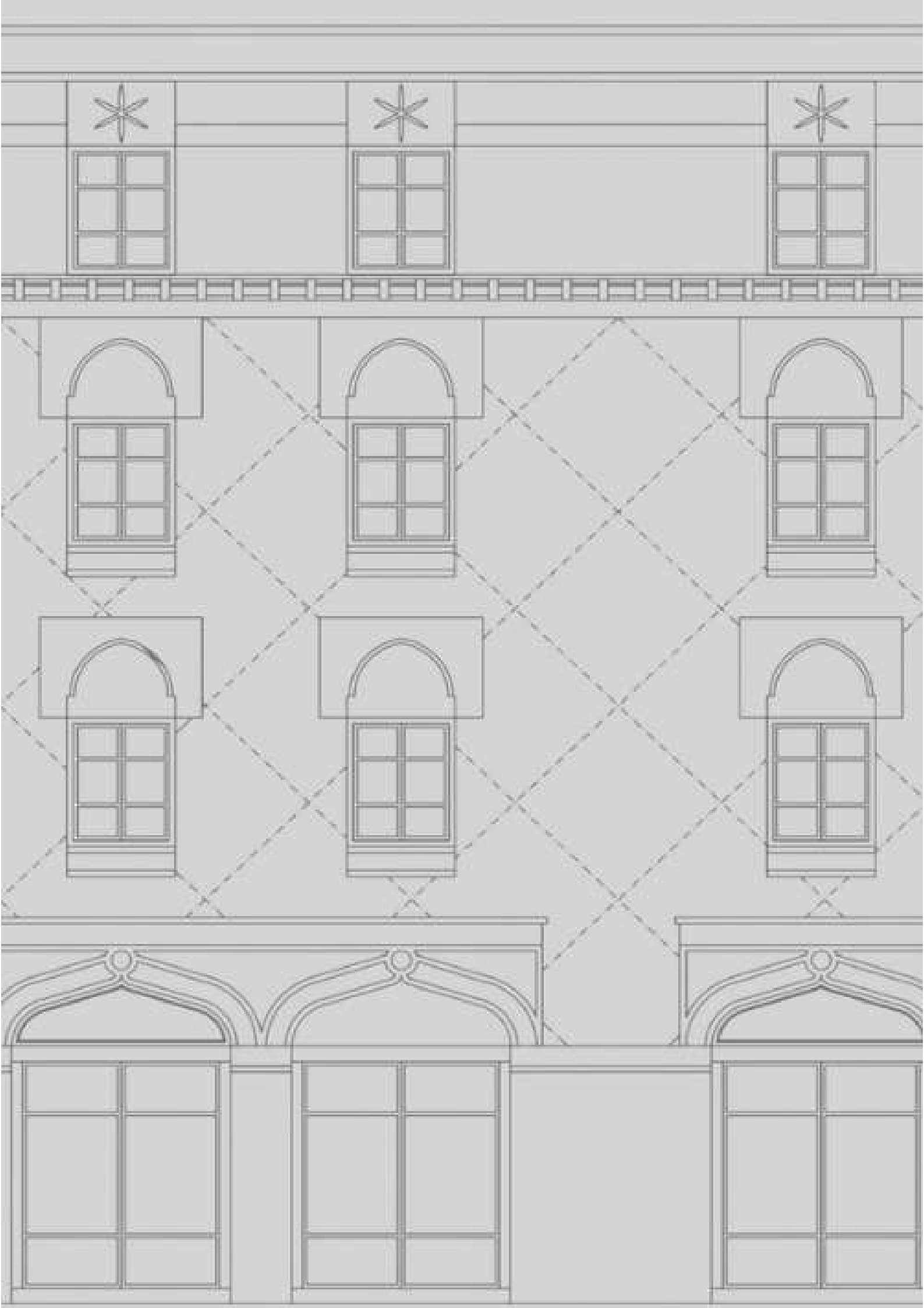
Based on the Annual Internal Audit Plan, the Internal Audit Directorate carried out the audit engagement "Audit of Systems and Compliance in the Finance Sector", covering the Institution's 2025 financial statements. The audit opinion issued was as follows:

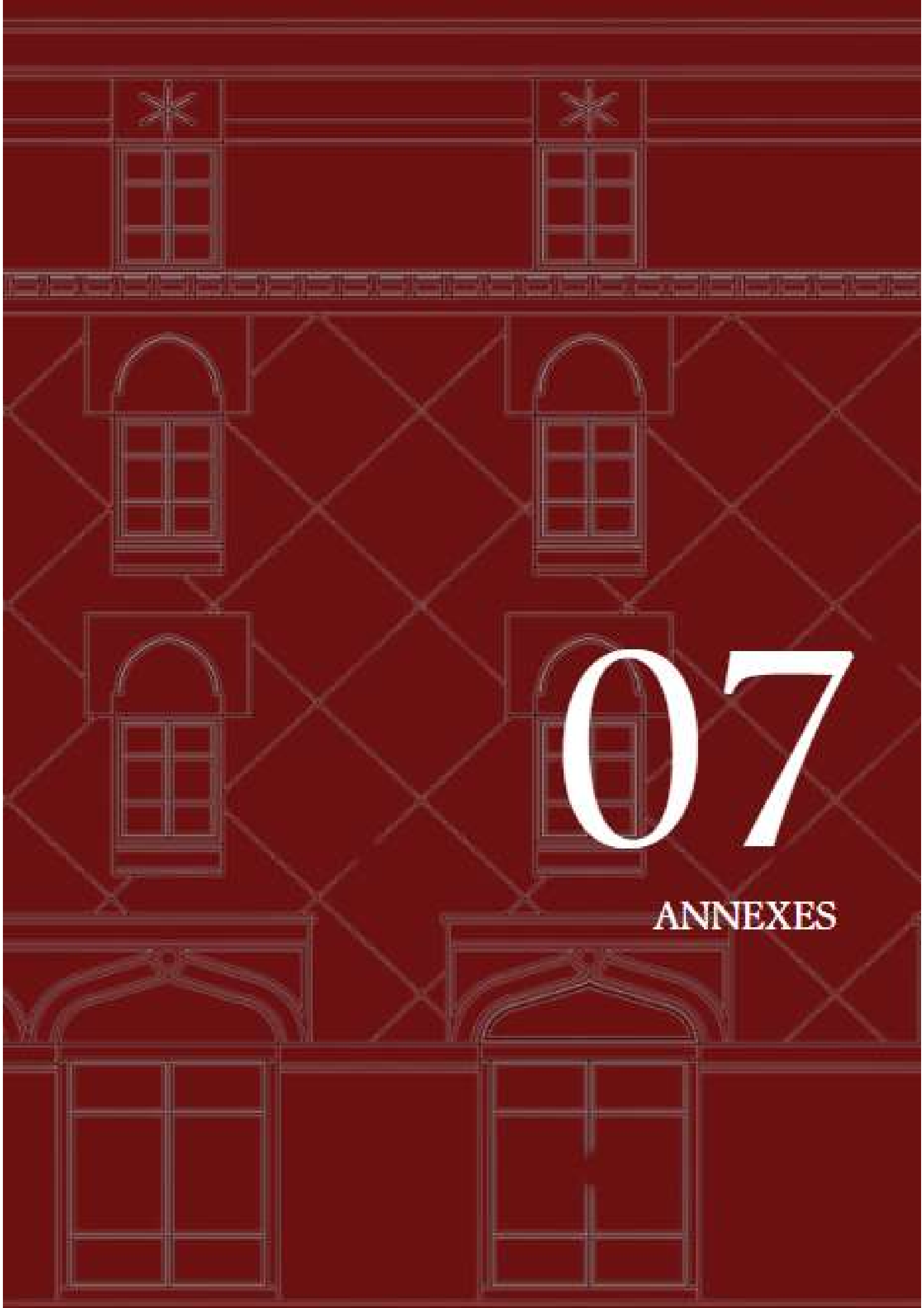
"We have audited the Institution's financial statements for the period ended 31 December 2025, comprising the Statement of Financial Position as at 31 December 2025, the Statement of Financial Performance, the Statement of Cash Flows, the Statement of Changes in Net Assets/Equity, and the accompanying explanatory notes to the annual financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institution as at 31 December 2025, as well as its financial performance and cash flows for the period then ended, in accordance with the applicable legal and regulatory framework governing financial reporting in the public sector. "The audit was conducted in accordance with Law No. 114/2015 "On Internal Audit in the Public Sector," as amended; Law No. 10296, dated 8 July 2010, "On Financial Management and Control," as amended; Order No. 134 of the Minister of Finance, dated 17 October 2025, "On the Approval of the Internal Audit Manual for the Public Sector," and other applicable legislation.

