

STAR Project

**Municipality Kamez
Consolidated Due Diligence report**

Glossary

ACP	Agency of Consumer Protection
Agency	Agency of Itocktaking of Public Property at the Ministry of Internal Affairs
ALL	Albanian Lek
APP	Public Procurement Agency
CD	Compact Disc
CDL	Council Decision of LGU
CHUIA	Central Unit of Coordination of Internal Audit
DCM	Decision of the Council of Ministers of Republic of Albania
Cr	Credit
Dr	Debit
F	Form
FID	Fiscal Identification Number
FS	Financial Statement
FY	Financial year
GA	Government of Albania
HR	Human Resources

IT	Information Technology
KKRT	National Council on Territory Regulation
LGU	Local Government Administrative Unit
MF	Ministry of Finance of Republic of Albania
n/a	Not Applicable
NBV	Net Book Value
No	Number
PM	Policy Modification
RE	Reclassifications
T	Template
TAR	Territorial and administrative reform
VAT	Value Added Tax
WIP	Work In Progress

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Operational due diligence

Summary of observations and recommendations

- A summary of observations and recommendations, in the context of their merger process is comprised as follows:

Observations	Recommendations
<p>Roles – Mayor</p> <ul style="list-style-type: none"> • Under the law in force for the local government, the Municipality mayor is responsible for the approval of the new organizational structure of the municipality and the regulation for its organization functioning. Currently we observed a conservative approach, almost formal, to the organizational structure, which makes it a document that does not add much value in practice. 	<ul style="list-style-type: none"> • The new municipality may consider an innovative approach to the new organization structure. The new structure may have a functional approach; which means to have agility, accountability, efficiency and effectiveness in delivering services to the community. As such it may be suggested that the Mayor, in adopting it, take into account not only the general principles that should normally lead organization and functioning of the municipality, but also take into consideration all the specific circumstances characterizing the specific municipality; which means the types of services offered, how to provide these services, geographical condition which affect the decision-making and above all, human resources and the type of work required in fulfilling these functions.
<p>Roles – Deputy Mayor</p> <ul style="list-style-type: none"> • In most of ex - municipalities and ex- administrative units in question, the deputy mayor was conceived more as an honorific position. 	<ul style="list-style-type: none"> • The new municipality may consider a more active role of the deputy mayor, who can take care of meeting the targets by certain parts of the municipal administration. It is suggested that the Deputy Mayor take an active role in the management of the municipality. Because this position is under the direct authority of the mayor who appoints and dismisses it is assumed that among these there is also a steady relationship of trust. Setting the deputy mayor in active positions and fulfillment of policy objectives on the other side of the Mayor's cabinet delivers such functions leaving cabinet members focused on their original role; holder that counseling for various technical issues. • The new municipality is suggested to appoint deputy mayors who, as the structure predicts a Secretary General, may be in charge to cover and supervise the service provided to the public from the agencies to be created for this purpose.

Observations	Recommendations
Rolet – Municipality Council	
<ul style="list-style-type: none"> In the law of organization and functioning of local government it is stipulated that the Municipality Council will be responsible for approving the budget, the maximum number of employees of the New Municipality and budgetary institutions and the maximum bonus level. It has been noted that the municipality council does not have sufficient time available for a detailed analysis of the budget. 	<ul style="list-style-type: none"> The new municipality may consider to prepare the budget and the new structure and to submit it to the council in a timely manner in order that the Municipality Council takes sufficient time for analysis and detailed examination of the structure of the budget and presented structure.
<p>Roles – Administrator</p> <ul style="list-style-type: none"> The Administrator is a new role stipulated in the amendments to the law of local government before the election of 2015. The administrator is appointed and dismissed by the Mayor who directs the Administrative Unit and oversees its operation. The administrator is supposed to assist the mayor in fulfillment of municipal functions in the territory of the administrative unit and be responsible for the quality of services provided to the public. 	<ul style="list-style-type: none"> The new municipality may consider that the regulation of its organization and operation to clearly define the role of the administrator in relation to the services provided and hierarchical dependence agencies that will offer these services to citizens.
<p>Roles – Administrative Unit</p> <ul style="list-style-type: none"> The ex-municipality is not considered an administrative unit and has not appointed an administrator. 	<ul style="list-style-type: none"> The mayor should consider the fact that under the law on territorial reform, the ex-municipality itself is an administrative unit like all other LGUs and therefore the appointment of an administrator would facilitate his work in the management of the territory of the ex-municipality and help improve the monitoring of the quality of services provided to the community in that territory.
<p>Functions - order and civil protection</p> <ul style="list-style-type: none"> The maximum number of police forces of LGU's for every existing LGU is determined by the Council of Ministers ("DCM") No.313, dated 01.07.2002, on "Determining the structure, number of employees, and costs for municipal 	<ul style="list-style-type: none"> This DCM appear to undermine the organizational autonomy granted to the municipality by the Constitution of the Republic of Albania and the law on the organization and functioning of local government. In these conditions it is suggested that the municipality or forms of organization that protects the interests of local governments to require the change of this decision.

Observations	Recommendations
police.	
<p>Orientation –Mixed orientation of administrative structures</p> <ul style="list-style-type: none"> Organizational units have a mixed orientation and exercise sectoral and horizontal functions. 	<ul style="list-style-type: none"> The municipality may consider that the positions of the same field or closely related fields are grouped within the same organizational unit and organization sectors, directory or general directory is carried out in case of fulfillment of numerical standards for each of them.
<p>Organization - diverse label of organizational units</p> <ul style="list-style-type: none"> Organizational unit in the actual structures are not named and organized in an orderly manner, there are offices, sectors, companies, brigades, etc. 	<ul style="list-style-type: none"> The new municipality may consider re-organization and name them in an orderly and hirerchal manner. For this purpose it is suggested that organizational units should be divided into sectors, directory and general directory depending on the fulfillment of numerical standards.
<p>Orientation - horizontal functions</p> <ul style="list-style-type: none"> Support functions are performed by many sub-units, whether in the municipality, or in the administrative unit. 	<ul style="list-style-type: none"> The new municipality should consider the concentration of some of the horizontal functions / support in order to increase efficiency and accountability in their exercise. Public procurement should be centralized and be part of the main section of the structure. Internal audit of local government unit should directly report to the mayor (functional reporting) without being dependent from any other organ of the municipality in addition to the Secretary General from whom should depend on terms of organization in accordance with the legislation in force. The finance service, budget and procurement should also be centralized and carried on center. Information technology service should also be centralized and monitored from the center of the municipality through the creation and implementation of the electronic systems of internal communication. The service of human resource management and revenue management should also be centralized and carried on the municipality.
The organization and structure - digital standard	

Observations	Recommendations
<ul style="list-style-type: none"> Offices, sectors, brigades, directories, etc. do not have in their composition a sufficient number of employees to be qualified as such. 	<ul style="list-style-type: none"> The new municipality may consider that a sector must have at least 5 employees, including the head of the sector, except in special cases where it is impossible for specialists of various fields be grouped in a single sector; Directoris should have at least 2-3 sectors or at least by 10-15 employees and the general directoris should consist of at least 2 directors per each. This standard can be applied regardless of the typology of employees serving in these structures.
<p>The organization and structure - Policy-making in the provision of services and horizontal functions.</p> <ul style="list-style-type: none"> There is a lack of clear division within the administrative units which perform multi functions, service delivery, policy-making and horizontal functions. 	<ul style="list-style-type: none"> The new municipality may consider adopting an organizational structure that has a clear separation between the functions of policy-making and monitoring the quality of services, horizontal functions and service delivery. For this purpose, it is suggested that the main top management of the organizational units should be responsible for the design and monitoring of policies and horizontal functions / support to these policies. The majority of the policy-makers should be composed of civil servants under the existing laws in force.
<p>The organization and structure - Delivery of services to the community</p> <ul style="list-style-type: none"> There is a lack of clear division within organizative administrations which perform multi functions, service provider and horizontal functions. 	<ul style="list-style-type: none"> In terms of services offered to the public it is suggested that these should be organized and provided by institutions that might be designated as enterprise or agency and would be positive if kept homogeneity of their name in the whole territory of the Republic of Albania in order to avoid confusion about their status or powers. It is suggested that these should be named "Agency" by adding the respective field of action. All employees of these agencies will be time administrative staff as well as their activities are simply services offer on the basis of the objectives and policies of the organizational units of the main block. Their activity will also be under the control and monitor of these organizational units are the main block. At the technical level these agencies are run by directors or general managers depending on the fulfillment of digital standard. How long they are typically service agency, it is assumed that their working relationship, regardless of the name of internal organization units, to be based in the Labour Code.
<p>The organization and structure –relation with voters community</p> <ul style="list-style-type: none"> Absence of a specialized designated structure for relations with the voters community and other institutions or entities, public or private, domestic or 	<ul style="list-style-type: none"> The municipality may consider creating an organizational unit responsible for relations with the voters community and eventually with other institutions. This unit can be arranged as a sector or the directory depending on the fulfillment of numeric standard.

Observations	Recommendations
foreign.	<p>This unit have also suggested to have archive and protocol workers for how long that it will be the focal point of cooperation and interaction with the public and the municipality responsible for relations with other institutions. Also, given the recent initiatives undertaken in connection with the establishment of service offices with a stop (one stop shop or front office) suggested that part of this unit can be linked or de-localized in the local units existing supervised by administrators. Last but not least, these units should be composed of the archive and protocol workers, either at central or de-localized level.</p>
Personnel matters–The tranfer of the staff	
<ul style="list-style-type: none"> As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 of labor relations existing between the merged entities (LGU's) and their employees will be transferred to the Municipality of Kamez. It is worth mentioning that, also the ex-municipality, before the amalgamation process, it is considered as one of the units that is merged. 	<ul style="list-style-type: none"> In accordance with the provisions of the Labour Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, it is recommended that the case be seen whether the provisions for the settlement of an employment contract with indefinite term can be applied. Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. Related to civil servants who are on probation period, the institution must take a decision for the confirmation, extention of the probationary period or non-confirmation of participation. The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources It is recommanded that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.

Observations	Recommendations
Personnel matters–Termination of employment relationship	
<ul style="list-style-type: none"> • The reorganization may bring the necessity of termination of the employment relationship of some employees of the Municipality. • Three municipality employees are part of protected categories. 	<ul style="list-style-type: none"> • It is recommended to keep in mind that the legal basis for the termination of employment relationships is different depending on the category of employees and respectively: <ul style="list-style-type: none"> - <i>Political functionaries.</i> Political functionaries of a Municipality are the deputy mayors, administrators and the employees of the mayor’s cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations. - <i>Employees with working contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority. - <i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer. <p>Based on Labour Code, the employer cannot terminate an employment contract when, according to law in force, the employee is carrying out his military service, benefits temporary incapacity work payment from the employer or social insurances for a period up to one year, and when the employee is on vacation provided by the employer (protected categories).</p>
Personnel matters – improvement of organizational structure	
<ul style="list-style-type: none"> • Organizational structures of LGU do not forecast the job position of Secretary 	<ul style="list-style-type: none"> • It is advised that the new organizational structure has as its senior civil servant position the Secretary General. The Secretary General is responsible for compiling and

Observations	Recommendations
<p>General</p>	<p>monitoring the policies and horizontal/supporting functions of these policies as well as serves not only to guarantee the legacy of civil servants activities but also to filter the political pressure of the elected/appointed toward the civil administration of LGU.</p>
<p>Information Technology–Lack of security rules and softwares</p> <ul style="list-style-type: none"> Computers are not managed through a centralized and standardized system that automates the network management of user account data and security requirements. Therefore, the implementation of safety rules and access management is not implemented. 	<ul style="list-style-type: none"> The municipality may consider adopting clear regulations on information security and implement the necessary softwares for managing and storing information.
<p>Information Technology–Lack of hardware devices</p> <ul style="list-style-type: none"> The level of availability of hardware equipment is at the minimum level. Not all employees have access to a personal computer and the existing devices are from a wide variety of brands and models. There is lack of servers and back-up mechanisms for information. 	<ul style="list-style-type: none"> The municipality may consider unifying the types of hardware devices that are currently being used. This would also help in ensuring their maintenance by specialized companies.
<p>Communication–Lack of electronic means of communication</p> <ul style="list-style-type: none"> Although the administrative units have internet access, none of them has an internal electronic communication system. 	<ul style="list-style-type: none"> The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by setting clear rules on the type of information that can be charged or circulate on these platforms.
<p>Communication–Lack of telephone service</p> <ul style="list-style-type: none"> Administrative units do not have a fix line telephone service. 	<ul style="list-style-type: none"> The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.
<p>Archive - Centralization of archive</p> <ul style="list-style-type: none"> The archive volume of the new municipality is expected to increase from the documents received from the previous local government units. Consequently, reorganization of the new Municipality archive and its maintenance can become 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.

Observations	Recommendations
difficult.	
<p>Archive - Lack of technical requirements in the management of the archive</p> <ul style="list-style-type: none"> In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, lack of security doors and windows, lack of duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours. 	<ul style="list-style-type: none"> The new municipality may consider taking necessary measures to guarantee the physical safety and preservation of the archive from possible damages.
<p>Asset Management – lack of registers</p> <ul style="list-style-type: none"> Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties. 	<ul style="list-style-type: none"> Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

The structure and organization

Organizational Model

Analysis of the organization and structure of 2 (two) existing LGUs of Kamez and Paskuqan, is performed based on organizational model developed on "Guidelines for the Control of the Local Government Units" and its annexes.

- The aim is to facilitate the analysis of segregation of the roles and responsibilities in administrative structures, and to provide consistency in the process of amalgamation.
- The results of four elements of the organizational model: roles, functions, providing service and orientation, are summarized below.

Roles

Roles performed in former municipalities and merged administrative units are shown in table 1, below:

Table 1: Roles in administrative units

Roles	LGU Kamez	LGU Paskuqan
LGU Council	✓	✓
Mayor	✓	✓
Deputy Mayor	✓	✓
Secretary of the LGU Council	✓	✓

Their respective responsibilities included.

LGU Council: The adoption of the Statute of the LGU and internal rules of operation of the local council; approval of the organizational structure and administration of the LGU budget and its institutions, the number of their personnel, the criteria for qualifications, salaries and criteria for their reward.

- Mayor: The mayor is responsible for carrying out all functions of the Municipality, except those powers that are attributed to the Council. The Mayor shall exercise all the rights and ensures the fulfillment of all obligations of local government based on his status as a legal entity.
- Deputy Mayor: Assist the Mayor in the supervision of the operation of LGU.

- Secretary of the LGU Council: Storage of the official documents of the council; sending notifications for the Council meetings; Publication of notices and decisions taken by the Council; Preparation of public hearings with LGU’s Council.

After the merger, 2 units are transformed in 1 Municipality with 2 administrative units, as presented in the table 2 below.

Table 2: Roles in the Municipality

Role	
New Municipality	Kamez
Municipality Council	✓
Mayor	✓
Deputy Mayor	✓
Secretary of Municipality Council	✓
Administrative Unit	Paskuqan
Administrator	✓

- Municipality Council will continue to exercise the same powers. To help in the improvement of the efficiency of the Municipality, The Municipality Council will undertake the amended responsibilities, as follows:
 - Approval of salary and bonuses for employees and others elected or appointed according to the law.
- By approving the budget and its changes, the Council will also approve the maximum number of employees of the Municipality and budgetary institutions depending on the Municipality.

