

Audit on project “Overall water purification of the town of Sopot through reconstruction and modernization of the sewage network and equipment, replacement of the depreciated water-piping network and construction of a new drinking water reservoir and main water-supply network connecting it with the water-supply system of Sopot, construction of waste-water treatment plants for drinking and domestic waste waters with transporting collectors” – I-st stage – construction of waste-water treatment plant” in Sopot Municipality under Operational Programme “Environment for the period 2007-2013 for the period 01.04.2008 - 30.11.2010”.

Municipality Sopot has won a competition with a project for construction of a waste water treatment plant. The investment amounts to 17 850 528 BGN. The cost of the constructed plant exceeds 3.5 times the report for the budget execution of the municipality for 2010. For the project implementation the municipality has used a loan according to the requirements of the Municipal Debt Act.

The audit objectives are: a) to assess the legality of the managerial decisions in relation to the planning, management, reporting and control on the project funds. b) have the financial management and control systems worked in the project implementation?

The legislation requirements have been followed and good organization has been established for project management and implementation under the project preparation and grant contract signing.

The main regulations of the Public Procurement Act and the Ordinance for the award of small public procurement contract have been followed in the procedures conducted for choice of contractors.

The construction of a waste water treatment plant has been completed within the term set.

The organization, management, implementation and reporting of funds are adequate, legal and the main project objective has been fulfilled – a waste water treatment plant has been constructed and brought into use.

The period for the grant contract has been extended. To this moment, the municipality has received 37% of dedicated funds.

Some omissions and discrepancies have been identified in the application of the Municipal Debt Act.

The economic operations performed in relation to the project implementation have been correctly reported and registered.

The applied financial management and control systems and internal rules are adequate.