The financial statements were prepared in accordance with Instruction No. 8 of the Ministry of Finance and Economy, dated 9 March 2018, "On the Procedures for the Preparation, Presentation and Reporting of Annual Financial Statements in General Government Units," as amended, as well as Instruction No. 127, dated 19 December 2025, "On the Procedures for Closing the Annual Budget Accounts for the 2025 Financial Year." The objective of the audit was to support the Institution and provide assurance regarding the achievement of its objectives through activities conducted in compliance with applicable legal requirements, standards, and regulations, while identifying risk areas and assessing the effectiveness of internal control systems. The audit also aimed to provide an overall assessment of the functioning of the internal control systems and to express an opinion on the implementation of the 2025 budget. The audit concluded that the Institution's financial management and control systems generally demonstrate a functional and effective process that provides reasonable assurance regarding compliance with legislation and other internal control processes. Furthermore, the audit confirmed that the Institution's processes and transactions were carried out in accordance with the requirements established by the applicable legal framework.







07

ANNEXES

ANNEXES

ANNEX 1: Audits/Audit Topics Conducted by the ALSAI, January–December 2025

No.	Subject/Topic
Department of Audit of Security Institutions, Public Enterprises and Foreign Investments	
1	Improving Dam Safety at the Koman Hydropower Plant, Albanian Power Corporation
2	Defence Intelligence and Security Agency
3	Police Oversight Agency
4	National Water Supply and Sewerage Agency
5	National Water Supply and Sewerage Agency – National Program for the Modernization of the Water Supply and Sewerage Sector in Albania
6	AlbaFilm JSC
7	Thematic Audit: Verification of the Causes, Consequences and Institutional Response Related to the Situation Created by the Severe Flooding in the City of Vlora, for an unspecified period
8	Civil Aviation Authority
9	National Food Authority
10	Port Authority of Durrës
11	General Maritime Directorate, Durrës
12	Irrigation and Drainage Directorate, Fier
13	Irrigation and Drainage Directorate, Korçë
14	Irrigation and Drainage Directorate, Lezhë
15	Regional Police Directorate, Shkodër
16	National Housing Agency
17	Energy Capacity and Dam Safety of the Drin Cascade, Albanian Power Corporation
18	Follow-up on the Implementation of the Recommendations Issued by the Supreme State Audit (SSA) at Albgaz JSC
19	Follow-up on the Implementation of the Recommendations Issued by the Supreme State Audit (SSA) at Regional Water Supply and Sewerage Company Vlora JSC
20	Follow-up on the Implementation of the Recommendations Issued by the Supreme State Audit (SSA) at the University of Medicine
21	Electricity Distribution Operator
22	Distribution System Operator – Durrës Regional Directorate
23	Distribution System Operator – Shkodër Regional Directorate
24	Distribution System Operator – Tirana Regional Directorate
25	Project: Municipal Infrastructure V
26	University Student Residence No. 2 JSC
27	Regional Water Supply and Sewerage Company, Lezhë JSC
28	Regional Water Supply and Sewerage Company, Elbasan JSC
29	Regional Hospital of Shkodër
30	Regional Hospital of Vlora
31	Vlora Thermal Power Plant JSC
32	Student Services Company Elbasan JSC
33	Student Services Company Gjirokastër JSC
34	Student Services Company Korçë JSC
35	Student Services Company Shkodër JSC
36	Student Services Company Vlora JSC
37	Follow-up on the Implementation of Audit Recommendations (First and Second Six-Month Periods)
IT Audit Department	
38	Agency for the Administration of Seized and Confiscated Assets
39	National Agency of Diaspora
40	Regional Directorate of Pre-University Education, Lezhë
41	Court of First Instance of General Jurisdiction, Shkodër
42	College of Defence and Security



43	Municipal Education Center, Lushnjë
44	Center for Studies and Publications on the Arbëresh
45	National Center of Cinematography
46	Cybersecurity in the e-Taxation Critical Infrastructure
47	Sports University of Tirana
48	Follow-up on the Implementation of Audit Recommendations (First Six-Month Period) – IT
49	Follow-up on the Implementation of Audit Recommendations (Second Six-Month Period) – IT
50	Regional Statistics Office, Fier
State Budget Audit Department	
51	Audit of the Procedures for Granting Permits and Licenses and Monitoring Mining Activities in Rasek, Shkodër
52	Improving Equal Access to High-Standard Public Services through the GovTech Operation
53	National Agency for Employment and Skills
54	National Coastline Agency
55	Follow-up on the Implementation of Audit Recommendations Issued in Central Government Institutions (First Six-Month Period)
56	Thematic Audit at the Ministry of Education and Sports on the Issues Addressed in the Complaint Submitted by the Albanian Kickboxing Federation.
57	Follow-up on the Implementation of Audit Recommendations (First Six-Month Period)
58	Authority for Information on the Documents of the Former State Security Service
59	People's Advocate (Ombudsman)
60	State Advocacy Office
61	Tirana Circus
62	Durrës Customs Branch
63	Rinas Customs Branch
64	Availability of Medicines for the Treatment of Cancer Diseases
65	General Directorate of Customs (Part I)
66	General Directorate of Customs (Part II)
67	General Directorate of Public Property
68	General Directorate of Taxes
69	Durrës Regional Tax Directorate
70	Elbasan Regional Tax Directorate
71	Compulsory Health Care Insurance Fund
72	Court of First Instance of General Jurisdiction, Tirana
73	Court of Appeal of General Jurisdiction
74	High Inspectorate for the Declaration and Audit of Assets and Conflict of Interest
75	Social Insurance Institute
76	Institute of Food Safety and Veterinary
77	Special Appeals Chamber
78	Albanian Investment Corporation
79	Assessment of the Progress, Performance and Effectiveness of Measures Taken Regarding Customs Debt
80	Provision of Food Services at Korçë Regional Hospital
81	Compliance Audit of the Monitoring of the Sasaj Hydropower Plant, Sarandë
82	Compliance in the Provision of Residential Care Services and Procedures for the Adoption of Minors
83	Assessment of the Progress, Performance and Effectiveness of Measures Taken Regarding Tax Debt
84	Ministry of Education and Sports
85	Ministry of Agriculture and Rural Development
86	Ministry of Finance (Central Administration)
87	Ministry of Finance – Budget Implementation
88	Ministry of Health and Social Welfare
89	Ministry of Tourism and Environment
90	Audit of the Procedures for Granting Permits and Licenses and Monitoring Mining Activities in Rasek, Shkodër