- The Mayor shall continue to exercise the same powers. To assist with improving the effectiveness of the Municipality, the Mayor will take on new responsibilities, as follows:
 - Approval of the Municipality organizational structure and basic regulations of the Municipality administration and its budgetary institutions depending on the Municipality.
 - Appoints and dismisses managers of administrative units.
- Deputy Mayor shall continue to exercise the same powers. The Municipality Mayor shall appoint them.
- Secretary of Municipality Council shall continue to exercise the same powers. The Municipality Mayor shall appoint him.
- The Administrator is a new role. He / she shall be appointed and dismissed by the Mayor and shall undertake the following responsibilities:
 - Runs the administrative unit and reports to the Mayor about the functioning of the administrative unit;
 - Observes and examines administrative offenses;
 - It has the right to delegate its powers in connection with the conclusion and review of administrative offenses, to other employees of the administrative unit;
- The information can also present functions for which there is no allocation of human resources to execute them, and are set with 'n/a' (not applicable).
- Horizontal functions together with the number of people who carry out these functions are presented in table 4 below:

The total number of people that execute horizontal functions is 72 (seventy-two).

Functions

- Information on public services, with the number of people who carry out these functions, is shown in Table 3 on the following page.

When people exercise more than one function, they are divided proportionally according to the time spent, resulting in the equivalent of full-time workers. As a result, the number of people qualifying for some functions may not result rounded.

The total number of people performing public services is 356 (three hundred and fifty-six), including civil service employees.

Table 3: Public Services Functions and number of people associated with these functions

Public Services	Kamëz	Paskuqan	Merged
Infrastructure and public services			
Water Supply Company	86	44	130
Functioning of the sewerage system	9	5	14
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	56	8	64
Construction of roads, pavements and public squares	n/a	7	7
Rehabilitation and maintenance of local roads, sidewalks and public squares	n/a	16	16
Public lighting	1	n/a	1
The operation of urban public transport	2	Contracted	2/Contracted
Cemeteries administration and guarantee of funeral services	9	n/a	9
Decorations Service in town / village	1	n/a	1
Administration of parks, gardens and public spaces	4	n/a	4
Collection, disposal and recovery of waste	64	Contracted	64/Contracted
Urban planning	3	7	10
Land management	3	1	4
Shelter	1	n/a	1
Social,cultural and sports Services			
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	7	n/a	7
Organization of sporting, recreational and entertainment activities and management of relevant institutions	2	n/a	2
Social services of kindergardens	n/a	n/a	n/a
Social services - orphanages, shelters	n/a	n/a	n/a
Local economic development			
Preparation of local economic development programs	2	n/a	2
Establishment and function of public markets and trade network	1	n/a	1
Small business development, and the development of promotional activities such as fairs and advertisements in public places	n/a	n/a	n/a
Organization of services within the local economic development support and information structures and infrastructure necessary	n/a	n/a	n/a

Public Services	Kamëz	Paskuqan	Merged
Veterinary services	1	1	2
Conservation and development of forests and natural resources of local character	n/a	n/a	n/a
The order and civil protection			
Preservation of public order to prevent administrative violations	n/a	1	1
Civil protection	5	2	7
Educational institutions			
Maintenance of facilities in preliminary education	2	n/a	2
Medicine			
Health care system and the protection of public health	n/a	n/a	n/a
Social care			
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	n/a	n/a	n/a
Social Care on domestic violence	2	n/a	2
Social care for the protection of children's Rights	1	n/a	1
Environmental Protection			
Environmental Protection	1	n/a	1
Total	262	94	356

Horizontal Functions	Kamöz	Paskuqan	Merged
Finance	5	5	10
Local taxes and Tariffs	13	6	19
Legal Issues	4	2	6
Procurement	3	1	3
Institutional Relations	5	1	5
Human Resources	2	1	3
Protocol	0.5	1	1.5
Archiving	0.5	1	1.5
Information Technology	2	1	3
Supporting services	10	5	15
Internal Audit	3	0	3
Total	48	24	72

Orientation

- Two types of guidance used in the current organizational model are:
 - Division by sector for the Public Services, and,
 - Functional orientation to horizontal functions,

Analysis shows these exceptions:

Kamëz

- Social service section is subordinated by the finance department ;
- Education and sports is subordinated by finance department ;
- IT support is subordinated by public service

Paskuqan

- Education, health and cultural specialist is under the supervision of human resources;
- The amalgamation process provides a new orientation dimension of organizational model which is the division according to geography. Consequently, it is necessary to develop an organizational structure which serves the fulfilment of LGU functioning .
- The organizational structure will require the creation of multireporting lines, fulfilment of objectives between sectors and functions, planning and combined use of resources, decisionmakings, coordination and communication.
- The responsibilities of the below managing positions, existing in AU will change:

Kamëz:

- The Director of Project Coordination and Development
- Director of Planning and Territory Development

- Supervisor of Infrastructure and Investment sector
- Supervisor of Social service sector
- Supervisor of Education and sports sector
- Director of cultural department
- Director of legal department
- Director of public service and decor sector
- Director of Public relations
- Director of Bathore region

Paskuqan:

- Supervisor of Human Resources Sector
- Supervisor of Finance Sector
- Supervisor of Legal Sector
- Supervisor of Local tax and fee sector
- Supervisor of service office
- Supervisor of urban planning sector
- Supervisor of city planning office
- Supervisor of land management and protection sector

Service Providing

- In the below tables 3 and 4 there are the detailed ways of providing public services and execution of Horizontal Functions.
- Majority of the functions are provided with its own resources.

- The below services are contracted:
 - Operation of public urban transport is contracted in Paskuqan.
 - Collection, disposal and recovery of waste is contracted in Paskuqan
- There is no licensed service.
 - n/a
- Decisions on changes in service delivery cannot be achieved during a short - term period and preparatory work is required in order to analyze processes, to assess the current human resource capacity and infrastructure, including the information - communication - current technology.
- To facilitate this analysis, we have compiled the following three questions to be used as development principles:
 - Does the fulfillment of work require physical presence?
 - Is there any (legal, strategic) reason to centralize the execution of function?
 - Is the work scalable by performing it in distance/ centralized processing?
- The information in tables 5 and 6, on the following pages demonstrates the application of these development principles. It is noticed that the answers given reflect the meaning, without considering future strategic decisions to be taken by the Municipality of changing service delivery (principle developer 2)
- Based on these responses, the execution of some horizontal functions can be subject to changes in the future. More specifically, the following functions can be subject to a physical relocation, centralization in performing the function and performance remote / centralized processing:
 - Finance (Assuming that the Administrative Units will not be designated as dependant budgetary institutions of the Municipality)
 - Legal Issues
 - Procurement
 - Institutional Relations
 - Human Resources
 - Archive
 - Internal Audit
- By applying the above principles of development for each function, alternative developments of organizational structure will be encouraged. These structural formations then should be refined and that organizational structure which is more feasible should be selected.

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Infrastructure and public services			
Water Supply Company	Yes	No	No
Functioning of the sewerage system	Yes	No	No
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	Yes	No	No
Construction of roads, pavements and public squares	Yes	No	No
Rehabilitation and maintenance of local roads, sidewalks and public squares	Yes	No	No
Public lighting	Yes	No	No
The operation of urban public transport	No	No	Yes
Cemeteries administration and guarantee of funeral services	Yes	No	No
Decorations Service in town / village	Yes	No	No
Administration of parks, gardens and public spaces	Yes	No	No
Collection, disposal and recovery of waste	Yes	No	No
Urban planning	No	No	Yes
Land management	Yes	No	No
Shelter	No	No	Yes
Social,cultural and sports Services			
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	Yes	No	No
Organization of sporting, recreational and entertainment activities and management of relevant institutions	Yes	No	No
Social services of kindergartens	Yes	No	No
Social services - orphanages, shelters	Yes	No	No

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Local economic development			
Preparation of local economic development programs	No	No	Yes
Establishment and function of public markets and trade network	Yes	No	No
Small business development, and the development of promotional activities such as fairs and advertisements in public places.	Yes	No	No
Organization of services within the local economic development support and information structures and infrastructure necessary	Yes	No	No
Veterinary services	Yes	No	No
Conservation and development of forests and natural resources of local character.	Yes	No	No
The order and civil protection			
Preservation of public order to prevent administrative violations.	Yes	No	No
Civil protection	Yes	No	No
Educational institutions			
Maintenance of facilities in preliminary education	Yes	No	No
Medicine			
Health care system and the protection of public health	Yes	No	No
Social care			
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	Yes	No	No
Social Care on domestic violence	Yes	No	No
Social care for the protection of children's Rights	Yes	No	No
Environmental Protection			
Environmental Protection	Yes	No	No

Table 6: Horizontal Functions – Application of development principles

Function	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Finance (Note 1)	No	Yes	Yes
Local taxes and Tariffs	No	Yes	No
Legal Issues	No	Yes	Yes
Procurement	No	Yes	Yes
Institutional Relations	No	Yes	Yes
Human Resources	No	Yes	Yes
Protocol	Yes	No	No
Archiving	Yes	No	No
Information Technology	No	Yes	Yes
Supporting services	Yes	No	No
Internal Audit	No	Yes	Yes

Note 1: We suppose that the New Municipality will not define the Administrative units as dependent budgetary institutions.

Organizational Structure

To develop a future organizational structure based on best practices, it may be taken into consideration that the future organizational structure includes the following features.

- A matrix organizational structure that combines elements of the division by sector, geography and functional orientation;
- Administrative structures of public services by Administrative Units have a primary reporting line to the relevant administrative structures of the Municipality;
- At the same time they should also have a second line of reporting to administrators;
- Due to the complexity and larger scale there can be four deputy mayors with the following divisions of responsibilities:
 - Policy making and service monitoring;
 - Providing services through agencies ;
 - Finance, Local Taxes and other horizontal functions;
- Internal audit function reports directly to the Mayor;
- A possible illustration of the future organizational structure, is presented in Annex 2;

In forming its organizational structure, the municipality may consider the following factors:

- Consistency in the strategic direction: to support the priorities of the vision and strategy of the Municipality;

- Form follows function: the organizational structure should ensure the provision of quality public services;
- Responsibility: there must be responsibility and clear and well-defined decision-making authorities;
- Extent of control –scope of control should be as wide as possible, without sacrificing efficiency. However, there is a limit to the number of positions that a person can effectively be responsible. The scope of control should ensure proper monitoring of performance and access to the staff opinion (a person generally must manage no more than 10 employees);
- Specialization: activities for which a single individual is responsible should be similar. Similar functions should be grouped appropriately around key competencies and reporting lines;
- Surveillance layers: the number of authority levels should be kept at the minimum (from top to bottom);
- Decision-making: organizational formation should facilitate timely and effective decision-making in support of daily work;
- Communication: Communication is effective and efficient in the reporting lines and outsourcing services;
- Coordination approach - Applicable especially for new administrators who will be responsible for running the regional units within the various departments of public and horizontal services. Clear rules and procedures must be developed to distinguish between sectoral responsibilities (functional) and administrative and reporting lines;

- Divisions - organizational formation of the Municipality should reflect the special status and interdependent regional administrative units (separate actions in separate locations);
- Growth and change in the future - the organizational structure should be flexible and adaptable to future growth and public service needs;

Kamez :

- Directory of Project Development and Coordination
- Directory of Territory Development Control and Planning
- Economic assistance sector
- Infrastructure and investment sector
- Social issues sector
- Education and sports sector
- Culture directory
- Legal directory
- Public service and decoration directory
- Public relations directory

- A non-exhaustive list of positions, whose ways of reporting is likely to change is shown below:

Paskuqan:

- Human resources sector
- Finance sector
- Legal sector
- Local tax and fee sector
- Service office
- Urban planning office
- Land management and protection sector
- Human resources, administration and economic assistance office
- Finance office
- Tax office
- Municipal police

Financial due diligence

Summary of observations and recommendations

Observations	Recommendations
<p>Property, Plant and Equipment</p>	
<p>During the control of the Ex-Municipality and LGUs it was noticed that a significant number of fixed assets are not recorded in the respective balance sheets.</p> <p>Fixed assets, which are currently owned by the Ex -Municipality and LGUs are kept at historical cost. Depreciation is accumulated in based on categories of assets. Many other assets are kept out off balance sheet and they actually have a book value.</p>	<p>We suggest that the stocktaking of fixed assets at 31 December 2015 to be carried out as soon as possible. The stocktaking will serve as a basis for the preparation of fixed assets registers to be used for the preparation of the financial statements year ended December 31, 2015.</p> <p>The stocktaking will not just aim the verification of assets that are currently registered but also the identification of other assets owned by the Ex-Municipality or LGUs. It will also identify assets which could be damaged or do not exist. Also it is necessary a close cooperation with the Real Estate Office.</p> <p>All assets owned by Municipality or LGU should be revalued and to each asset, including those assets that are held off balance, must be assigned a value.</p> <p>Such revaluation can be carried out taking into account the source of reference prices and widely accepted methodology regarding the evaluation of these assets. Results of the evaluation report must then be reflected in the financial statements as well as in a full register of assets. All the subsequent changes during the lifetime of each asset must be recorded in the assets register.</p>

Investments	
<p>Ex-Municipality and LGUs perform most of their services using their own resources. However, they have also investments in other entities that perform public services on their behalf.</p> <p>There are no instructions from the Ministry of Finance regarding the treatment of investments and it is not clear if a value for these investments should be presented to the assets and how to measure their value.</p>	<p>These investments should be presented as financial assets. They are presented in individual audit report in Note No. 9, according to the % of ownership that the unit has in these subsidiaries using the cost method (% of subscribed share capital).</p> <p>These investments together with other assets owned by the municipality, which serve for the same purpose (ex. former municipal water supplies that are not privately owned public entities Sh.a) should be analyzed, and the analysis should be used for the review of the opportunity of the integration of management, ownership and operations into a separate entity.</p>
Liabilities	
<p>On July 31, 2015 total liabilities of the municipality are reported at a value of ALL 414,991 thousand. Overdue municipal obligations are reported at a value ALL 342,587 thousand.</p> <p>The information is often incomplete and does not give details on arrears and risks of delays in repaying them. Furthermore the liabilities are not even detailed to the same level of categories used in the allocation of grants from central government.</p>	<p>It is recommended a detailed analysis to identify the age and nature of their obligations. This analysis will provide a clearer picture of rotating repayment of Municipality obligations and sources of funds.</p>

Receivables

During 2015, tax and non-tax revenues were 21 % of total revenues, due to the low rate of revenue collection

During LGUs control it was noticed that some of the LGUs do not have a complete list and accurate receivables of taxes from individuals and businesses.

It is recommended that the municipality impose strict procedures for analysis and regular monitoring of actual financial performance against budget. Following the analysis will lead to increased levels of tax collections for the municipality and capacity for expenses.

A complete and accurate list of receivables from individuals and business taxes should be established. These lists will make possible that the municipality can facilitate the tracing in detail of receivables and improve their collection rates. Also, they will allow a fair treatment of taxpayers and provide a documented basis for actions against those who do not pay.

Lack of unified accounting policies and practices

It is noticed that the presentation of financial reporting has been relatively standard, this due to the uniformity of clear and descriptive financial formats used by Municipality and LGUs. All LGUs and Municipality has reported in accordance with the list of accounts prescribed by the Ministry of Finance. Accounts lists are well integrated with financial reporting formats prescribed by the Ministry of Finance. However, the accounting policies for the preparation of financial statements and the bookkeeping of LGUs and ex- Municipality are limited.