91	Rectorate, University of Tirana
92	School of Magistrates
93	"Luigj Gurakuqi" University of Shkodër
94	University of Tirana – Faculty of Economics
95	University of Tirana – Faculty of Foreign Languages
96	Follow-up on the Implementation of Audit Recommendations (First Six-Month Period)
Department of Audit of Local Government and Public Property	
97	Verification of the Situation Following the Landslides on the Matogjin–Bashaj Road
98	State Expropriation Agency, Tirana
99	Municipality of Belsh
100	Municipality of Berat
101	Financial Statements Audit – Municipality of Berat
102	Bashkia Bulqizë
103	Municipality of Cërrik
104	Municipality of Delvinë
105	Municipality of Devoll
106	Municipality of Dibër
107	Municipality of Dimal
108	Financial Statements Audit – Municipality of Dimal
109	Municipality of Divjakë
110	Municipality of Dropull
111	Municipality of Durrës
112	Municipality of Elbasan
113	Financial Statements Audit – Municipality of Elbasan
114	Municipality of Fier
115	Financial Statements Audit – Municipality of Fier
116	Municipality of Finiq
117	Municipality of Fushë-Arrëz
118	Municipality of Gjirokastër
119	Municipality of Gramsh
120	Municipality of Has
121	Municipality Kamëz
122	Municipality Kavajë
123	Municipality Këlcyrë
124	Municipality Klos
125	Municipality Kolonjë
126	Municipality Konispol
127	Municipality Korçë
128	Financial Statements Audit – Municipality of Korçë
129	Municipality Krujë
130	Municipality Kuçovë
131	Municipality Kukës
132	Municipality Kurbin
133	Municipality Lezhë
134	Municipality Libohovë
135	Municipality Librazhd
136	Municipality Lushnje
137	Financial Statements Audit – Municipality of Lushnjë
138	Municipality Malësi e Madhe
139	Municipality Maliq
140	Financial Statements Audit – Municipality of Maliq
141	Verification of the Situation Following the Landslides on the Matogjin–Bashaj Road
142	State Expropriation Agency, Tirana
143	Municipality of Belsh



144	Municipality of Mirditë
145	Municipality of Patos
146	Municipality of Përmet
147	Municipality of Pogradec
148	Municipality of Poliçan
149	Municipality of Prrenjas
150	Municipality of Pukë
151	Municipality of Pustec
152	Municipality of Roskovec
153	Municipality of Rrogozhinë
154	Municipality of Sarandë
155	Financial Statements Audit – Municipality of Sarandë
156	Municipality of Selenicë
157	Financial Statements Audit – Municipality of Selenicë
158	Municipality of Shijak
159	Municipality of Shkodër
160	Municipality of Skrapar
161	Financial Statements Audit – Municipality of Skrapar
162	Municipality of Tepelenë
163	Financial Statements Audit – Municipality of Tropojë
164	Municipality of Tropojë
165	Municipality of Vau i Dejës
166	Municipality of Vlorë
167	Municipality of Vorë
168	National Inspectorate for Territorial Protection
169	Follow-up Audit on the Implementation of Audit Recommendations (First Half of the Year)
170	Verification of the Complaint Submitted by the Residents of Piskovë Village Regarding the Urban Waste Disposal Site
171	Follow-up Audit on the Implementation of Audit Recommendations (Second Half of the Year)
172	Follow-up Audit on the Implementation of Audit Recommendations for the State Cadastre Agency (ASHK)
Performance Audit Department	
173	Quality and Certification of Drinking Water Supplied to Consumers
174	Community Care for the Elderly and the Decentralization of the Service
175	Government Comprehensive Plans and Budgetary Aspects for an Ageing Population
176	Roles and Responsibilities for Monitoring the Welfare of Adopted Children
177	Psycho-social Service in the Pre-University Education System
178	National Agency of Protected Areas – Tirana, Protected Areas Administrations of Kukës, Berat and Vlorë
179	Accessibility for Persons with Disabilities
180	Online Shopping in Albania: Taxes and Citizen Services
181	Quality of Bathing Waters
182	Measures Taken by Responsible Institutions to Eliminate the Discharge of Wastewater into the Lana River in Tirana
183	Protection and Safety of Dams
184	Environmental and Health Impact of Oil and Gas Exploitation Activities in the Patos–Marinëz Area
185	Pollution of the Tirana Artificial Lake
186	The Role and Effectiveness of School Security Officers
187	Treatment, Rehabilitation and Reintegration of Convicted Persons
188	Follow-up on the Implementation of Recommendations Issued in the 2023 Compliance and Regularity Audit of Environmental Institutions
189	Follow-up on the Implementation of Recommendations Issued in Performance Audits (Second Half of the Year)
190	Follow-up on the Implementation of Recommendations Issued in Performance Audits (First Half of the Year)



ANNEX 2: Recommended Measures for Legal Amendments and Improvements

No.	Subject/Topic	No. of Measures
1	Roles and Responsibilities for Monitoring the Welfare of Adopted Children	1
2	Psycho-social Service in the Pre-University Education System	2
3	Police Oversight Agency	1
4	State Expropriation Agency, Tirana	1
5	Online Shopping in Albania: Taxes and Citizen Services	5
6	Quality and Certification of Drinking Water Supplied to Consumers	2
7	Quality of Bathing Waters	3
8	Availability of Medicines for the Treatment of Cancer	1
9	General Directorate of Public Property	2
10	Shkodër Local Police Directorate	1
11	National Inspectorate for Territorial Protection	1
12	Protection and Safety of Dams	2
13	Role and Effectiveness of School Security Officers	2
14	Cybersecurity in the e-Taxation Critical Infrastructure	2
15	Treatment, Rehabilitation and Reintegration of Convicted Persons	3
Total		29

ANEKSI 3: Recommended Organisative Measures

No.	Subject/Topic	No. of Measures
1	Community Care for the Elderly and the Decentralisation of the Service	21
2	Audit of the Procedures for Granting Permits and Licences and Monitoring Mining Activities in the Rasek Area, Shkodër	16
3	Verification of the Situation Following the Landslides on the Matogjin–Bashaj Road	5
4	Improving Equal Access to High-Quality Public Services through the GovTech Operation	1
5	Improving Dam Safety at the Koman Hydropower Plant, Albanian Power Corporation	5
6	Government Comprehensive Plans and Budgetary Aspects for an Ageing Population	12
7	Roles and Responsibilities for Monitoring the Welfare of Adopted Children	17
8	Psycho-social Service in the Pre-University Education System	14
9	Verification of the Causes, Consequences and Institutional Response to the Situation Created by the Severe Flooding in the City of Vlorë	23
10	Agency for the Administration of Seized and Confiscated Assets	8
11	Defence Intelligence and Security Agency	10
12	Police Oversight Agency	19
13	National Diaspora Agency	7
14	National Agency for Employment and Skills	20
15	National Agency for Water Supply and Sewerage	25
16	National Agency for Water Supply and Sewerage – National Programme for the Modernisation of the Water Supply and Sewerage Sector in Albania	6
17	National Coastline Agency	10
18	National Agency of Protected Areas – Tirana, Protected Areas Administrations of Kukës, Berat and Vlora	15
19	State Expropriation Agency, Tirana	37
20	Accessibility for Persons with Disabilities	19
21	AlbaFilm JSC	6
22	Thematic Audit at the Ministry of Education and Sports on Issues Raised in the Complaint Submitted by the Albanian Kick Boxing Federation	3
23	Civil Aviation Authority	18



24	National Food Authority	50
25	Authority for Information on the Documents of the Former State Security	29
26	Durrës Port Authority	45
27	People's Advocate	23
28	State Advocacy	19
29	Municipality of Belsh	29
30	Municipality of Berat	22
31	Financial Statements Audit – Municipality of Berat	20
32	Municipality of Bulqizë	12
33	Municipality of Cërrik	14
34	Municipality of Delvinë	8
35	Municipality of Devoll	13
36	Municipality of Dibër	44
37	Municipality of Dimal	20
38	Financial Statements Audit – Municipality of Dimal	18
39	Municipality of Divjakë	17
40	Municipality of Dropull	15
41	Municipality of Durrës	38
42	Municipality of Elbasan	23
43	Financial Statements Audit – Municipality of Elbasan	19
44	Municipality of Fier	52
45	Financial Statements Audit – Municipality of Fier	12
46	Municipality of Finiq	16
47	Municipality of Fushë-Arrëz	10
48	Municipality of Gjirokastrë	18
49	Municipality of Gramsh	34
50	Municipality of Has	10
51	Municipality of Kamëz	6
52	Municipality of Kavajë	23
53	Municipality of Këlcyrë	29
54	Municipality of Klos	11
55	Municipality of Kolonjë	34
56	Municipality of Konispol	45
57	Municipality of Korçë	22
58	Financial Statements Audit – Municipality of Korçë	12
59	Municipality of Krujë	14
60	Municipality of Kuçovë	36
61	Municipality of Kukës	10
62	Municipality of Kurbin	10
63	Municipality of Lezhë	13
64	Municipality of Libohovë	17
65	Municipality of Librazhd	25
66	Municipality of Lushnjë	34
67	Financial Statements Audit – Municipality of Lushnjë	14
68	Municipality of Malësi e Madhe	15
69	Municipality of Maliq	25
70	Financial Statements Audit – Municipality of Maliq	9
71	Municipality of Mallakastër	21
72	Municipality of Mat	10
73	Municipality of Memaliaj	23
74	Municipality of Mirditë	11
75	Municipality of Patos	10
76	Municipality of Përmet	24
77	Municipality of Pogradec	16



78	Municipality of Poliçan	14
79	Municipality of Prenjas	11
80	Municipality of Pukë	10
81	Municipality of Pustec	7
82	Municipality of Roskovec	21
83	Municipality of Rogozhinë	18
84	Municipality of Sarandë	48
85	Financial Statements Audit – Municipality of Sarandë	5
86	Municipality of Selenicë	16
87	Financial Statements Audit – Municipality of Selenicë	10
88	Municipality of Shijak	11
89	Municipality of Shkodër	9
90	Municipality of Skrapar	19
91	Financial Statements Audit – Municipality of Skrapar	21
92	Municipality of Tepelenë	16
93	Financial Statements Audit – Municipality of Tropojë	16
94	Municipality of Tropojë	17
95	Municipality of Vau i Dejës	23
96	Municipality of Vlorë	40
97	Municipality of Vorë	7
98	Online Purchases in Albania: Taxes and Citizen Services	15
99	Quality and Certification of Drinking Water Placed on the Market for Consumers	26
100	Quality of Bathing Water at Beaches	24
101	Tirana Circus	18
102	Durrës Customs Branch	25
103	Rinas Customs Branch	8
104	Availability of Medicines for the Treatment of Cancer	32
105	General Directorate of Customs (Compliance Audit)	4
106	General Maritime Directorate, Durrës	6
107	General Directorate of Customs	26
108	General Directorate of Public Property	26
109	General Directorate of Taxes	37
110	Fier Directorate of Irrigation and Drainage	17
111	Korçë Directorate of Irrigation and Drainage	16
112	Lezhë Directorate of Irrigation and Drainage	17
113	Lezhë Regional Directorate of Pre-University Education	9
114	Durrës Regional Tax Directorate	19
115	Elbasan Regional Tax Directorate	18
116	Shkodër Local Police Directorate	32
117	National Housing Authority	10
118	Compulsory Health Care Insurance Fund	72
119	Energy Capacity and Dam Safety of the Drin Cascade at KESH	7
120	Court of First Instance of General Jurisdiction, Shkodër	15
121	Court of First Instance of General Jurisdiction, Tirana	4
122	Court of Appeal of General Jurisdiction	10
123	High Inspectorate for the Declaration and Audit of Assets and Conflicts of Interest	11
124	National Inspectorate for Territorial Protection	30
125	Social Insurance Institute	26
126	Institute of Food Safety and Veterinary	18
127	College of Defence and Security	10
128	Special Appeals College	3
129	Albanian Investment Corporation	22
130	Measures Taken by the Responsible Institutions to Eliminate the Discharge of Wastewater into the Lana River in Tirana	14



131	Performance and Effectiveness of the Measures Taken in Relation to Customs Debt	28
132	Provision of Food Services at Korçë Regional Hospital	15
133	Compliance Audit of the Monitoring of the Sasaj Hydropower Plant, Sarandë	10
134	Compliance in the Provision of Residential Care Services and Procedures for the Adoption of Minors	20
135	Assessment of the Progress, Performance and Effectiveness of the Measures Taken in Relation to Tax Debt	14
136	Protection and Safety of Dams	20
137	Ministry of Education and Sports	19
138	Ministry of Agriculture and Rural Development	44
139	Ministry of Finance (Central Administration)	24
140	Ministry of Finance – Budget Implementation	74
141	Ministry of Health and Social Welfare	24
142	Ministry of Tourism and Environment	11
143	Environmental and Health Impact of Oil and Gas Extraction Activities in the Patos–Marinzë Area	18
144	Pollution of the Tirana Artificial Lake	8
145	Electricity Distribution Operator	45
146	Distribution System Operator, Durrës Regional Directorate	18
147	Distribution System Operator, Shkodër Regional Directorate	23
148	Distribution System Operator, Tirana Regional Directorate	15
149	Municipal Infrastructure V Project	8
150	Lushnjë Municipal Education Centre	10
151	National Center of Cinematography	13
152	"Ramazan Kabashi" Resource Centre	17
153	Centre for Arbëresh Studies and Publications	7
154	Rectorate (University of Tirana)	11
155	University Student Residence No. 2 JSC	20
156	Role and Effectiveness of School Security Officers	16
157	School of Magistrates	17
158	Lezhë Regional Water Supply and Sewerage Company JSC	20
159	Elbasan Regional Water Supply and Sewerage Company JSC	18
160	Cybersecurity in the e-Taxation Critical Infrastructure	9
161	Shkodër Regional Hospital	23
162	Vlorë Regional Hospital	28
163	Vlorë Thermal Power Plant JSC	24
164	Student Services Elbasan JSC	13
165	Student Services Gjirokastër JSC	12
166	Student Services Korçë JSC	10
167	Student Services Shkodër JSC	11
168	Student Services Vlorë JSC	7
169	Treatment, Rehabilitation and Reintegration of Convicted Persons	30
170	"Luigj Gurakuqi" University of Shkodër	32
171	Sports University of Tirana	16
172	University of Tirana: Faculty of Foreign Languages	7
173	University of Tirana: Faculty of Economics	12
174	Verification of the Complaint Submitted by the Residents of Piskovë Village Regarding the Urban Waste Disposal Site	9
175	Fier Regional Statistical Office	6
	Total	3268