Ununiformed application of accounting policies and accounting practices and procedures from different LGUs could affect the completeness and accuracy of accounting data used in consolidation. Consequently, LGUs are exposed to the risk of data loss, which may adversely affect their daily activities and lead to financial losses.

We recommend the government should include in the current legislation more rules for the application of uniform accounting policies and for maintaining an effective general ledger. Accounting records kept manually or electronically must follow a process of archiving in accordance with archiving policies. Using a uniform software solution for

Lack of unified accounting policies and practices - continued

During our work we have identified different and non-uniform accounting policies and practices used by LGUs. In some LGUs expenses are recognized on accrual basis and in others on the basis of payment. Also, various differences, classifications and inconsistencies were identified when comparing the financial statements with supporting notes.

Just a few LGUs use accounting software that enables the construction of a full and steady verification balance. The rest keep written documents or documents in the computer files of "MS Office" package. In many cases we have identified absence of accounting documents of prior periods such as inventory details and details of debtors or creditors.

all LGUs could be useful in improving the accountancy and financial reporting.

Consolidated financial statements

Overview

To present and analyze the position and financial performance indicators of the newly formed Municipality Kamez, we have prepared the consolidated financial statements, which are presented in formats 1 to 9, as defined in the guidelines of the Ministry of Finance

These statements have been prepared by summing line by line the restated statements of Municipality Kamez and LGU Paskuqan.

Affiliated units are consolidated at the level of municipality and have been part of individual due diligence report of Municipality Kamez.

The restated statements reflect the adjustments that have been identified and presented in individual reports for each ex-Municipality and administrative unit. Adjustments are based upon the guidelines and rules of the Ministry of Finance to apply uniform accounting policies.

These consolidated financial statements do not include any consolidation adjustment.

Key performance indicators

Key performance indicators	
<i>Amounts in 000 leke</i>	<i>For the period ended 31 july 2015</i>
Income from grants	846,108
Tax and non-tax revenue	237,973
Total Expenses	661,727
Total Assets	7,823,271
Liabilities	414,991

Table 1. Summary of consolidated statement of financial position.

Amounts in thousand ALL

		In ALL '000	
Account Number	Description	2015 Period Restated	2015 Period
A	Assets	7,823,271	7,823,271
I	Current Assets(1-3)	594,964	594,964
	1. Petty - Cash, Banks, and Funds		
Class 5	Availability	171,407	171,407
Class 4	2. Receivables	409,153	409,153
Class 3	3. Current Inventory accounts	14,403	14,403
II	Non-current Assets(1-4)	7,228,307	7,228,307
23	1. Investments	453,713	453,713
25,26	2. Finance assets	371,486	371,486
21,24,28	3. Tangible assets	6,300,923	6,300,923
20	4. Intangible assets	102,185	102,185
III	Other assets	-	-
B	Liabilities	414,991	414,991
I	Current liabilities(1-2)	414,991	414,991
Class 4	1. Accounts payable	414,991	414,991
16	2. Non-current liabilities	-	-
II	Non liquid liabilities	-	-
17	1. Foreign loans	-	-
III	Other liabilities	7,408,280	7,408,280
	Net assets (A - B)	7,242,710	7,242,710
	Presented: Consolidated budget	10 190 374	9 880 977
	Carried forward results	165,570	165,570

Overview of the consolidated statement of the financial position

- On July 31, 2015 total assets and liabilities of the new municipality were ALL7, 823,271 thousand respectively. Total assets of the municipality on July 31, 2015 increased by 10% compared to December 31, 2014.

Current assets

- Current assets which have 8% of total assets are increased by 89% during the period ended as of 31 December 2015 compared to the year ended as of 31 December 2014. Among the items of current assets it is noticed an increase of 151% of cash, which affects more in the total increase of current assets meanwhile the receivable's accounts suffered an increase of 76%

Accounts Receivable

- Structure of total debtors of municipality Kamez consists of 69,68% of debtors of Municipality Kamez, 30.32 % of debtors of LGU Paskuqan.

Non-current accounts

- Non-current assets which occupy the largest share of assets of the municipality Kamez 92%, have increased by 6% in total, where the biggest effect in this increase, was due to the addition of financial assets item during 2015, whereas tangible assets decreased by 2%.

PPE

- 70.98% of PPEs of Municipality Kamez are composed by the PPEs of Municipality Kamez and 29.02 % PPEs by LGU Paskuqan,

Accounts Payable

Accounts payable have increased by 5% during the period ended July 31, 2015 compared with the previous year 2014.

- 69.23 % of the payable accounts is occupied by payable accounts of Municipality Kamez and 30.77% by LGU Paskuqan.

Further details on the assets and liabilities are presented in formats 1 and 2 in the appendices of this report.

Tabela 2: Summary of Consolidated Statement of Financial Performance

Amounts in thousand ALL

		In ALL '000	
Account Number	Description	2015 Period Restated	2015 Period
A	TOTAL REVENUES	1,112,251	1,112,251
70,750,71	I. REVENUES AND CONTRIBUTES	237,973	237,973
70	1. Tax revenues	97,472	97,472
71	3. Non tax revenues	140,501	140,501
72	II. GENERAL ACTUAL GRANTS	846,108	846,108
78	IV. WORKS FOR INVESTMENTS	27,906	27,906
77, 83	V. OTHER REVENUES	263	263
B	TOTAL EXPENSES	946,680	946,680
0	I. CURRENT EXPENSES	661,628	661,628
600 601	1. Salaries and employees contribution	138,751	138,751
602	2. Goods and Services	169,828	169,828
604	4. Internal actual transfers	58,101	58,101
	6. Budget transfers for families and individuals	294,949	294,949
67	IV. OTHER EXPENSES	285,052	285,052
C	DETERMINED NET INCOME	165,570	165,570
	From this: Functioning results	165,570	165,570
	Functioning observed grants	0	0

Overview of consolidated statement of financial performance

Sources of funds(revenues)

- During the period ended July 31, 2015 total revenue recognized by the new municipality in the consolidated statement of financial performance were ALL 1,112,251 thousand. 21% of the total municipality income are composed of tax and non-tax revenues, 76% of income is from grants and 3% from other income.

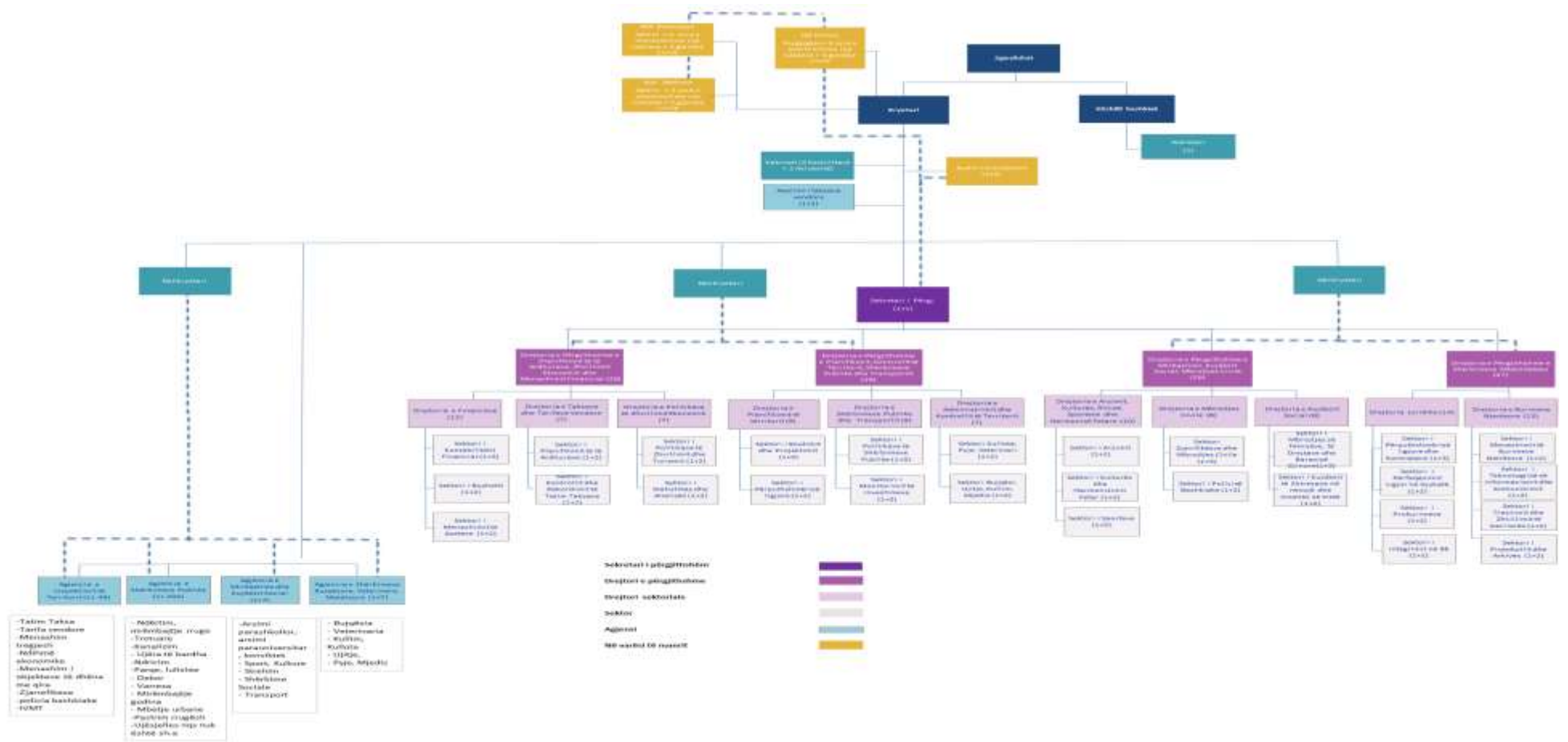
Structure of total revenues is comprised of 68.89% of the revenue generated from Municipality Kamez, 31.11 % from LGU Paskuqan.

Uses of Funds (expenses)

- During the period ended July 31, 2015 the total expenditure recognized by the new municipality in the consolidated statement of income and expenses were ALL 946,680 thousand. 70% of the total municipal expenditure is composed of current expenditures, the other part is composed by other expenses
- Structure of total expenditure is comprised by 78.83% of the expenditures of Municipality Kamez, and 21.17% of LGU Paskuqan.

Further details on expenses and revenues are presented in formats 3/1 and 3/2 in the appendices of this report.

Appendix 1 –Possible organization structure



Appendix 2 – Personnel matters

Objectives of the analysis

The analysis of the personnel matters has the following objectives:

- Develop a register of the staff until the end of July 2015 containing information on the full name, place of work for each employee, function / the sector where each employee is assigned, the date of commencement of work in the LGU, type of employment, education and training.
- Presentation of a summarized description of the personnel data based on the appropriate legal framework as follows:
 - Labour Code Articles 105 a/2, 107, 140, 143, 144, 145, 147, 148
 - Law no.152/2013, dated 30.05.2013 “On Civil Servants” as amended, Articles 50/1/6 dhe 7
 - DCM No.118, dated 05.03.2014 “On the appointment, recruitment, management and termination of civil service relationship of civil servants in senior management and members of the TND”
 - DCM No.243, dated 18.03.2015 “On admission, parallel movement, probation period and appointment in the executive category”
- Observations and recommendations on personnel transfer and training in the context of the merge and reorganization of the Municipality.

Summarized description of the information received

- At the moment of merger, Kamez Municipality had 387 (three hundred and eighty-seven) employees excluding mayors, deputy mayors, secretaries of municipality and municipal council and civil service employees. 308 (three hundred and eight) of whom were working with indefinite employment contracts, 66 (sixty- six) were civil servants and 9 (nine) were civil servants on probation period.
- However, according to the information received, in the month of November 2015 the total number of personnel, excluding Mayors and employees of the Register Office, is 380 (three hundred and eighty) employees. More detailed: 303 (three hundred and three) people had indefinite employment contracts. In the LGU structure has been reported three employees who enjoy special protection due to the fact that they are on pregnancy leave. Also in LGU structure worked 67 civil servants and 10 civil servants on probation period.
- Personnel register is presented in Annex 2 –Personnel register.

Observations and recommendations

Personnel matters

Observations	Recommendations
<p>The transfer of the staff</p> <ul style="list-style-type: none"> As a result of the amalgamation process, in accordance with Decision no. 510, dated 10.06.2015 of labor relations existing between the merged entity (LGUs) and their employees will be transferred to the Municipality of Kamez. It is worth mentioning that the Municipality Kamez, before the amalgamation process, is considered as one of the merged units. 77 civil servants , confirmed or in probation period work in both LGUs . 	<ul style="list-style-type: none"> In accordance with the provisions of the Labour Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, it is recommended that the case be seen whether the applicable provisions for the settlement of an employment contract with indefinite term. Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. Related to civil servants who are on probation period, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources It is recommended that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.
Observations	Recommendations

Personnel matters

Observations	Recommendations
<p>Termination of employment relationship</p> <ul style="list-style-type: none"> • The reorganization may bring the necessity of termination of the employment relationship for some of the Municipality employees. • Three municipality employees are part of the protected categories. 	<ul style="list-style-type: none"> • It is recommended to keep in mind that the legal basis for the termination of working relationships is different depending on the category of employees and respectively: <ul style="list-style-type: none"> - <i>Political functionaries.</i> Political functionaries of a Municipality are the deputy mayors, administrators and the employees of the mayor’s cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations. - <i>Employees with employment contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority. - <i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer
<p>Improvement of organizational structure</p>	
<ul style="list-style-type: none"> • Organizational structures of local government units do not stipulate the position of Secretary General. 	<ul style="list-style-type: none"> • It is recommended that a new organizational structure should have a highest reporting line of civil servants, the position of the General Secretary. The General Secretary is responsible for the formulation and monitoring of policies and horizontal functions / support to these policies, and serves not only to guarantee the legality of the activity of civil servants but also serves as a filter to political pressure elected / nominated to the administration civil local government unit.

Appendix 3 –Information Technology

Objectives of the analysis

Assessing the status of information technology has the following objectives:

- The stocktaking of IT business systems, equipment, licenses and other agreements and contracts including IT services;
- Evaluation of IT equipment maintenance;
- Assessment of the actual information security practices, procedures for the recovery and storage of data in case of loss based on the information received until the end of 2015.

Objective	Kamëz	Paskuqan
Installed Software	0	0
Contracts of licences	0	0
Hardware (in useage)	71	41
Computer (desktop)	20	2
Printers	3	1
Servers	2	1
IT staff in total	0	0
Hardware and Software maintenance	0	0

Summarized description of received information

- Use of information technology is limited to the use of personal computers, printers and Internet service. The programs available are Microsoft Office package and Microsoft Windows which do not have regular licenses for their use. No internal network or standard email addresses exists. The majority of employees have access in their private emails. No maintenance contract has been concluded and there is no employee specialized in Information Technology in both LGUs.
- Consolidated information about the IT environment is presented in Table 9 –IT environment, below.