ANNEX 4: Summary Record of Recommended Measures for Identified Economic Damage*In 000 ALL*

No.	Subject/Topic	Expenses	Revenues	Total
1	National Agency for Water Supply and Sewerage	24,337		24,337
2	National Coastline Agency	19,319		19,319
3	National Agency of Protected Areas, Tirana, including the Protected Areas Administrations (PAA) of Kukës, Berat and Vlorë	3,501	1,472	4,973
4	Authority for Information on the Documents of the Former State Security	2,264		2,264
5	Durrës Port Authority	76,061		76,061
6	State Advocacy	83		83
7	Municipality of Belsh	16,497		16,497
8	Municipality of Berat	3,895		3,895
9	Municipality of Dibër	13,148		13,148
10	Municipality of Dimal	3,803		3,803
11	Municipality of Dropull	785		785
12	Municipality of Elbasan	990		990
13	Municipality of Fier	10,796		10,796
14	Municipality of Gjirokaštër	594		594
15	Municipality of Gramsh	8,816		8,816
16	Municipality of Konispol	1,326		1,326
17	Municipality of Korçë	5,198		5,198
18	Municipality of Kuçovë	1,463		1,463
19	Municipality of Librazhd	1,164		1,164
20	Municipality of Lushnjë	6,871		6,871
21	Municipality of Mallakastër	2,521		2,521
22	Municipality of Përmet	2,640		2,640
23	Municipality of Sarandë	9,928		9,928
24	Municipality of Selenicë	2,341	314	2,655
25	Municipality of Skrapar	1,112		1,112
26	Municipality of Tropojë	5,584		5,584
27	Municipality of Vlorë	6,002	742	6,744
28	Durrës Customs Branch		831,181	831,181
29	Rinas Customs Branch		46,746	46,746
30	General Directorate of Customs (Part II)		363,801	363,801
31	General Directorate of Customs		1,884	1,884
32	Fier Directorate of Irrigation and Drainage	1,161		1,161
33	Korçë Directorate of Irrigation and Drainage	1,975		1,975
34	Lezhë Directorate of Irrigation and Drainage	1,546		1,546
35	Compulsory Health Care Insurance Fund		48,166	48,166
36	Institute of Food Safety and Veterinary	7,465		7,465
37	Provision of Food Services at Korçë Regional Hospital	118		118
38	Ministry of Agriculture and Rural Development	19,053		19,053
39	Ministry of Finance (Central Administration)	8,924		8,924
40	Ministry of Health and Social Welfare	5,019		5,019
41	Ministry of Tourism and Environment	1,852		1,852
42	Electricity Distribution Operator	7,200		7,200
43	Distribution System Operator, Durrës Regional Directorate	704		704
44	Distribution System Operator, Shkodër Regional Directorate	2,173		2,173



45	Distribution System Operator, Tirana Regional Directorate	3,519		3,519
46	Lezhë Regional Water Supply and Sewerage Company JSC	335		335
47	Elbasan Regional Water Supply and Sewerage Company JSC	756		756
48	Shkodër Regional Hospital	1,093		1,093
49	Vlorë Thermal Power Plant JSC	409		409
50	"Luigj Gurakuqi" University of Shkodër	4,451		4,451
	Total	298,788	1,294,305	1,593,093

Annex 5: Record of Irregularities Related to Non-Compliance with the Applicable Legal Framework, Resulting in Lost Revenues or Expenditures Inconsistent with the Principles of Effectiveness, Efficiency and Economy, Causing a Negative Financial Impact on the Revenues of the Audited Entities and the State Budget. *In 000 ALL*

No.	Subject/Topic	Expenses	Revenues	Total
1	"Improvement of Dam Safety at the Koman Hydropower Plant", at KESH	31,077		31,077
2	Police Oversight Agency	14,001		14,001
3	National Agency for Employment and Skills	8,167		8,167
4	National Agency for Water Supply and Sewerage	231,813		231,813
5	National Coastline Agency	9,037	4,960	13,997
6	National Agency of Protected Areas, Tirana, including the Protected Areas Administrations (PAA) of Kukës, Berat and Vlorë		990,397	990,397
7	State Agency for Expropriation, Tirana	560,230		560,230
8	AlbaFilm JSC	2,988		2,988
9	Civil Aviation Authority	21,998		21,998
10	National Food Authority	25,264	113,502	138,766
11	Authority for Information on the Documents of the Former State Security	2,880		2,880
12	Durrës Port Authority	273,815	160,204	434,020
13	State Advocacy	41,691	1,038,622	1,080,313
14	Municipality of Belsh	0	33,979	33,979
15	Municipality of Berat	9,193	26,878	36,071
16	Financial Statements, Municipality of Berat	14,207	170,215	184,422
17	Municipality of Bulqizë		48,912	48,912
18	Municipality of Cërrik	1,893	97,795	99,688
19	Municipality of Delvinë		13,119	13,119
20	Municipality of Dibër	2,351	25,451	27,802
21	Municipality of Dimal		37,630	37,630
22	Municipality of Dropull		6,325	6,325
23	Municipality of Elbasan	29,714	21,348	51,062
24	Financial Statements, Municipality of Elbasan		82,740	82,740
25	Municipality of Fier	13,000	221,752	234,752
26	Financial Statements, Municipality of Fier		551,025	551,025
27	Municipality of Fushë Arrëz		51,885	51,885
28	Municipality of Gjirokastrë		37,125	37,125
29	Municipality of Gramsh	11,371	51,153	62,524
30	Municipality of Has	108	19,322	19,430
31	Municipality of Këlcyrë		72,033	72,033
32	Municipality of Klos	9,202	31,526	40,728
33	Municipality of Kolonjë		31,085	31,085
34	Municipality of Konispol	2,416	30,958	33,374
35	Municipality of Korçë		118,842	118,842



36	Municipality of Krujë		74,599	74,599
37	Municipality of Kuçovë	7,020	26,716	33,736
38	Municipality of Kurbin		49,790	49,790
39	Municipality of Lezhë		24,508	24,508
40	Municipality of Libohovë		936	936
41	Municipality of Librazhd	133	26,875	27,008
42	Municipality of Lushnjë		80,772	80,772
43	Municipality of Malësi e Madhe		14,556	14,556
44	Municipality of Maliq	0	79,246	79,246
45	Financial Statements, Municipality of Maliq	911		911
46	Municipality of Mallakastër	59,951	30,763	90,714
47	Municipality of Mat		59,734	59,734
48	Municipality of Mirditë		2,450	2,450
49	Municipality of Përmet	697	16,455	17,152
50	Municipality of Prrenjas		23,924	23,924
51	Municipality of Pukë	14,249	2,516	16,765
52	Municipality of Sarandë	22,142	59,971	82,113
53	Municipality of Selenicë	2,153	52,873	55,026
54	Municipality of Shkodër		232,455	232,455
55	Municipality of Skrapar	4,157	16,755	20,911
56	Financial Statements, Municipality of Skrapar	2,696	2,837	5,533
57	Financial Statements, Municipality of Tropojë	14,575	19,784	34,359
58	Municipality of Tropojë	2,106	34,866	36,972
59	Municipality of Vau i Dejës		291,674	291,674
60	Municipality of Vlorë	25,678	413,861	439,539
61	Tirana Circus	19,814	797	20,611
62	Durrës Customs Branch		966,153	966,153
63	Availability of Medicines for the Treatment of Cancer		49,000	49,000
64	General Directorate of Customs (Part II)		5,359,927	5,359,927
65	General Directorate of Public Property		148,241	148,241
66	General Directorate of Taxes	407,141		407,141
67	Korçë Directorate of Irrigation and Drainage	2,092		2,092
68	Lezhë Directorate of Irrigation and Drainage	1,365		1,365
69	Durrës Regional Tax Directorate		496,134	496,134
70	Elbasan Regional Tax Directorate		48,330	48,330
71	Shkodër Local Police Directorate	9,139	39,580	48,719
72	Faculty of Economics		85,834	85,834
73	Faculty of Foreign Languages		2,638	2,638
74	Compulsory Health Care Insurance Fund	39,730		39,730
75	Energy Capacity and Dam Safety of the Drin Cascade at KESH	42,263		42,263
76	Court of Appeal of General Jurisdiction	1,223		1,223
77	National Inspectorate for Territorial Protection	568,851		568,851
78	Social Insurance Institute	47,929		47,929
79	Institute of Food Safety and Veterinary	11,076	32,577	43,652
80	Albanian Investment Corporation	2,342	1,630	3,972
81	Measures Taken by the Responsible Institutions to Eliminate the Discharge of Wastewater into the Lana River in Tirana	1,027		1,027
82	Ministry of Education and Sports	26,118		26,118
83	Ministry of Agriculture and Rural Development	187,758	19,207	206,964
84	Ministry of Finance (Central Administration)	29,340		29,340
85	Ministry of Finance – Budget Implementation		5,100,769	5,100,769



86	Ministry of Health and Social Welfare	49,566		49,566
87	Ministry of Tourism and Environment	29,124		29,124
88	Electricity Distribution Operator	881,192	1,399,977	2,281,168
89	Distribution System Operator, Durrës Regional Directorate	58,622		58,622
90	Distribution System Operator, Shkodër Regional Directorate	13,783	96,757	110,539
91	Distribution System Operator, Tirana Regional Directorate	945,803	67,584	1,013,387
92	Project: "Municipal Infrastructure"	44,543		44,543
93	National Center of Cinematography	1,407		1,407
94	"Ramazan Kabashi" Resource Centre	516		516
95	Rectorate (University of Tirana)		4,322	4,322
96	University Student Residence No. 2 JSC	115		115
97	School of Magistrates	1,343		1,343
98	Lezhë Regional Water Supply and Sewerage Company JSC	6,958		6,958
99	Elbasan Regional Water Supply and Sewerage Company JSC	2,346		2,346
100	Shkodër Regional Hospital	2,101		2,101
101	Vlorë Regional Hospital	1,097		1,097
102	Vlorë Thermal Power Plant JSC	32,447		32,447
103	"Luigj Gurakuqi" University of Shkodër	9,444	20,057	29,501
Total		4,950,494	19,667,208	24,617,703

Annex 6: Record of Recommended Administrative and Disciplinary Measures

No.	Subject/Topic	Administrative Measures	Disciplinary Measures	Total
1	"Audit of the Procedures for Granting Permits, Licences and Monitoring of Mining Activities Located in Rasek, Shkodër"		1	1
2	"Improvement of Dam Safety at the Koman Hydropower Plant", at KESH		2	2
3	"Role and Responsibilities for Monitoring the Well-being of Adopted Children"		1	1
4	"Verification of the Causes, Consequences and Institutional Response Regarding the Situation Created by the Massive Floods in the City of Vlorë"		17	17
5	National Coastline Agency		28	28
6	National Agency for Employment and Skills		1	1
7	National Agency for Water Supply and Sewerage		1	1
8	National Agency of Protected Areas, Tirana, including the Protected Areas Administrations (PAA) of Kukës, Berat and Vlorë		1	1
9	State Agency for Expropriation, Tirana		1	1
10	Civil Aviation Authority		1	1
11	National Food Authority		1	1
12	Authority for Information on the Documents of the Former State Security		1	1
13	Durrës Port Authority		61	61
14	People's Advocate (Ombudsman)		1	1
15	Municipality of Belsh		16	16
16	Municipality of Berat	2	16	18
17	Financial Statements, Municipality of Berat		4	4
18	Municipality of Bulqizë		2	2
19	Municipality of Dibër		19	19



20	Municipality of Dimal		8	8
21	Financial Statements, Municipality of Dimal		1	1
22	Municipality of Dropull		1	1
23	Municipality of Durrës		2	2
24	Municipality of Elbasan		13	13
25	Financial Statements, Municipality of Elbasan		3	3
26	Municipality of Fier		22	22
27	Financial Statements, Municipality of Fier		1	1
28	Municipality of Fushë Arrëz		1	1
29	Municipality of Gjirokastër		1	1
30	Municipality of Gramsh		18	18
31	Municipality of Has		1	1
32	Municipality of Kamëz		1	1
33	Municipality of Kavajë		1	1
34	Municipality of Këlcyrë		11	11
35	Municipality of Klos		15	15
36	Municipality of Kolonjë		11	11
37	Municipality of Konispol		13	13
38	Municipality of Korçë		17	17
39	Municipality of Krujë		3	3
40	Municipality of Kuçovë		19	19
41	Municipality of Kurbin		2	2
42	Municipality of Librazhd		9	9
43	Municipality of Lushnjë		6	6
44	Financial Statements, Municipality of Lushnjë		1	1
45	Municipality of Malësi e Madhe		2	2
46	Municipality of Maliq		8	8
47	Municipality of Mallakastër		9	9
48	Municipality of Mat		2	2
49	Municipality of Poliçan		1	1
50	Municipality of Prrenjas		4	4
51	Municipality of Pukë		1	1
52	Municipality of Roskovec		1	1
53	Municipality of Sarandë		25	25
54	Municipality of Selenicë	2	10	12
55	Municipality of Shkodër		20	20
56	Financial Statements, Municipality of Skrapar		2	2
57	Financial Statements, Municipality of Tropojë		7	7
58	Municipality of Tropojë		1	1
59	Municipality of Vau i Dejës		3	3
60	Municipality of Vlorë	34	57	91
61	Municipality of Vorë		1	1
62	Durrës Customs Branch		42	42
63	Rinas Customs Branch		8	8
64	Availability of Medicines for the Treatment of Cancer		29	29
65	General Directorate of Customs (Compliance Audit)		57	57
66	General Directorate of Customs		18	18
67	General Directorate of Public Property		18	18
68	General Directorate of Taxes		3	3
69	Fier Directorate of Irrigation and Drainage		6	6
70	Korçë Directorate of Irrigation and Drainage		4	4
71	Lezhë Directorate of Irrigation and Drainage		5	5
72	Elbasan Regional Tax Directorate		10	10