Observations and Recommendations

IT environment

Observations	Recommendations
<ul style="list-style-type: none"> Lack of rules and systems 	
<ul style="list-style-type: none"> The LGU lacks a centralized and standardized system that automates network management of user account data and security requirements. In these conditions, safety rules and access management are not implemented. 	<ul style="list-style-type: none"> New Municipality should consider implementing a centralized and standardized system that automates network management of user account data and security requirements, based on the principle that the cost / benefit.
<ul style="list-style-type: none"> Lack of hardware equipments 	
<ul style="list-style-type: none"> Hardware equipments are at a minimum. Not all employees have the possibility to have a personal computer and the existing equipments include a variety of marks and models. Servers and back-up mechanisms for information are missing. 	<ul style="list-style-type: none"> The new municipality may consider the unification of hardware types used currently. This would also help in ensuring their maintenance from specialized companies.

Appendix 4 –Communication

Objectives of the analysis

Assessing the status of the communication system has the following objectives:

- Stocktaking of telephone and Internet deals
- Understand the methods of internal communication, verbal or written applied for circulating memos protocol, issuing regulations, orders the mayor and departameneteve and communication between different sectors;

Summarized description of the information received

- Kamez Municipality has a good communication system through internal and external phone line and internet connection, whereas Paskuq an LGU does not have a phone service. The internal communication is written , through internal phone line and verbal in Kamez Municipality, whereas in Paskuqan LGU internal communication is in written and verbal form only due to the lack of an internal phne line.
- Consolidated information about the communication systems is presented in Table 10 –Communication systems.

Objective	Kamëz	Paskuqan
Phone service	Central Internal Line (40 numbers) +3 external	No
Phone service provider	National operator	National Operator
Internet service	Local provider	Local provider
Assesment of phone service coverage	Local coverage	Local provider
Internal communication line	Internal phone service, verbal , written	Written, verbal

Observations and recommendations

Communication	
Observations	Recommendations
Lack of electronic means of communication	
<ul style="list-style-type: none"> Despite that the administrative units have internet access, none of them has an internal electronic communication system. 	<ul style="list-style-type: none"> The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by setting clear rules on the type of information that can be charged or circulate on these platforms.
Lack of telephone service	
<ul style="list-style-type: none"> Local government unit Paskuqan does not receive a fixed telephone service. 	<ul style="list-style-type: none"> The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.

Appendix 5–Archives

Objectives of the analysis

The analysis of the database has the following main objectives:

- The analysis of the actual archive practices until the end of 2014 based on the legal and technical requirements provided by the following legal framework applicable to archives:
 - Law nr.9154, dated 06.11.2003 "On Archives" and
 - Professional and technical rates and methodological archival service in the Republic of Albania (Archiving methodology);
- The preparation of a checklist for compliance with technical requirements for archive environments and requirements of methodology documentation;

- Provision of observations and recommendations regarding the archive within the merger based on information received by the end of the year (year under review);

Summarized description of the information received

- It results that the two local government units, technical requirements or methodologies of storage, creation and management of archive were partly met.
- Consolidated information about the practice of archiving and compliance with the Archive Methodology is presented in the table 11- Consolidated Checklist of technical requirements.

Technical requirements for practices in the premises of archives and record-keeping methodology	Kamez	Paskuqan
Fire protection, shells protection from sun, dust and any other physical and biological agents	No	No
Secured doors and windows with a metallic net and automatic door closure	No	No
Cardboard folders for putting the documents, placed in metalik shells and painted against rust	No	No
Vertically oriented shells to the windows with a distance 40-60 cm from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall
Presence of heaters or any other item that can cause fire present in the archive premise	No	No
Records on physical control of the archive kept from the secretary of the archive	No	No
Archive keys in two copies	Yes	Yes
One copy of the key closed in an envelope, preserved from the LGU Mayor or the Deputy in charge of the archive service. Other copy kept in accordance with the rules applicable for other keys of other sectors in LGU.	Yes	No
Safes, cup-boards, doors of the secretary and the archive ensured and stamped after the official working timetable.	No	No
Documents structured as per organizational structure of the public institution (e.g when the public institution has a hierarchy of organizational structure).	Yes	Yes according to years , But not according structure

Technical requirements for practices in the premises of archives and record-keeping methodology	Kamez	Paskuqan
<p>According to this scheme, all the documents that are found in the archive:</p> <p>Firstly are classified (grouped) by year</p> <p>Then, are classified based on structures (i.e directorates, departments, branche, etc.)</p> <p>Note: When the organization has a two-tier structure (example: directorate and branches), documents are grouped under this approach with 2 levels, and then create folders. Creation of folders should consider documents containing information which refers to more than one department.</p>		
<p>Files containing information to be stored up to 10 years, have no need for internal restructuREng, but the number of pages contained in documents written in their cap.</p>	Yes	Yes
<p>Cover file (Module 6), clearly marked and grammar:</p> <ul style="list-style-type: none"> - Full name of the state entity - no state - Department or branch that operates - The level of classification (if the document is of this type) - The file contains an identification number, year - Full title of the file - The peREod that the document should save (protect) - Date of completion of conservation - The amount of documents that are stored in files - Inventory identification number on file - The period of use 	Yes	<p>Written only the name of the department, identifying number , year and tile of file</p>

Technical requirements for practices in the premises of archives and record-keeping methodology	Kamez	Paskuqan
Based on a) "the list of models of documents on storage" and b) "the list of models on documents of historical importance, national", which are published by the General Directorate, the State Commission and non-state experts, to be built a concrete list of their documents. This list should reflect those documents that are of historical importance, national and documentation retention period. Also, the committee of experts should determine the period of preservation of these documents (by module 11).	No	No
The emblem of the Republic	Yes	Yes
At the head of the document should be written "Republic of Albania"	Yes	Yes
Title of the institution and structures belonging to the institution	Yes	Yes
Number of documents attached	Yes	Yes
The content of the document	Yes	No
Name, surname and signature of the person who signed the document and stamp	Yes	Yes
Signature of the director of the institution	Yes	Yes
Date and number of protocol	Yes	Yes
Mod 1 - Correspondence model	No	No
Mod 3 - Serial Number of Correspondence	No	No
Mod 4. -The Book Delivery	Yes	No
Mod 4/1. -The Book of shipments of documents from archives in sectors secretariat and vice versa	Yes	No
Mode 5 - Table definitions of files for the year	Yes	No

Technical requirements for practices in the premises of archives and record-keeping methodology	Kamez	Paskuqan
Mod 6 - Elements of cover dossier	Yes	Yes
Mod 7 - Register of files	Yes	Yes
Mod 8 - Internal File register	Yes	Partly
Mod 9 - Decision of the Commission of Experts	Yes	No
Mod 10 - Compilation of the list of documents that set aside	Yes	No
Mod 11 - The period laid down for storage (protection)	Yes	Yes
Mod 12 - Destruction of documents containing any further value	Yes	No

Observations and Recommendations

Archive

Observations	Recommendations
Centralization of archive	
<ul style="list-style-type: none"> The archive volume is expected to increase from the documents received from the previous local government units. Consequently reorganization of the new Municipality archive and its maintenance can be difficult.. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.
Lack of technical requirements in the archive management	
<ul style="list-style-type: none"> In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, missing security doors and windows, missing duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.

Appendix 6 –Assets Management System

Objectives of the analysis

Analysis of asset management has the following main objectives:

- Analysing the status of assets management based on the legal and technical requirements provided by the following legal framework applicable to asset management:
 - Law no.10296, dated 08.07.2010 "On Financial Management and Control" and
 - Decree of the Minister of Finance no. 30, dated 27.12. 2011 "For the management of public sector assets" of change;
- Prepare a checklist related to compliance with the legal framework of asset management based on the information received until the end of 2014;
- Provision of observations and recommendations regarding the management of assets within the merger based on information received by the end of the year (year under review);

Summarized description of the information received

- In both LGUs , it is not specified who is the enforcement employee, it is just confirmed his/her existence.
- Kamez Municipality has reported the approval of plans, objectives and control and risk management mechanisms, whereas Paskuqan LGU had not ratified any plan. None of the units have kept a book on leased properties and a record on concessions and enphitozes contracts.
- In all LGUs the stocktaking of assets was carried out on annual basis and in all LGUs there were committees of inventory, evaluation and disposal of assets.
- Consolidated information regarding compliance with the requirements for the Asset Management is presented in Table 12 - List of consolidated control applications for Assets Management below.

Table 12: List of consolidated control applications for Assets Management

ASSET MANAGEMENT	Kamëz	Paskuqan
Adopted rules and procedures on asset management	Yes	Yes
Authorizing Officer	Yes	Yes
Enforcement Officer	Yes	Yes
Adopted plan, objectives and control mechanisms related Risk	Yes	No
Asset Accounting Register	Yes	No
Leased Properties Register	No	No
Owned Companies Register	Yes	No
Register of concessions/enphitoses contracts	No	No
Annual Assets Inventory	Yes	Yes
Assets Inventory Committee	Yes	Yes
Assets Evaluation Committee	Yes	Yes
Assets Disposal Committee	Yes	Yes

Observations and Recommendations

Asset Management

Observations	Recommendations
Asset management – lack of registers	
<ul style="list-style-type: none"> Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties. 	<ul style="list-style-type: none"> Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

Apendix7 – Investment Projects

Based on the inventory of investment projects for each municipality / administrative unit it is prepared a consolidated table on which appear all investment projects that will be transferred to the Municipality as a result of the merger. Please refer to Table 13 investment projects below.

Investment Projects

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
Kamëz				
1	Construction of Road Valias-Rinas	The Project is ready	5,679,510,004	Not approved
2	Construction of Road Parku Logjistik Laknas	The Project is ready	332,795,232	Not approved
3	Construction of road "Zana Drini"	The Project is ready	441,141,661	Not approved
4	Construction of road "Liria"	The Project is ready	340,814,944	Not approved
5	Construction of road "OSBE" faza2	The Project is ready	117,905,998	The first stage has concluded
6	Construction of road "Abdi Bej Toptani"	The Project is ready	254,815,174	Not approved

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
7	Construction of road "Bashkim Gazidede"	The Project is ready	150,288,320	Not approved
8	Construction of grocery, fruit and vegetable market	The Project is ready	122,101,219	Not approved
9	Greenery of roads in Kamez	The Project is ready	4,801,315	Not approved
10	Putting in order Valias center	The Project is ready	11,797,582	Not approved
11	Reconstruction of elementary school Bathore	The Project is ready	30,630,775	Not approved
12	Construction of elementary school Laknas (Kulla e Vorpsit)	The Project is ready	129,606,137	Not approved
13	Construction of kindergarden Laknas	The Project is ready	52,813,317	Not approved
14	Reconstruction of highschool "Sulejman Elezi"	The Project is ready	15,883,288	Not approved
15	Reconstruction of elementary school "Nene Tereza" Laknas	The Project is ready	116,614,658	Not approved

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
16	Construction of sports palace (first stage)	The Project is ready	731,072,351	Not approved
17	Construction KUN for Valiasin e Ri	The Project is ready	97,673,280	Not approved
18	Construction KUN in road"Demokracia: Bathore	The Project is ready	114,579,883	Not approved
19	Construction of watersupply Bathore 4,5,6,7	The Project is ready	142,810,902	Not approved
20	Construction KUN in neighbourhoods Bathore 4,5,6,8	The Project is ready	40,122,322	Not approved
21	Construction KUN for neighbourhood Frutikulture	The Project is ready	106,627,223	Not approved
22	Putting in order, rehabilitation and cleaning Lana river ,	The Project is ready	12,492,220	Not approved
23	Building river channels in Tirana river	The Project is ready	94,387,918	Not approved
Paskuqan				Not approved

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
1	Planning the construction of cemeteries	The Project is ready	99,939,423	Not approved
2	“Designing and Reconstruction of Facility of Nursery (a 2 Floor Building)	The Project is ready	29,970,371	Not approved
3	“Construction of Watersupply - Zona Babrru Qender Fushe Kerrcik	The Project is ready	398,343,165	Not approved
4	“Ordering, Asphaltting, Channeling , Street lightening of segment ; Paskuqan 2 Vreshte Kufiri Koder Kamez” (Lot three). With all parameters , KUB, KUN, NDRICIM,UJESJELLES)	The Project is ready	59,332,515	Not approved
5	“ Ordering, Asphaltting, Channeling , Street lightening of segment ;Babrru Koder e Kuqe (shkarkimi I kolektorit te impiantit te Bovilles)Me te gjithë parametrat , KUB, KUN, NDRICIM,UJESJELLES)	The Project is ready	130,607,960	Not approved
6	“ Ordering, Asphaltting, Channeling , Street lightening of segment; Babrru Qender - Koder e Kuqe Puseta” (Loti i II, III))Me te gjithë parametrat , KUB, KUN, NDRICIM,UJESJELLES)	The Project is ready	LII= 90889419 LIII=110167462	Not approved
7	“ Ordering, Asphaltting, Channeling , Street lightening of Block of Residence Babrru Qender”) with all parameters , KUB, KUN, NDRICIM,UJESJELLES)	The Project is ready	134,298,457	Not approved
8	“Construction of Kindergarden Paskuqan 1”. TWO FLOOR BUILDING	The Project is ready	22,700,041	Not approved
9	“ Ordering, Asphaltting, Channeling , Street lightening of segment ; Babrru Qender - Koder e Kuqe Puseta” (Lot IV). with all parameters , KUB, KUN, NDRICIM,UJESJELLES)	The Project is ready	163,463,432	Not approved
10	“Rehabilitation of Road Halit Haxhia” (Lot II). with all parameters , KUB, KUN, NDRICIM,UJESJELLES)	The Project is ready	53,558,162	Not approved
11	Reconstruction and building an extra floor in the all inclusive educational center Babrru Qender	The Project is ready	34,374,831	Not approved

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
12	“ Ordering, Asphaltizing, Channeling , enlightment of street “Isuf Xhelili” and street “Ejll Deda” in Paskuqan 2 Koder”.	The Project is ready	61,641,060	Not approved
13	“Construction of Municipal building of Paskuqan” A THREE FLOOR BUILDING	The Project is ready	150,010,340	Not approved
14	Construction KUZ + Road in Paskuqan 1 (School Lidhja Prizrenit-Lume) 1500	The Project is ready	10,745,605	Not approved
15	Construction of road and channelings in Paskuqan 2 Lot II(party line with Minimucipality 11)	The Project is ready	55,500,739	Not approved
16	Reconstruction of Road Demokracia (party line of minimunicipality 11 up to segmenti Ura Babrru Qender)	The Project is ready	189,085,925	Not approved
17	“Shkolla Fushe Kercik” THREE FLOOR BUILDING	The Project is ready	60,000,000	Not approved

Appendix 8–Legal Issues

Public Service Arrangements

Consolidated information for public service contracts that will be transferred to the Municipality in the context of the merge, is presented in Appendix 3- contracts public services, in a secure CD based on an inventory of public service contracts for every ex-municipality / administrative unit.

Legal Proceedings

Consolidated information on litigations that will be transferred to the Municipality in the context of the merge, is presented in Annex 4- Litigation, on a CD provided, based on the inventory of litigation of any ex-municipality / administrative unit.

Third party contracts

Consolidated information on third party contracts that will be transferred to the Municipality in the context of the merge, is presented in Annex 5- third party contracts in a secure CD based on the inventory of third party contracts of any ex-municipality / administrative unit.