73	Shkodër Local Police Directorate		1	1
74	Compulsory Health Care Insurance Fund		4	4
75	Energy Capacity and Dam Safety of the Drin Cascade at KESH		1	1
76	National Inspectorate for Territorial Protection		18	18
77	Social Insurance Institute		1	1
78	Institute of Food Safety and Veterinary		41	41
79	Albanian Investment Corporation		1	1
80	Provision of Food Services at Korçë Regional Hospital		1	1
81	Compliance Audit of the Monitoring of the "Sasaj" Hydropower Plant, Sarandë		8	8
82	Compliance in the Provision of Residential Care Services and Procedures for the Adoption of Minors		2	2
83	Ministry of Education and Sports		7	7
84	Ministry of Agriculture and Rural Development		5	5
85	Ministry of Finance (Central Administration)		3	3
86	Ministry of Finance – Budget Implementation	1	1	2
87	Ministry of Health and Social Welfare	7	10	17
88	Ministry of Tourism and Environment	2	1	3
89	Pollution of the Tirana Artificial Lake		1	1
90	Electricity Distribution Operator		1	1
91	Distribution System Operator, Durrës Regional Directorate		15	15
92	Distribution System Operator, Shkodër Regional Directorate		1	1
93	Distribution System Operator, Tirana Regional Directorate		1	1
94	National Center of Cinematography		1	1
95	"Ramazan Kabashi" Resource Centre	8	15	23
96	Rectorate (University of Tirana)		1	1
97	University Student Residence No. 2 JSC		1	1
98	Lezhë Regional Water Supply and Sewerage Company JSC		1	1
99	Elbasan Regional Water Supply and Sewerage Company JSC		1	1
100	Shkodër Regional Hospital		22	22
101	Vlorë Regional Hospital		1	1
102	"Luigj Gurakuqi" University of Shkodër	3	18	21
103	Verification of the Complaint Submitted by the Residents of Piskovë Village Regarding the Urban Waste Disposal Site		21	21
Total		59	916	975

ANNEX 7: Evidence of Recommended Disciplinary Measures

No.	Subject/Topic	Law No. 152/2013 dated 30.05.2013 "On the Civil Servant" Article 58, letters (a, b, c, ç)	Under the Labour Code and the Collective or Individual Employment Contract	According to the legal framework of the respective institution	Total
1	"Audit of the Procedures for Granting Permits and Licences and Monitoring of Mining Activity Located in Rasek, Shkodër"		1		1



2	"Improvement of Dam Safety at the Koman Hydropower Plant", at KESH		2		2
3	"Role and Responsibilities for Monitoring the Well-being of Adopted Children"		1		1
4	"Verification of the Causes, Consequences and Institutional Response Regarding the Situation Created by the Massive Floods in the City of Vlorë"	8	9		17
5	National Coastline Agency	28			28
6	National Agency for Employment and Skills	1			1
7	National Agency for Water Supply and Sewerage		1		1
8	National Agency of Protected Areas, Tirana, including the Protected Areas Administrations (PAA) of Kukës, Berat and Vlorë	1			1
9	State Agency for Expropriation, Tirana		1		1
10	Civil Aviation Authority		1		1
11	National Food Authority		1		1
12	Authority for Information on the Documents of the Former State Security	1			1
13	Durrës Port Authority		61		61
14	People's Advocate (Ombudsman)	1			1
15	Municipality of Belsh	16			16
16	Municipality of Berat	16			16
17	Financial Statements, Municipality of Berat	4			4
18	Municipality of Bulqizë	2			2
19	Municipality of Dibër	13	6		19
20	Municipality of Dimal	8			8
21	Financial Statements, Municipality of Dimal	1			1
22	Municipality of Dropull	1			1
23	Municipality of Durrës	2			2
24	Municipality of Elbasan	13			13
25	Financial Statements, Municipality of Elbasan	3			3
26	Municipality of Fier	22			22
27	Financial Statements, Municipality of Fier	1			1
28	Municipality of Fushë Arrëz	1			1
29	Municipality of Gjirokastër	1			1
30	Municipality of Gramsh	14	4		18
31	Municipality of Has	1			1
32	Municipality of Kamëz	1			1
33	Municipality of Kavajë	1			1
34	Municipality of Këlcyrë	11			11
35	Municipality of Klos	4	11		15
36	Municipality of Kolonjë	11			11
37	Municipality of Konispol	13			13
38	Municipality of Korçë	17			17
39	Municipality of Krujë	3			3
40	Municipality of Kuçovë	19			19
41	Municipality of Kurbin	2			2
42	Municipality of Librazhd	9			9
43	Municipality of Lushnjë	6			6
44	Financial Statements, Municipality of Lushnjë	1			1

45	Municipality of Malësi e Madhe	2			2
46	Municipality of Maliq	8			8
47	Municipality of Mallakastër	9			9
48	Municipality of Mat	2			2
49	Municipality of Poliçan	1			1
50	Municipality of Përrenjas	4			4
51	Municipality of Pukë	1			1
52	Municipality of Roskovec	1			1
53	Municipality of Sarandë	25			25
54	Municipality of Selenicë	10			10
55	Municipality of Shkodër	20			20
56	Financial Statements, Municipality of Skrapar	2			2
57	Financial Statements, Municipality of Tropojë	3	4		7
58	Municipality of Tropojë	1			1
59	Municipality of Vau i Dejës	3			3
60	Municipality of Vlorë	57			57
61	Municipality of Vorë	1			1
62	Durrës Customs Branch	33	9		42
63	Rinas Customs Branch	8			8
64	Availability of Medicines for the Treatment of Cancer	29			29
65	General Directorate of Customs (Compliance Audit)	57			57
66	General Directorate of Customs	18			18
67	General Directorate of Public Property	18			18
68	General Directorate of Taxes	1	1	1	3
69	Fier Directorate of Irrigation and Drainage		6		6
70	Korçë Directorate of Irrigation and Drainage		4		4
71	Lezhë Directorate of Irrigation and Drainage		5		5
72	Elbasan Regional Tax Directorate	10			10
73	Shkodër Local Police Directorate		1		1
74	Compulsory Health Care Insurance Fund		4		4
75	Energy Capacity and Dam Safety of the Drin Cascade at KESH		1		1
76	National Inspectorate for Territorial Protection		18		18
77	Social Insurance Institute		1		1
78	Institute of Food Safety and Veterinary	40	1		41
79	Albanian Investment Corporation		1		1
80	Provision of Food Services at Korçë Regional Hospital		1		1
81	Compliance Audit of the Monitoring of the "Sasaj" Hydropower Plant, Sarandë	1	7		8
82	Compliance in the Provision of Residential Care Services and Procedures for the Adoption of Minors		2		2
83	Ministry of Education and Sports	7			7
84	Ministry of Agriculture and Rural Development	5			5
85	Ministry of Finance (Central Administration)	3			3
86	Ministry of Finance – Budget Implementation	1			1



87	Ministry of Health and Social Welfare	10			10
88	Ministry of Tourism and Environment	1			1
89	Pollution of the Tirana Artificial Lake	1			1
90	Electricity Distribution Operator		1		1
91	Distribution System Operator, Durrës Regional Directorate		15		15
92	Distribution System Operator, Shkodër Regional Directorate		1		1
93	Distribution System Operator, Tirana Regional Directorate		1		1
94	National Center of Cinematography		1		1
95	"Ramazan Kabashi" Resource Centre		15		15
96	Rectorate (University of Tirana)		1		1
97	University Student Residence No. 2 JSC		1		1
98	Lezhë Regional Water Supply and Sewerage Company JSC		1		1
99	Elbasan Regional Water Supply and Sewerage Company JSC		1		1
100	Shkodër Regional Hospital		22		22
101	Vlorë Regional Hospital		1		1
102	"Luigj Gurakuqi" University of Shkodër		18		18
103	Verification of the Complaint Submitted by the Residents of Piskovë Village Regarding the Urban Waste Disposal Site	21			21
	Total	671	244	1	916

ANNEX 8: Record of Recommended Administrative Measures

No.	Subject/Topic	Administrative Measures
1	Municipality of Berat	2
2	Municipality of Selenicë	2
3	Municipality of Vlorë	34
4	Ministry of Finance – Budget Implementation	1
5	Ministry of Health and Social Welfare	7
6	Ministry of Tourism and Environment	2
7	"Ramazan Kabashi" Resource Centre	8
8	"Luigj Gurakuqi" University of Shkodër	3
	Total	59

This report presents information on the activities carried out by the ALSAI during 2025, including matters finalized up to the date of its submission to Parliament that relate to the reporting period.



Financial Statements of the year 2025*In ALL*

No.	Account	N A M E	Year 2025	Year 2024
1	A	A S S E T S	635,582,169	667,305,811
2		I. Current Assets	62,253,572	58,396,292
3		1. Cash and Cash Equivalents	802,333	510,044
4	531	Cash on Hand		
5	512,56	Cash at Bank		15,200
6	520	Treasury Balances	627,733	494,844
7	50	Securities		
8	532	Other Assets	174,600	
9	54	Letters of Credit and Advances		
10	59	Allowance for Impairment of Securities (-)		
11		2. Inventories	10,742,502	10,576,247
12	31	Materials	10,742,502	10,576,247
13	32	Low-Value Inventory		
14	33	Work in Progress		
15	34	Finished Goods		
16	35	Merchandise		
17	36	Livestock for Breeding and Fattening		
18	37	Inventories in Transit or Held by Third Parties		
19	38	Inventory Price Differences		
20	39	Allowance for Inventory Impairment (-)		
21		3. Receivables	50,708,737	47,310,001
22	411	Customers and Similar Accounts		
23	423,429	Employees, Advances, Shortages and Fines		
24	431	Taxes and Duties		
25	432	Taxes Collected on Behalf of Local Government		
26	433	Natural Disaster Claims Covered by the State		
27	435	Social Insurance		
28	436	Health Insurance		
29	437,438,	Other Government Bodies		
30	44	Other Public Institutions		
31	465	Notes Receivable from the Sale of Securities		
32	468	Other Debtors	2,972,409	2,972,409
33	4342	Transactions with the State (Receivables)	47,736,328	44,337,592
	486	Prepaid Expenses		
34	45	Inter-Entity Accounts		
35	49	Allowance for Impairment (-)		
36		4. Other Current Assets	0	0
37	409	Prepayments		
38	473	Treasury Clearing Account		
39	477	Exchange Rate Differences – Assets		
40	481	Deferred Expenses		
41	486	Prepaid Expenses		
42		II. Non-current Assets	573,328,597	608,909,519
43	20	1. Intangible Non-current Assets	95,466,323	112,057,087
44	201	Bond Issue Premiums and Loan Redemption Costs		
45	202	Research and Development	95,466,323	112,057,087
46	203	Concessions, Patents, Licences and Similar Rights		
47	21	2. Property, Plant and Equipment	477,862,274	496,852,432
48	210	Land and Sites		
49	211	Forests and Plantations		
50	212	Buildings and Structures	420,462,780	439,794,729
51	213	Roads, Networks and Water Infrastructure		
52	214	Technical Installations, Machinery and Equipment	25,457,595	26,802,968
53	215	Transport Equipment	10,800,143	9,225,179
54	216	State Reserves		
55	217	Working and Productive Livestock		
56	218	Operational Equipment	21,141,756	21,029,556
57	24	Impaired Non-current Assets		
58	28	Non-current Asset Allocations		
59	25-26	3. Non-current Financial Assets	0	0



60	25	Loans and On-lending		
61	26	Equity Investments		
62		4. Investments		
63	230	For Intangible Non-current Assets		
64	231	For Tangible Non-current Assets		
65	B	LIABILITIES	51,063,168	52,073,283
66		I. Current Liabilities	51,063,168	52,073,283
67		1. Accounts Payable	51,063,168	52,073,283
68	401-408	Suppliers and Related Accounts	0	4,541,750
69	42	Employee Liabilities	31,107,473	28,811,008
70	16,17,18	Short-term Loans		
71	460	Lenders		
72	431	Tax Liabilities	4,834,462	4,278,990
73	432	Taxes Collected on Behalf of Local Government		
74	433	State Obligations Related to Natural Disasters		
75	435	Social Insurance	11,774,403	11,247,594
76	436	Health Insurance		
77	437,438,	Other Government Bodies		
78	44	Other Public Institutions		
79	45	Inter-Entity Accounts		
80	464	Payables for the Purchase of Securities		
81	466	Creditors for Assets Held in Custody	354,421	221,532
82	467	Other Creditors	20,000	
83	4341	Transactions with the State (Liabilities)	2,972,409	2,972,409
84	49	Allowance for Impairment (-)		
85		2. Other Current Liabilities	0	0
86	419	Creditors and Advances Received		
87	475	Revenue to Be Recognised in Future Periods		
88	478	Exchange Rate Differences – Liabilities		
89	480	Revenue Pending Classification or Adjustment		
90	487	Revenue Collected Prior to the Issuance of the Relevant Title		
91		II. Non-current Liabilities		
92	Klase 4	Accounts Payable		
93	16,17,18	Long-term Loans		
94		Long-term Provisions		
95	Klasa 4	Other Non-current Liabilities		
96	C	NET ASSETS / FUNDS (A-B)	584,519,001	615,232,528
97	D	CONSOLIDATED FUND	584,519,001	615,232,528
98	101	Surplus (Accumulated Fund) / Accumulated Deficit	548,954,780	595,041,862
99	12	Retained Results		
100	85	Current Year Operating Result	166,255	
101	111	Reserves		
102	115	From Own Investment Funds	10,349,187	
	15	Provisions for Risks and Impairment		
103	105	Balance of Domestic Capital Grants		
104	106	Balance of Foreign Capital Grants	25,048,779	20,190,666
105	107	Value of Assets Assigned for Use		
106	109	Revaluation Reserve of Non-current Assets		
107		Other		
108	E	TOTAL OF LIABILITIES (B+C)	635,582,169	667,305,811





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