Appendix 9 – Consolidated Financial Statements Template

Template 1: Balance Sheet-Statement of assets

Statement of assets has been prepared on accrual basis and includes short and long term assets; cash balances on hand and amounts to be collected.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Assets	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	12	Brought forward results		-	-	-
2	A	Non Current Assets		7,228,307	7,228,307	6,815,803
3		I. Intangible Assets		102,185	102,185	100,231
4	201	Amounts to be remitted and loan reimbursements		-	-	-
5	202	Studies and research	F6, Sh1	102,185	102,185	84,068
6	203	Concessions, license, other similar licenses		-	-	-
7	209	Amortization of current intangible assets (-)	F7, Sh1	-	-	-
8	230	Expenses for increase of current intangible assets		-	-	16,162
9		II. Tangible Assets		6,754,636	6,754,636	6,715,572
10	210	Land		56,960	56,960	56,960
11	211	Forests, Pasture, Plantation	F6, Sh1	42,286	42,286	42,286
12	212	Building and Constructions	F6, Sh1	2,678,895	2,678,895	2,678,895
13	213	Roads, networks, water facilities	F6, Sh1	3,695,950	3,695,950	3,667,533
14	214	Technical installment, machinery, equipment, working tools	F6, Sh1	76,481	76,481	75,794
15	215	TransYesrt vehicles	F6, Sh1	51,691	51,691	51,691
16	216	Government reserve		-	-	-
17	217	Working and production animals		-	-	-
18	218	Economic Inventory	F6, Sh1	148,339	148,339	149,880
19	219	Depreciation of tangible assets	F7, Sh1	(449,678)	(449,678)	(303,957)
20	231	Expenses in process for increase of current tangible assets	F4	453,713	453,713	296,492
21	232	Expenses in process for capital transfers		-	-	-
22	24	Damaged current tangible assets		-	-	-
23	28	Assignments		-	-	-
24	25	III. Financial Assets		371,486	371,486	-

			In ALL '000			
No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
25	25	Loan and sub-loans		-	-	-
26	26	Participation with own capital		371,486	371,486	-
27	B	CURRENT ASSETS		594,964	594,964	314,845
28	Class 3	I. Inventory Status		14,403	14,403	14,666
29	31	Materials	Sh2	994	994	1,290
30	32	Inventory Objects	Sh2	13,409	13,409	13,377
31	33	Production, work and services in process		-	-	-
32	34	Products		-	-	-
33	35	Goods		-	-	-
34	36	Animals fattening		-	-	-
35	37	Undelivered items or close to third party		-	-	-
36	38	Differences from warehouse prices		-	-	-
37	39	Forecasted amounts for inventory depreciation (-)		-	-	-
38	Class 4	II. Request for receivables		409,153	409,153	231,933
39	409	Suppliers, prepayments or partial payment		-	-	-
40	411-418	Similar clients or accounts		12,709	12,709	-
41	423	Employees, prepayment, deficits and penalties	Sh3	-	-	-
42	431	Rights and taxes to deYessit to government		-	-	-
		Taxes collected from central government for the Local				
43	432	Government		-	-	-
44	433	Expenses for natural disaster covered from the government		-	-	-
45	4342	Other operations with the government (debtor)		349,703	349,703	184,325
46	435	Social Insurance		-	-	-
47	436	Health Insurance		-	-	-
48	437	Other social organizations		-	-	-
49	44	Other public institutions		-	-	-
50	45	Relationships with institutions in and outside the system		-	-	-
51	465	Receivables from selling of bonds		-	-	-
52	468	Different Debtors	Sh4	46,742	46,742	47,608
53	49	Forecasted amounts for depreciation (-)		-	-	-
54	51	III. Financial accounts		171,407	171,407	68,245
55	50	Securities		-	-	-

			In ALL '000			
No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
56	511	Amounts to receive		-	-	-
57	512	Bank		-	-	-
58	520	Treasury funds	Sh5	171,407	171,407	68,245
59	531	Petty-cash		-	-	-
60	532	Other amounts		-	-	-
61	54	Recognized and prepayments		-	-	-
62	56	Accounts in Lending Institutions		-	-	-
63	59	Devaluation provisions on securities (-)		-	-	-
64	C	Other Assets		-	-	-
65	477	Assets conversion differences		-	-	-
66	481	Expenses to distribute in several exercises		-	-	-
67	486	Expenses in the future		-	-	-
68	85	EXERCISE RESULTS (saldo debitore)		-	-	-
69	X	ASSETS TOTAL		7,823,271	7,823,271	7,130,647
70	81	ACCOUNTS OUT OF BALANCE SHEET		-	-	-
71	80,81	Active evidences		-	-	-

Template 2: Balance Sheet - Statement of fund and liabilities

Funds and Liability Statement has been prepared on accrual basis and presents its own funds and obligations of Municipality.

(Amount in ALL '000, unless otherwise stated)

No.	Account Number	Liabilities	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	A	OWN FUNDS		7,242,710	7,242,710	6,682,179
2	10	I. Own funds		7,242,710	7,242,710	6,682,179
3	101	Base funds	F8	6,697,170	6,697,170	6,150,620
4	105	Capital internal grants		313,654	313,654	287,391
5	106	Capital foreigner grants		231,886	231,886	244,169
6	107	Current assets in use		-	-	-
7	109	Reserves from revaluation of current assets		-	-	-
8	11	II. Other own funds		-	-	-
9	111	Reserve funds		-	-	-
10	115	Assignments from the year results for investments		-	-	-
11	116	Revenues from selling of current assets		-	-	-
12	12	III. Carried result		-	-	-
13	13	IV. Exceptional subsidiaries (-)		-	-	-
14	14	V. Participation of the institution in investing for third parties		-	-	-
15	15	VI. Forecasted amounts for disasters and expenses		-	-	-
16	B	LIABILITIES		414,991	414,991	396,529
17		I. Long-term debts		-	-	-
18	16	Internal borrowing and similar		-	-	-
19	17	Borrowing out of the country		-	-	-
20	Class 4	II. Short term liabilities		414,991	414,991	396,529
21	419	Clients (Creditors), partial prepayment		12,709	12,709	-
22	401-408	Suppliers and related accounts	Sh6	222,591	222,591	296,908
23	42	Employees and related accounts		14,456	14,456	14,578
24	431	Liabilities to government for taxes		644	644	773
25	432	Taxes collected from government for the local government		-	-	-
26	433	Government natural disaster		-	-	-

				In ALL '000		
No.	Account Number	Liabilities	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
27	4341	Te tjera operacione me shtetin(kreditor)		46,742	46,742	47,608
28	435	Social Insurance		4,148	4,148	3,866
29	436	Health Insurance		576	576	537
30	437	Other social organizations		-	-	-
31	44	Other public institutions		-	-	-
32	45	Relationships with institutions in and outside the system		-	-	-
33	460	Borrower		-	-	-
34	464	Liabilities for bond purchasing		-	-	-
35	466	Creditors for assets under guard	Sh5	5,837	5,837	12,646
36	467	Other creditors		107,288	107,288	19,613
37	C	OTHER ACCOUNTS		-	-	-
38	475	Incomes to register in the coming years		-	-	-
39	478	Passive converting differences		-	-	-
40	480	Incomes to classify or adjust		-	-	-
41	487	Incomes received before title exYessure		-	-	-
42	85	Result (credit amount)		165,570	165,570	51,939
43	X	TOTAL LIABILITY		7,823,271	7,823,271	7,130,647
44	81	ACCOUNTS OUT OF BALANCE SHEET		-	-	-
45	80,81	Passive evidences		-	-	-

Template 3-1: Statement of expenses

Statement of expenditure was prepared on accrual basis, as required by law no. 9936 on the "Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Expenses	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 6	A. Expenses for exploitation/usage		661,727	661,727	1,056,231
2	60	I. Current expenses		661,628	661,628	1,056,625
3	600	Salaries, bonuses		119,338	119,338	192,272
4	6001	Salaries		119,282	119,282	191,403
5	6002	TemYesrary salaries		27	27	325
6	6003	Bonuses		-	-	400
7	6009	Other personal expenses		29	29	144
8	601	Health and social insurance contributions		19,412	19,412	31,287
9	6010	Insurance contributions		15,804	15,804	26,425
10	6011	Health insurance		3,609	3,609	4,862
11	602	Other goods and services		169,828	169,828	139,114
12	6020	Stationary		4,400	4,400	10,636
13	6021	Special services		1,225	1,225	3,546
14	6022	Services from third party		59,817	59,817	58,413
15	6023	TransYesrt expenses		4,496	4,496	7,242
16	6024	Travel expense		26	26	461
17	6025	Ordinary maintenance expenses		5,520	5,520	8,993
18	6026	Rent expenses		2,072	2,072	3,282
19	6027	Expenses for legal liability for compensation		74,530	74,530	3,457
20	6028	Borrowing costs related to loans		-	-	-
21	6029	Other operating expenses		17,742	17,742	43,085
22	603	Subsidies		-	-	1,000
23	6030	Subsidies for price differences		-	-	-
24	6031	Subsidies to promote employment		-	-	-
25	6032	Subsidies to cover loss		-	-	-

				In ALL '000		
No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
26	6033	Subsidies for entrepreneurship		-	-	-
27	6039	Other subsidies		-	-	1,000
28	604	Current internal transfers		58,101	58,101	95,697
29	6040	Current transfers to other government levels		47,676	47,676	90,539
30	6041	Current transfers to various government institutions		2,440	2,440	47
31	6042	Current transfers for social and health insurance		-	-	-
32	6044	Current transfers for not for profit organizations		7,984	7,984	5,111
33	605	Current transfers with outsiders		-	-	-
34	6051	Transfers for IOS		-	-	-
35	6052	Transfers for foreign governments		-	-	-
36	6053	Transfers for non not-for profit organizations		-	-	-
37	6059	Other current transfers with foreign governments		-	-	-
38	606	Transfers family budgets and other individuals		294,949	294,949	597,256
39	6060	Transfers paid from ISS and HII		-	-	-
40	6061	Transfers paid from other institutions and Local government		294,949	294,949	597,256
41	63	II. Change in inventory balances	F1	99	99	(394)
42	68	III. Depreciation rates and expected balances		-	-	-
43	681	Amortization rates on exploitation		-	-	-
44	682	Residual value on fixed assets, damaged or disYessed		-	-	-
45	683	Amounts provided for exploitations		-	-	-
46	686	Amounts provided for finance assets		-	-	-
47	65, 66	B. Finance expenses		-	-	-
48	65	I. Internal finance expenses		-	-	-
49	650	Bond interest rates and direct loans		-	-	-
50	651	Borrowing costs related to loans		-	-	-
51	652	Other interest on government securities		-	-	-
52	656	Foreign exchange expenses		-	-	-
53	66	II. External finance expenses		-	-	-
54	660	Interest on loans from Foreign Governments		-	-	-
55	661	Interest on financing from international organizations		-	-	-
56	662	Interest on other foreign loans		-	-	-

				In ALL '000		
No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
57	67	C. Extraordinary Expenses		-	-	-
58	677	Losses from allowed errors from previous years		-	-	-
59	678	Other Extraordinary expenses		-	-	-
60	Class 6	TOTAL EXPENSES		661,727	661,727	1,056,231
61		D. RESULT CORRECTIONS ACTIVITES		284,953	284,953	484,148
62	828	Names of cancelled revenues		117,717	117,717	227,740
63	831	Determination of revenues for investments		150,328	150,328	219,649
64	8420	Revenues deYessited in the budget		-	-	-
65	8421	DeYessit in the budget of unused revenues		-	-	23,605
66	8422	Transfers of revenues within the system		3,660	3,660	-
67	8423	Transfers for changes in situation		165	165	2,102
68	8424	Transfers for identified debtors and similar items		13,084	13,084	11,052
69	Class 6 & 8	TOTAL FROM OPERATIONS		946,680	946,680	1,540,379
70	85	RESULTS FROM FUNCTIONING		165,570	165,570	55,599
71	X	TOTAL		1,112,251	1,112,251	1,595,978

Template 3-2: Statement of revenues

Income Statement is prepared on cash basis, as required tnga Law no. 9936 on 'Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Revenues	In ALL '000		
			As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 7	A. REVENUES	1,111,987	1,111,987	1,594,270
2	70	I. TAX INCOMES	97,472	97,472	151,472
3	700	a) On revenues, profit, and equity revenue	21,657	21,657	27,550
4	7000	Personal income tax	-	-	-
5	7001	Income tax	-	-	-
6	7002	Small business tax	21,657	21,657	27,550
7	7009	Other tax	-	-	-
8	702	b) Property tax	57,449	57,449	54,292
9	7020	On immovable property	53,457	53,457	46,951
10	7021	Sales of immovable property	1,327	1,327	3,835
11	7029	Other on property	2,665	2,665	3,506
12	703	c) Tax uYesn goods and services in the country	18,366	18,366	57,789
13	7030	VAT	-	-	-
14	7031	Special taxes	-	-	-
15	7032	Tax uYesn specific services	-	-	-
16	7033	Tax uYesn goods usage and activity permission	-	-	7,238
17	7035	Local tax on goods usage and activity permission	18,366	18,366	50,551
18	704	d) Tax uYesn commercial and international transactions	-	-	-
19	7040	Duties on imYesrt goods	-	-	-
20	7041	Duties on exYesrt goods	-	-	-
21	7042	Custom tariff and Yesst service	-	-	-
22	7049	Other tax uYesn international commercial transYesrt	-	-	-
23	705	e) Road tax	-	-	-
24	708	f) Other national tax	-	-	11,840
25	709	g) Penalty interest	-	-	-
26	75	II. SOCIAL AND HEALTH INSURANCE	-	-	-
27	750	From employee's	-	-	-

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
28	751	From employer	-	-	-
29	752	From self employees	-	-	-
30	753	From farmers	-	-	-
31	754	From volunteer insurance	-	-	-
32	755	Budget contribution for Social Insurance	-	-	-
33	756	Budget contribution for Health Insurance	-	-	-
34	71	III. NON TAX REVENUES	140,501	140,501	203,569
35	710	a) From enterprise and ownership	759	759	-
36	7100	From public non financial enterprise	-	-	-
37	7101	From public financial enterprise	600	600	-
38	7109	Others from enterprise and ownership	159	159	-
			-	-	-
39	711	b) Administrative service and secondary revenues	136,439	136,439	201,306
40	7110	Administrative tariffs and regulations	68,994	68,994	74,647
41	7111	Secondary revenues and payments of services	595	595	5,984
42	7112	Tax for legal actions and notary	6	6	-
43	7113	From goods and services sales	63,484	63,484	111,872
44	7114	Revenues from tickets	-	-	1,189
45	7115	Fines and late-fees, sequestration and compensation	3,359	3,359	112
		Revenues from ownership transfer, legalization of buildings			
46	7116	without permits	-	-	7,503
47	719	c) Other non tax revenues	3,303	3,303	2,262
48	72	IV. ACTUAL GRANTS (a+b)	846,108	846,108	1,228,845
49	720	a) Internal actual grant	846,108	846,108	1,228,845
50	7200	From same Government level	239,247	239,247	419,011
51	7201	From other Government levels	381,974	381,974	625,509
52	7202	From budget for special payments to Social Institute	-	-	-
		From budget to cover the deficit of Social Institute and			
53	7203	Healthcare Institute	-	-	-
54	7204	Participation of institution in national taxes	-	-	-
55	7205	Additional finances created within the system	-	-	-
56	7206	Expected financing from budget	224,887	224,887	184,325
57	7207	Third party sYesnsorship	-	-	-

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
58	7209	Other internal grants	-	-	-
59	721	b) External actual grants	-	-	-
60	7210	From foreigner Governments	-	-	-
61	7211	From international organizations	-	-	-
62	73	V. CHANGES IN PRODCUTS BALANCE	-	-	-
63	78	VI. WORK INVESTMENTS AND RETAKINGS	27,906	27,906	10,385
64	781	Works, investments in economy	-	-	-
65	782	Forecasted retakings for liquid assets	-	-	-
66	783	Forecasted retakings for fixed assets	-	-	1,397
67	784	Prepayment of expenses in the years to come	9,353	9,353	8,987
68	785	Use of funds of the year to come	-	-	-
69	787	Withdraw from investments	18,554	18,554	-
70	76	B. FINANCIAL INCOMES	-	-	-
71	760	From internal borrowing interests	-	-	-
72	761	From external borrowing interests	-	-	-
73	765	Incomes from deYessits interests	-	-	-
74	766	Revenues from exchange rates	-	-	-
75	77	C. EXTRAORDINARY REVENUES	-	-	-
76	773	From closed activities and changes in strategy	-	-	-
77	777	From mistakes allowed in previous exercise	-	-	-
78	778	Correction from previous year	-	-	-
79	779	Other revenues	-	-	-
80	Class 7	TOTAL INCOMES	1,111,987	1,111,987	1,594,270
81	83	D. RESULT CORRECTIONS ACTIVITES	263	263	1,708
82	829	Canceled or under written expense order	-	-	-
83	841	Status change transfer	263	263	1,708
84	Class 7 & 8	TOTAL FROM OPERATIONS	1,112,251	1,112,251	1,595,978
85	85	RESULTS FROM FUNCTIONING	-	-	-
86	X	TOTAL	1,112,251	1,112,251	1,595,978

Template 4: Funds and expenses related to investments

Financing costs associated with the investments represents all capital assets under construction that are not yet completed and not yet transferred to fixed assets.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description	In ALL '000			
			Opening Balance, 1 January 2015	Transactions during the Year		Closing Balance, 31 July 2015
				Debit	Credit	
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
1	I	SOURCE OF FUNDS	-	326,729	117,717	(209,012)
2	105	Internal capital grants	-	58,802	-	(58,802)
3	1050	From the same government level	-	15,805	-	(15,805)
4	1051	From other Government levels	-	42,879	-	(42,879)
5	1052	Third parties contribution for investments	-	-	-	-
6	1059	Internal grants in nature	-	118	-	(118)
7	106	Foreigner Capital grants	-	-	-	-
8	1060	From foreigner governments	-	-	-	-
9	1061	From international institutions	-	-	-	-
10	1069	Foreigner grants in nature	-	-	-	-
11	14	Capital grants for investments to third parties	-	-	-	-
12	145	Internal grants, participation capital in investments for third parties	-	-	-	-
13	146	Foreigner grants, participation capital in investments for third parties	-	-	-	-
14	11	Other own funds	-	267,928	117,717	(150,210)
15	111	Reserve funds	-	-	-	-
16	115	Fund allocation for investments from result of the year	-	267,928	117,717	(150,210)
17	116	Revenues from tangible assets sales	-	-	-	-
18	12	Carried result	-	-	-	-
19	16	Internal borrowing and similar	-	-	-	-
20	160	Bonds and direct credit (entry)	-	-	-	-
21	161	Other internal borrowing (entry)	-	-	-	-
22	162	Borrowing through securities (entry)	-	-	-	-
23	165	Bonds and direct credit (outing)	-	-	-	-

			In ALL '000			
No.	Account Number	Description	Opening	Transactions during the Year		Closing
			Balance, 1 January 2015	Debit	Credit	Balance, 31 July 2015
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
24	166	Other internal borrowing (outing)	-	-	-	-
25	167	Borrowing through securities (outing)	-	-	-	-
26	17	Borrowing from foreigner Governments	-	-	-	-
27	170	Borrowing from foreigner governments (entry)	-	-	-	-
28	171	Borrowing from international institutions (entry)	-	-	-	-
29	172	Other borrowings (entry)	-	-	-	-
30	175	Borrowing from foreigner Governments (outing)	-	-	-	-
31	176	Borrowing from international institutions (outing)	-	-	-	-
32	177	Other borrowings (outing)	-	-	-	-
33	II	EXPENSES FOR INVESTMENTS	312,654	263,572	122,513	453,713
34	230	Expenses for increase of Intangible Assets	16,162	-	16,162	-
35	231	Expenses for increase of Tangible Assets	296,492	263,572	106,350	453,713
36	2310	Land	-	-	-	-
37	2311	Forests, Pasture, Plantation	-	-	-	-
38	2312	Building and Constructions	-	1	1	-
39	2313	Roads, networks, water facilities	296,492	263,572	106,350	453,713
40	2314	Technical installment, machinery, equipment, working tools	-	-	-	-
41	2315	TransYesrt vehicles	-	-	-	-
42	2316	Government reserve	-	-	-	-
43	2317	Working and production animals	-	-	-	-
44	2318	Economic Inventory	-	-	-	-
45	232	Capital transfers	-	-	-	-
46	25	Lending	-	-	-	-
47	255	Outing for internal lending	-	-	-	-
48	256	Outing for transactions of foreigner lending	-	-	-	-
49	250	Entry from internal lending principal	-	-	-	-
50	251	Entry from foreigner lendings principal transaction	-	-	-	-
51	26	Participation with own equity	-	-	-	-
52	265	Outing for own equity in non profit public enterprise	-	-	-	-

			In ALL '000			
No.	Account Number	Description	Opening Balance, 1 January 2015	Transactions during the Year		Closing Balance, 31 July 2015
			<i>c</i>	<i>Debit</i> <i>d</i>	<i>Credit</i> <i>e</i>	<i>f</i>
<i>a</i>						
53	266	Outing for own equity in financial institutions	-	-	-	-
54	267	Outing for own equity in Noint venture	-	-	-	-
55	269	Outing for own equity other	-	-	-	-
56		Total (I + II)	312,654	590,302	240,230	244,701

Template 5: Statement of cash flows

Cash Flow Statement presents the cash movements during the year, including the opening balance brought forward from the previous year and the cash balance at the end of the year carried forward to next year.

(Amount in ALL '000, Unless otherwise stated)

		In ALL '000			
No.	Account Number	Treasury Balance		Bank Liquidity	
		Debit c	Credit d	Debit e	Credit f
<i>a</i>					
1	I. OPENING BALANCE	68,245	-	-	-
2	II. RECEIVABLES "CASH"	911,718	-	-	-
3	1. Funds from budget	532,488	-	-	-
4	Actual budget funds (Budget with changes)	473,346	-	-	-
5	Capital budget funds (Budget with changes)	59,141	-	-	-
6	2. Incomes and revenues during the year in "Cash"	379,231	-	-	-
7	Tax revenues in "Cash"	97,539	-	-	-
8	Social and health insurance in "Cash"	-	-	-	-
9	Non tax revenues "Cash"	139,552	-	-	-
10	Interact incomes "Cash"	-	-	-	-
11	SYesnsorships, grants and other revenues "cash"	142,140	-	-	-
12	Loans and different lending	-	-	-	-
13	Entry from storage "Cash"	-	-	-	-
14	III. PAYMENTS OF THE YEAR "CASH"	-	742,913	-	-
15	1. Payment from the budget for actual expenses	-	392,525	-	-
16	2. Payments from the budget for capital expenses	-	55,838	-	-
17	3. Payments from revenues for actual expenses	-	133,287	-	-
18	4. Payments from revenues from capital expenses	-	148,374	-	-
19	5. Payments from storage	-	12,890	-	-
20	6. Other payments	-	-	-	-
21	IV. TRANSFERS	-	65,643	-	-
22	1. DeYessit of revenues in the budget	-	-	-	-
23	2. Unused budget (actual and capital)	-	-	-	-
24	3. Internal movements and transfers	-	65,643	-	-
25	V. MOVEMENTS TOTAL (I UP TO IV)	979,964	808,556	-	-
26	VI. CLOSING BALANCE	171,407	-	-	-

Template 6: Statement of Fixed Assets' Balance and Changes during the year

Statement of changes in asset balances and stable during all the changes presents tangible and intangible assets during the year, measured at cost.

In ALL '000.

No.	Description	Opening	Additions during the Year					Decreases during the Year			Closing	
		Balances	Purch.	Transf.	Out	In	Mov.	Total	Sales	Write Off	Other Decr.	Total
<i>a</i>	<i>b</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
1	I. INTAGIBLE	100,231	1,954	-	-	-	1,954	-	-	-	-	102,185
	Amounts to be remitted and loan											
2	201 reimbursements	-	-	-	-	-	-	-	-	-	-	-
3	202 Studies and research	84,068	-	-	-	-	-	-	-	-	-	84,068
4	203 Concessions, license, other similar licenses	-	-	-	-	-	-	-	-	-	-	-
4/1	230 Expenses for increase of current intangible assets	16,162	1,954	-	-	-	1,954	-	-	-	-	18,116
5	II. TANGIBLE	6,723,037	108,084	98	20	627	108,829	431	-	80,834	81,265	6,750,601
6	210 Land	56,960	-	-	-	-	-	-	-	-	-	56,960
7	211 Forests, Pasture, Plantation	42,286	-	-	-	-	-	-	-	-	-	42,286
8	212 Building and Constructions	2,678,895	1	-	-	-	1	-	-	-	-	2,678,895
9	213 Roads, networks, water facilities	3,667,533	107,387	-	-	627	108,014	-	-	79,596	79,596	3,695,950
10	214 Technical installment, machinery, equipment, working tools	75,794	687	-	-	-	687	-	-	-	-	76,481
11	215 TransYesrt vehicles	51,691	-	-	-	-	-	-	-	-	-	51,691
12	216 Government reserve	-	-	-	-	-	-	-	-	-	-	-
13	217 Working and production animals	-	-	-	-	-	-	-	-	-	-	-
14	218 Economic Inventory	149,880	10	98	20	-	128	431	-	1,238	1,669	148,339
17	24 Damaged current tangible assets	-	-	-	-	-	-	-	-	-	-	-
18	28 Assignments	-	-	-	-	-	-	-	-	-	-	-
19	T O T A L (I + II)	6,823,268	110,038	98	20	627	110,783	431	-	80,834	81,265	6,852,786

Template 7: Statement of Fixed Assets' depreciation

The statement below presents the movements in accumulated amortization of tangible and nontangible assets, including the amortization of the year for the respective additions and disYessals.

(Amount in ALL'000, Unless otherwise stated)

In ALL '000

N	Account Number	Description	Opening	Additions during the Year			Decreases during the Year			Closing	
			Accomulated Depreciation 1 January 2015	Dep. Charge for the year	Other Addit.	Total	Sales	Write off	Other Depr.	Total	Accomulated Depreciation 31 July 2015
<i>a</i>	<i>b</i>		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>
1	209	I. INTAGIBLE	-	-	-	-	-	-	-	-	-
2	219	II. TANGIBLE	303,957	146,170	-	146,170	-	-	449	449	449,678
		TOTAL (I + II)	303,957	146,170	-	146,170	-	-	449	449	449,678

Template 8: Statement of changes in fund

*Statement of Changes in Fund presents all additions and reductions of fixed assets, amortization charge for the year and other changes affecting the fund.
(Amount in ALL '000, Unless otherwise stated)*

No.	Acc. No.	Description	Restated							
			Opening Balance 1 Jan. 2015	Period of Movements		Closing Balances 31 July 2015	Opening Balance 1 Jan. 2015	Period of Movements		Closing Balances 31 July 2015
			Credit <i>1</i>	Debit <i>2</i>	Credit <i>3</i>	Credit <i>4=1+3-2</i>	Credit <i>1</i>	Debit <i>2</i>	Credit <i>3</i>	Credit <i>4=1+3-2</i>
1	101	BASE FUND	6,678,519.46	227,999	792,189	7,242,710	6,678,519	227,999	792,189	7,242,710
2	1010	Status of base fund	6,678,519	-	510,799	7,189,318	6,678,519	-	510,799	7,189,318
3	1011	Additions base fund	-	-	281,391	281,391	-	-	281,391	281,391
4	1012	Decrease base fund	-	82,277	-	(82,277)	-	82,277	-	(82,277)
5	1013	Decrease from tangible assets consume	-	145,722	-	(145,722)	-	145,722	-	(145,722)
6	1014	Decrease from selling tangible assets	-	-	-	-	-	-	-	-
7	1015	Decrease from	-	-	-	-	-	-	-	-
8	1016	Decrease from transferring tangible assets	-	-	-	-	-	-	-	-
9	109,	DIFFERENCE IN TANGIBLE ASSETS REVALUATION	-	-	-	-	-	-	-	-
10	105,107,11,12, 13,145,15,85	INTERNAL FUND	55,599	810,734	920,705	165,570	55,599	810,734	920,705	165,570
11	105	Capital internal grants	-	-	-	-	-	-	-	-
12	107	Current assets in use	-	-	-	-	-	-	-	-
13	11	Other own funds	-	-	-	-	-	-	-	-
14	12	Carried result	-	-	-	-	-	-	-	-
15	13	Exceptional subsidiaries	-	-	-	-	-	-	-	-
16	145	Participation of the institution in investing for third parties	-	-	-	-	-	-	-	-
17	15	Forecasted amounts for disasters and expenses	-	-	-	-	-	-	-	-
18	85	Result	55,599	810,734	920,705	165,570	55,599	810,734	920,705	165,570
19	106	EXTERNAL FUND	-	-	-	-	-	-	-	-
20	106	Capital foreigner grants	-	-	-	-	-	-	-	-
21	146	Capital foreigner grants investing for third parties	-	-	-	-	-	-	-	-
22		CONSOLIDATED FUND (1 up to 4)	6,734,118	1,038,732	1,712,894	7,408,280	6,734,118	1,038,732	1,712,894	7,408,280

Template 9: Statement of number of employees and personnel expenses

The statement below presents information about the number of employees for various positions, with appropriate salaries and other expenses.

(Amount in ALL '000, Unless otherwise stated)

In ALL '000

No.	Categories	Annual Average No. of Employees	Turnover of the Employ. During the year		No. of Employ. At the end of the year	Salaries and Contributions					
			New Employ.	Leaved		Total Salaries	Addit. Rewards	Immed. Social Assistance	Social and Health Insurance	Other Rewards	Income Tax
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<i>a</i>	Total number of employees (1+2+3+4+5+6)	393	36	34	395	119,338	-	-	32,078	-	4,346
<i>1</i>	Directors High level education specialist	23	1	1	23	13,032	-	-	3,460	-	1,602
<i>2</i>	Technical Ordinary officers	132	17	11	138	54,157	-	-	14,444	-	2,300
<i>3</i>	Employees Temporary employees	8	-	-	8	3,589	-	-	1,001	-	130
<i>4</i>		73	2	22	53	17,604	-	-	4,730	-	314
<i>5</i>		157	16	-	173	30,957	-	-	8,443	-	-
<i>6</i>		-	-	-	-	-	-	-	-	-	-

Template 10: Summary Consolidated Statement of financial Position

Consolidated statements of financial Position represent the consolidated financial Position of the Municipality.

			In ALL '000		
No.	Account Number	Description	2015 Period Restated	2015 Period	2014 Period
1	A	Assets	7,823,271	7,823,271	7,130,647
2	I	Current Assets	594,964	594,964	314,845
		1. Petty- Cash, Banks, and Funds			
3	Class 5	Availability	171,407	171,407	68,245
13	Class 4	2. Receivables	409,153	409,153	231,933
29	Class 3	3. Current Inventory accounts	14,403	14,403	14,666
39	II	Non-current Assets	7,228,307	7,228,307	6,815,803
40	23	1. Investments	453,713	453,713	312,654
44	25,26	2. Finance assets	371,486	371,486	-
47	21,24,28	3. Tangible assets	6,300,923	6,300,923	6,419,081
60	20	4. Intangible assets	102,185	102,185	84,068
65	III	Other assets	-	-	-
69	B	Liabilities	414,991	414,991	396,529
70	I	Current liabilities	414,991	414,991	396,529
71	Class	1. Accounts payable	414,991	414,991	396,529
88	16	2. Non-current liabilities	-	-	-
89	II	Non liquid liabilities	-	-	-
90	17	1. Foreign loans	-	-	-
91	III	Other liabilities	-	-	-
96		Net assets (A - B)	7,408,280	7,408,280	6,734,118
97		Presented: Consolidated budget	7,242,710	7,242,710	6,682,179
98		Carried forward results	165,570	165,570	51,939

Template 11: Consolidated statement of comprehensive income and operating expenses

Consolidated statement of comprehensive income and expenses represents the consolidated statement of the comprehensive income of the Municipality.

			In ALL '000		
No.	Account Number	Description	2015 Period Restated	2015 Period	2014 Period
<i>1</i>	<i>2</i>	<i>3</i>	<i>5</i>	<i>6</i>	<i>7</i>
1	A	TOTAL REVENUES	1,112,251	1,112,251	1,595,978
2	70,750,71	I. REVENUES AND CONTRIBUTES	237,973	237,973	355,041
3	70	1. Tax revenues uYesn	97,472	97,472	151,472
11	75	2. Contributions and social and health insurance	-	-	-
19	71	3. Non tax revenues	140,501	140,501	203,569
23	72	II. GENERAL ACTUAL GRANTS	846,108	846,108	1,228,845
26		III. FINANCIAL REVENUES	-	-	-
31	78	IV. WORKS FOR INVESTMENTS	27,906	27,906	10,385
32	77, 83	V. OTHER REVENUES	263	263	1,708
33	B	TOTAL EXPENSES	946,680	946,680	1,540,379
34		I. ACTUAL EXPENSES	661,628	661,628	1,056,625
35	600 601	1. Salaries and employees contribution	138,751	138,751	223,559
38	602	2. Goods and Services	169,828	169,828	139,114
49	603	3. Subsidies	-	-	1,000
50	604	4. Internal actual transfers	58,101	58,101	95,697
51	605	5. External actual transfers	-	-	-
52	606	6. Budget transfers for families and individuals	294,949	294,949	597,256
53	68	II. AMORTIZATION QUOTES AND FORECASTED AMOUNT	-	-	-
54	66	III. FINANCIAL EXPENSES	-	-	-
57	67	IV. OTHER EXPENSES	285,052	285,052	483,754
58	C	DETERMINED NET INCOME	165,570	165,570	55,599
59		From this: Functioning results	165,570	165,570	55,599
60		Functioning observed grants	0	0	(0)

STAR Project

**Municipality Kavajë
Consolidated Due Diligence report**

Glossary

ACP	Agency of Consumer Protection
Agency	Agency of Itocktaking of Public Property at the Ministry of Internal Affairs
ALL	Albanian Lek
APP	Public Procurement Agency
CD	Compact Disc
CDL	Council Decision of LGU
CHUIA	Central Unit of Coordination of Internal Audit
DCM	Decision of the Council of Ministers of Republic of Albania
Cr	Credit
Dr	Debit
F	Form
FID	Fiscal Identification Number
FS	Financial Statement
FY	Financial year
GA	Government of Albania
HR	Human Resources

IT	Information Technology
KKRT	National Council on Territory Regulation
LGU	Local Government Administrative Unit
MF	Ministry of Finance of Republic of Albania
n/a	Not Applicable
NBV	Net Book Value
No	Number
PM	Policy Modification
RE	Reclassifications
T	Template
TAR	Territorial and administrative reform
VAT	Value Added Tax
WIP	Work In Progress

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Operational due diligence

Summary of observations and recommendations

- A summary of observations and recommendations, in the context of their merger process is comprised as follows:

Observations	Recommendations
<p>Roles – Mayor</p> <ul style="list-style-type: none"> • Under the law in force for the local government, the Municipality mayor is responsible for the approval of the new organizational structure of the municipality and the regulation for its organization functioning. Currently we observed a conservative approach, almost formal, to the organizational structure, which makes it a document that does not add much value in practice. 	<ul style="list-style-type: none"> • The new municipality may consider an innovative approach to the new organization structure. The new structure may have a functional approach; which means to have agility, accountability, efficiency and effectiveness in delivering services to the community. As such it may be suggested that the Mayor, in adopting it, take into account not only the general principles that should normally lead organization and functioning of the municipality, but also take into consideration all the specific circumstances characterizing the specific municipality; which means the types of services offered, how to provide these services, geographical condition which affect the decision-making and above all, human resources and the type of work required in fulfilling these functions.
<p>Roles – Deputy Mayor</p> <ul style="list-style-type: none"> • In most of ex - municipalities and ex- administrative units in question, the deputy mayor was conceived more as an onorifik position. 	<ul style="list-style-type: none"> • The new municipality may consider a more active role of the deputy mayor, who can take care of meeting the targets by certain parts of the municipal administration. It is suggested that the Deputy Mayor take an active role in the management of the municipality. Because this position under the direct authority of the mayor who appoints and dismisses it is assumed that among these there is also a steady relationship of trust. Setting the deputy mayor in active positions and fulfillment of policy objectives on the other side of the Mayor's cabinet delivers such functions leaving cabinet members focused on their original role; holder that counseling for various technical issues.

Observations	Recommendations
Rolet – Municipality Council	
<ul style="list-style-type: none"> In the law of organization and functioning of local government it is stipulated that the Municipality Council will be responsible for approving the budget, the maximum number of employees of the New Municipality and budgetary institutions and the maximum bonus level. It has been noted that the municipality council does not have sufficient time available for a detailed analysis of the budget. 	<ul style="list-style-type: none"> The new municipality may consider to prepare the budget and the new structure and to submit it to the council in a timely manner in order that the Municipality Council takes sufficient time for analysis and detailed examination of the structure of the budget and presented structure.
<p>Roles – Administrator</p> <ul style="list-style-type: none"> The Administrator is a new role stipulated in the amendments to the law of local government before the election of 2015. The administrator is appointed and dismissed by the Mayor who directs the Administrative Unit and oversees its operation. The administrator is supposed to assist the mayor in fulfillment of municipal functions in the territory of the administrative unit and be responsible for the quality of services provided to the public. It is noticed insufficient clearance about the administrator's role in relation to the services provided and hierarchical dependence of agencies expected to provide services to citizens. 	<ul style="list-style-type: none"> The new municipality may consider that the regulation of its organization and operation to clearly define the role of the administrator in relation to the services provided and hierarchical dependence agencies that will offer these services to citizens.
<p>Roles – Administrative Unit</p> <ul style="list-style-type: none"> The ex-municipality is not considered an administrative unit and has not appointed an administrator. 	<ul style="list-style-type: none"> The mayor should consider the fact that under the law on territorial reform, the ex- municipality itself is an administrative unit like all other LGUs and therefore the appointment of an administrator would facilitate his work in the management of the territory of the ex-municipality and help improve the monitoring of the quality of services provided to the community in that territory.
<p>Functions - order and civil protection</p> <ul style="list-style-type: none"> The maximum number of police forces of LGU's for every existing 	<ul style="list-style-type: none"> This DCM appear to undermine the organizational autonomy granted to the municipality by the Constitution of the Republic of Albania and the law on the organization and functioning of local government as it limits the number of police forces and do not allow the municipality to determine it by themselves as

Observations	Recommendations
<p>LGU is determined by the Council of Ministers ("DCM") No.313, dated 01.07.2002, on "Determining the structure, number of employees, and costs for municipal police.</p>	<p>needed. In these conditions it is suggested that the municipality or forms of organization that protects the interests of local governments to require the change of this decision.</p>
<p>Orientation – Mixed orientation of administrative structures</p> <ul style="list-style-type: none"> • Organizational units have a mixed orientation and exercise sectoral and horizontal functions. 	<ul style="list-style-type: none"> • The municipality may consider that the positions of the same field or closely related fields are grouped within the same organizational unit and organization sectors, directory or general directory is carried out in case of fulfillment of numerical standards for each of them.
<p>Organization - diverse label of organizational units</p> <ul style="list-style-type: none"> • Organizational unit in the actual structures are not named and organized in an orderly manner, there are offices, sectors, companies, brigades, etc. 	<ul style="list-style-type: none"> • The new municipality may consider re-organization and name them in an orderly and hirerchal manner. For this purpose it is suggested that organizational units should be divided into sectors, directory and general directory depending on the fulfillment of numerical standards.
<p>Orientation - horizontal functions</p> <ul style="list-style-type: none"> • Support functions are performed by many sub-units, whether in the municipality, or in the administrative unit. 	<ul style="list-style-type: none"> • The new municipality should consider the concentration of some of the horizontal functions / support in order to increase efficiency and accountability in their exercise. • Public procurement should be centralized and be part of the main section of the structure. • Internal audit of the local government unit should directly report to the mayor (functional reporting) without being dependent from any other organ of the municipality in addition to the General Secretary from whom should depend on terms of organization in accordance with the legislation in force.The Internal Audit Report to the Head of the institution should be presented simultaneously also to the municipal council and the decision-making resulting from it are a collegial decision between the institution and the relevant municipal council. • The finance service, budget and procurement should also be centralized and carried on center. • Information technology service should also be centralized and monitored from the center of the municipality through the creation and implementation of the

Observations	Recommendations
	<p>electronic systems of internal communication.</p> <ul style="list-style-type: none"> The service of human resource management and revenue management should also be centralized and carried on the municipality.
<p>The organization and structure - digital standard</p> <ul style="list-style-type: none"> Offices, sectors, brigades, directories, etc do not have in their composition a sufficient number of employees to be qualified as such, pursuant to Decision no. 893, dated 12.02.2014. 	<ul style="list-style-type: none"> The new municipality may consider that a sector must have at least 5 employees, including the head of the sector, except in special cases where it is impossible for specialists of various fields be grouped in a single sector; Directoris should have at least 2-3 sectors or at least by 10-15 employees and the general directories should consist of at least 2 directors per each. This standard can be applied regardless of the typology of employees serving in these structures.
<p>The organization and structure - Policy-making in the provision of services and horizontal functions.</p> <ul style="list-style-type: none"> There is a lack of clear division within the administrative units which perform multi functions, service delivery, policy-making and horizontal functions. 	<ul style="list-style-type: none"> The new municipality may consider adopting an organizational structure that has a clear separation between the functions of policy-making and monitoring the quality of services, horizontal functions and service delivery. For this purpose, it is suggested that the main top management of the organizational units should be responsible for the design and monitoring of policies and horizontal functions / support to these policies. The majority of the policy-makers should be composed of civil servants under the existing laws in force.
<p>The organization and structure - Delivery of services to the community</p> <ul style="list-style-type: none"> There is no clear division of functions within the organization's administration. 	<ul style="list-style-type: none"> In terms of services offered to the public it is suggested that these should be organized and provided by institutions that might be designated as enterprise or agency and would be positive if kept homogeneity of their name in the whole territory of the Republic of Albania in order to avoid confusion about their status or powers. It is suggested that these should be named "Agency" by adding the respective field of action. All employees of these agencies will be time administrative staff as well as their activities are simply services offer on the basis of the objectives and policies of the organizational units of the main block. Their activity will also be under the control and monitor of these organizational units are the main block. At the technical level these agencies are run by directors or general managers depending on the fulfillment of digital standard. How long they are typically service agency, it is assumed that their working

Observations	Recommendations
	relationship, regardless of the name of internal organization units, to be based in the Labour Code.
<p>The organization and structure – relation with voters community</p> <ul style="list-style-type: none"> Absence of a specialized designated structure for relations with the voters community and other institutions or entities, public or private, domestic or foreign. 	<ul style="list-style-type: none"> The municipality may consider creating an organizational unit responsible for relations with the voters community and eventually with other institutions. This unit can be arranged as a sector or the directory depending on the fulfillment of numeric standard. This unit have also suggested to have archive and protocol workers for how long that it will be the focal point of cooperation and interaction with the public and the municipality responsible for relations with other institutions. Also, given the recent initiatives undertaken in connection with the establishment of service offices with a stop (one stop shop or front office) suggested that part of this unit can be linked or de-localized in the local units existing supervised by administrators. Last but not least, these units should be composed of the archive and protocol workers, either at central or de-localized level.
<p>Personnel matters – The tranfer of the staff</p>	
<ul style="list-style-type: none"> As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 of labor relations existing between the merged entity (LGU's) and their employees will be transferred to the Municipality of Kavajë. It is worth mentioning that, also the ex-municipality, before the amalgamation process, it is considered as one of the units that is merged. An employee has fixed-term employment contratc (1 year term). However, the employee, according to the report, has begun the work relationship on 01.01.2006. 	<ul style="list-style-type: none"> In accordance with the provisions of the Labour Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, it is recommended that the case be seen whether the provisions for the settlement of an employment contract with indefinite term can be applied. Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same

Observations	Recommendations
	<p>category. The transfer must be carried out under the provisions of the law on civil servants.</p> <ul style="list-style-type: none"> • Related to civil servants who are on probation, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. • The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources • It is recommended that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.
<p>Personnel matters – Termination of working relationship</p>	
<p>The reorganization may bring the necessity of termination of the employment relationship of some employees of the Municipality. Problems may arise if the labor relations with employees, who leave, do not terminate in accordance with the status that they have. In the event that the relevant provisions do not apply for the termination of labor relations, it has financial consequences for the Municipality.</p>	<ul style="list-style-type: none"> • It is recommended to keep in mind that the legal basis for the termination of working relationships is different depending on the category of employees and respectively: <ul style="list-style-type: none"> <i>Political functionaries.</i> Political functionaries of a Municipality are the deputy mayors, administrators and the employees of the mayor's cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations. <i>Employees with working contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is

Observations	Recommendations
	<p>different depending on seniority.</p> <p><i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer.</p>
<p>Information Technology – Lack of security rules and softwares</p> <ul style="list-style-type: none"> Computers are not managed through a centralized and standardized system that automates the network management of user account data and security requirements. Therefore, the implementation of safety rules and access management is not implemented. 	<ul style="list-style-type: none"> The municipality may consider adopting clear regulations on information security and implement the necessary softwares for managing and storing information.
<p>Information Technology – Lack of hardware devices</p> <ul style="list-style-type: none"> The level of availability of hardware equipment is at the minimum level. Not all employees have access to a personal computer and the existing devices are from a wide variety of brands and models. There is lack of servers and back-up mechanisms for information. 	<ul style="list-style-type: none"> The municipality may consider unifying the types of hardware devices that are currently being used. This would also help in ensuring their maintenance by specialized companies.
<p>Communication – Lack of electronic means of communication</p> <ul style="list-style-type: none"> Despite that the administrative units have internet access, none of them has an internal electronic communication system. 	<ul style="list-style-type: none"> The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by setting clear rules on the type of information that can be charged or circulate on these platforms.
<p>Communication – Lack of telephone service</p> <ul style="list-style-type: none"> Administrative units do not have telephone service. 	<ul style="list-style-type: none"> The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.

Observations	Recommendations
<p>Archive - Centralization of archive</p> <ul style="list-style-type: none"> The archive volume of the new municipality is expected to increase from the documents received from the previous local government units. Consequently reorganization of the new Municipality archive and its maintenance can be difficult. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.
<p>Archive - Lack of technical requirements in the management of the archive</p> <ul style="list-style-type: none"> In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, missing security doors and windows, missing duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours. 	<ul style="list-style-type: none"> The new municipality may consider taking necessary measures to guarantee the physical safety and security of preserving the archive from possible damages.
<p>Asset Management – lack of registers</p> <ul style="list-style-type: none"> Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties. 	<ul style="list-style-type: none"> Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

The structure and organization

Organizational Model

Analysis of the organization and structure for the Municipality Kavajë and five existing LGUs of Golem, Synej, Helmas and small Luz is performed based on organizational model developed on "Guidelines for the Control of the Local Government Units" and its annexes.

- The aim is to facilitate the analysis of segregation of the roles and responsibilities in administrative structures, and to provide consistency in the process of amalgamation.

Table 1: Roles in the municipaloty/administrative units

Roles	Kavajë	Golem	Synej	Helmas	Luz i vogel
LGU Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deputy Mayor	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	X
Secretary of the LGU Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Their respective responsibilities include:

- LGU Council: The adoption of the Statute of the LGU and internal rules of operation of the local council; approval of the organizational structure and administration of the LGU budget and its institutions, the number of their personnel, the criteria for qualifications, salaries and criteria for their reward.
- Mayor: The mayor is responsible for carrying out all functions of the Municipality, except those powers that are attributed to the Council. The

- The results of four elements of the organizational model: roles, functions, service delivery and orientation, are summarized below.

Roles

Performed roles are shown in table 1, below:

Mayor shall exercise all the rights and ensures the fulfillment of all obligations of local government based on his status as a legal entity.

- Deputy Mayor: Assist the Mayor in the supervision of the operation of LGU.
- Secretary of the LGU Council: Storage of the official documents of the council; sending notifications for the Council meetings; Publication of notices and decisions taken by the Council; Preparation of public hearings with LGU's Council.

After the merger, 5 units are transformed in administrative units, as presented in the table 2 below.

Table 2: Roles in the Municipality

Roli				
New Municipality	Kavajë			
Municipality Council	<input type="checkbox"/>			
Mayor	<input type="checkbox"/>			
Deputy Mayor	<input type="checkbox"/>			
Secretary of Municipality Council	<input type="checkbox"/>			
Administrative Unit	Golem	Synej	Helmas	Luz i vogel
Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Municipality Council will continue to exercise the same powers. To help in the improvement of the efficiency of the Municipality, The Municipality Council will undertake the amended responsibilities, as follows:
 - Approval of salary and bonuses for employees and others elected or appointed according to the law.
 - By approving the budget and its changes, the Council will also approve the maximum number of employees of the Municipality and budgetary institutions depending on the Municipality.
- The Mayor shall continue to exercise the same powers. To assist with improving the effectiveness of the Municipality, the Mayor will take on new responsibilities, as follows:
 - Approval of the Municipality organizational structure and basic regulations of the Municipality administration and its budgetary institutions depending on the Municipality.
 - Appoints and dismisses managers of administrative units.
- Deputy Mayor/s shall continue to exercise the same powers. The Municipality Mayor shall appoint them.
- Secretary of Municipality Council shall continue to exercise the same powers. The Municipality Mayor shall appoint him.
- The Administrator is a new role. He / she shall be appointed and dismissed by the Mayor and shall undertake the following responsibilities:

- Runs the administrative unit and reports to the Mayor about the functioning of the administrative unit;
- Observes and examines administrative offenses;
- It has the right to delegate its powers in connection with the conclusion and review of administrative offenses, to other employees of the administrative unit;

Functions

- Information on public services, with the number of people who carry out these functions, is shown in Table 3 on the following page.

When people exercise more than one function, they are split proportionally according to the time spent, resulting in the equivalent of full-time workers. As a result, the number of people qualifying for some functions may not result rounded.

The total number of people performing public services is 333.81.

- The information can also present functions for which there is no allocation of human resources to execute them, and are set with 'n/a' (not applicable).
- Horizontal functions together with the number of people who carry out these functions are presented in table 4 below:

The total number of people that execute horizontal functions is 107.79.

Table 3: Public Services Functions and number of people associated with these functions

Public Services	Kavajë	Golem	Synej	Helmas	Luz i Vogël	Merged
Infrastructure and public services	Contracted	Contracted	Contracted	Contracted	Contracted	Contracted
Water Supply Company	Contracted	n/a	Contracted	Contracted	Contracted	n/a/ Contracted
Functioning of the sewerage system	Contracted	n/a	n/a	Contracted	Contracted	n/a/ Contracted
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	Contracted	Contracted	Contracted	Contracted	Contracted	Contracted
Construction of roads, pavements and public squares	Contracted/13	Contracted	Contracted	Contracted	Contracted	13/ Contracted
Rehabilitation and maintenance of local roads, sidewalks and public squares	Contracted/13	Contracted	Contracted	Contracted	Contracted	13/ Contracted
Public lighting	1	Private	0	0	0	1/ Private
The operation of urban public transport	5		1	0	3	9/ Private
Cemeteries administration and guarantee of funeral services	2	0	0	0	1	3
Decorations Service in town / village	18	1	1	0	1	21
Administration of parks, gardens and public spaces	66	38	Contracted	Contracted	Contracted	104/ Contracted
Collection, disposal and recovery of waste	7	3	1	1	1	13
Urban planning	1	2	0.33	1	1	5.33
Land management	1	0	0	0	0	1
Shelter						
Social,cultural and sports Services	3		0.25	0	0	3.25
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	7	0	0.25	0	0	7.25
Organization of sporting, recreational and entertainment activities and management of relevant institutions	18	0.25	0	0	0	18.25
Social services of kindergardens	20	0	0	0.2	0	20.2
Social services - orphanages, shelters						
Local economic development	2	1	1	1	1	6
Preparation of local economic development programs	2	2	1	n/a	1	6

Table 4: Horizontal functions and number of people associated with these functions

Horizontal Functions	Municipality Kavajë	LGU Golem	LGU Synej	LGU Helmas	LGU Luz i Vogel	Merged
Finance						
Local taxes and Tariffs	10	3	4	2	4	23
Legal Issues	10	7	3	1.5	4	25.5
Procurement	2	0.5	0.5	0.2	0.5	3.7
Institutional Relations	2	0.5	0	0.2	0.5	3.2
Human Resources	2	1	0.3	0	0	3.3
Protocol	2	0.33	0.5	0.2	0	3.03
Archiving	1	0.33	0	0.2	0.25	1.78
Information Technology	1	0.33	1	0.2	0.25	2.78
Supporting services	1	0	0	0	0	1
Internal Audit	8	4	10	3.5	12	37.5
Total	2	1	0	0	0	3

Orientation

- Two types of guidance used in the current organizational model are:
 - Breakdown by sector for the Public Services, and,
 - Functional orientation to horizontal functions,
- Analysis show these exceptions:

Service Providing

- In the below tables 5 and 6 there are the detailed ways of providing public services and execution of Horizontal Functions.
 - MaNority of the functions are provided with its own resources.
 - The below services are contracted:
 - Rehabilitation and maintenance of local roads, sidewalks and public squares (Cakran)
 - Collection, disposal and recovery of waste (Cakran)
 - Water Supply Company (Dërmënas)
 - Water Supply Company (Kavajë)
 - Rehabilitation and maintenance of local roads, sidewalks and public squares (Levan)
 - Collection, disposal and recovery of waste (Levan)
 - Water Supply Company (Portëz)
 - Water Supply Company (Topojë)
 - Licensed Services:
 - n/a
 - Decisions on changes in service delivery cannot be achieved during a short - term period and preparatory work is required in order to analyze processes, to assess the current human resource capacity and infrastructure, including the information - communication - current technology.
- To facilitate this analysis, we have compiled the following three questions to be used as development principles:
 - Does the fulfillment of work require physical presence?
 - Is there any reason (legal, strategic) to centralize the execution of function?
 - Is the work scalable by performing it in distance/ centralized processing?
 - The information in tables 5 and 6, on the following pages demonstrates the application of these development principles. It is noticed that the answers given reflect the meaning, without considering future strategic decisions to be taken by the Municipality of changing service delivery (principle developer 2)
 - Based on these responses, the execution of some horizontal functions can be subject to changes in the future. More specifically, the following functions can be subject to a physical relocation, centralization in performing the function and performance remote / centralized processing:
 - Finance (Assuming that the Administrative Units will not be designated as dependant budgetary institutions of the Municipality)
 - Legal Issues
 - Procurement
 - Institutional Relations
 - Human Resources
 - Archive
 - Internal Audit
 - By applying the above principles of development for each function, alternative developments of organizational structure will be encouraged. These structural formations then should be refined and that organizational structure which is more feasible should be selected.

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Infrastructure and public services			
Water Supply Company	Yes	No	No
Functioning of the sewerage system	Yes	No	No
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	Yes	No	No
Construction of roads, pavements and public squares	Yes	No	No
Rehabilitation and maintenance of local roads, sidewalks and public squares	Yes	No	No
Public lighting	Yes	No	No
The operation of urban public transport	No	No	Yes
Cemeteries administration and guarantee of funeral services	Yes	No	No
Decorations Service in town / village	Yes	No	No
Administration of parks, gardens and public spaces	Yes	No	No
Collection, disposal and recovery of waste	Yes	No	No
Urban planning	No	No	Yes
Land management	Yes	No	No
Shelter	No	No	Yes
Social, cultural and sports Services			
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	Yes	No	No
Organization of sporting, recreational and entertainment activities and management of relevant institutions	Yes	No	No
Social services of kindergartens	Yes	No	No
Social services - orphanages, shelters	Yes	No	No

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Local economic development			
Preparation of local economic development programs	No	No	Yes
Establishment and function of public markets and trade network	Yes	No	No
Small business development, and the development of promotional activities such as fairs and advertisements in public places.	Yes	No	No
Organization of services within the local economic development support and information structures and infrastructure necessary	Yes	No	No
Veterinary services	Yes	No	No
Conservation and development of forests and natural resources of local character.	Yes	No	No
The order and civil protection			
Preservation of public order to prevent administrative violations.	Yes	No	No
Civil protection	Yes	No	No
Educational institutions			
Maintenance of facilities in preliminary education	Yes	No	No
Medicine			
Health care system and the protection of public health	Yes	No	No
Social care			
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	Yes	No	No
Social Care on domestic violence	Yes	No	No
Social care for the protection of children's Rights	Yes	No	No
Environmental Protection			
Environmental Protection	Yes	No	No

Table 6: Horizontal Functions – Application of development principles

Function	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Finance (Note 1)	No	Yes	Yes
Local taxes and Tariffs	No	Yes	No
Legal Issues	No	Yes	Yes
Procurement	No	Yes	Yes
Institutional Relations	No	Yes	Yes
Human Resources	No	Yes	Yes
Protocol	Yes	No	No
Archiving	Yes	No	Yes
Information Technology	No	Yes	Yes
Supporting services	Yes	No	No
Internal Audit	No	Yes	Yes

Organizational Structure

To develop a future organizational structure based on best practices, it may be taken into consideration that the future organizational structure includes the following features

- A matrix organizational structure that combines elements of the division by sector, geography and functional orientation;
 - Administrative structures of public services by Administrative Units have a primary reporting line to the relevant administrative structures of the Municipality;
 - At the same time they should also have a second line of reporting to administrators;
 - Due to the complexity and larger scale there can be two / three deputy mayors of the following divisions of responsibilities:
 - Infrastructure and Public Services;
 - Social Functions, cultural and sportive, local economic development, and maintaining order;
 - Finance, Local Taxes and other horizontal functions;
 - Internal audit function reports directly to the Mayor;
 - A possible illustration of the future organizational structure, is presented in Annex 2;
- In forming its organizational structure, the municipality may consider the following factors:
- Consistent with the strategic direction: to support the priorities of the vision and strategy of the Municipality;
 - Form follows function: the organizational structure should ensure the provision of quality public services;
 - Responsibility: there must be responsibility and clear and well-defined decision-making authorities;
 - Extent of control – scope of control should be as wide as possible, without sacrificing efficiency. However, there is a limit to the number of positions that a person can effectively be responsible. The scope of control should ensure proper monitoring of performance and access to the staff opinion (a person generally must manage no more than 10 employees);
 - Specialization: activities for which a single individual is responsible should be similar. Similar functions should be grouped appropriately around key competencies and reporting lines;
 - Surveillance layers: the number of authority levels should be kept at the minimum (from top to bottom);
 - Decision-making: organizational formation should facilitate timely and effective decision-making in support of daily work;
 - Communication: Communication is effective and efficient in the reporting lines and outsourcing services;
 - Coordination approach - Applicable especially for new administrators who will be responsible for running the regional units within the various departments of public and horizontal services. Clear rules and procedures must be developed to distinguish between sectoral responsibilities (functional) and administrative and reporting lines;

- Divisions - organizational formation of the Municipality should reflect the special status and interdependent regional administrative units (separate actions in separate locations);

Golem

- The Office of Internal Audit
- Legal Office
- Municipal police
- Office of programming investment, tourism development, public relations
- Secretary, Protocol- archives, offices of human resources
- Finance Office
- Office services
- Social security office
- Tax Office
- Planning office
- Construction and urban planning inspectorate
- Office of Environmental Policy, veterinary and health
- Office support services
- Sector / brigade services
- Secondary School Dormitory agribusiness
- Office of protection and land management

Synej

- Office of Finance and Economic Assistance
- Office of Agriculture
- Tax Office

- Growth and change in the future - the organizational structure should be flexible and adaptable to future growth and public service needs;
- A non-exhaustive list of positions, whose ways of reporting is likely to change is shown below:

- Office of public services
- Office support services
- Secretary of the President and archive
- Municipal police

Helmas

- Finance Office
- Legal Office
- Tax Office
- Agriculture
- INUV
- Municipal police
- Support Services

Luz i Vogel

- Finance Office
- Office of Agriculture
- Tax Office
- Office of public services
- Urban Office
- Office support services
- Lawyer
- Municipal police

Financial due diligence

Summary of observations and recommendations

Obaservations	Recommendations
Property, Plant and Equipment	
<p>During the control of the Ex-Municipality and LGUs it was noticed that a significant number of fixed assets are not recorded in the respective balance sheets.</p> <p>Fixed assets, which are currently owned by the Ex -Municipality and LGUs are kept at historical cost. Depreciation is accumulated in based on categories of assets. Many other assets are kept out off balance sheet and they actually have a book value.</p>	<p>We suggest that the stoctaking of fixed assets at 31 December 2015 to be carried out as soon as possible. The stocktaking will serve as a basis for the preparation of fixed assets registers to be used for the preparation of the financial statements year ended December 31, 2015.</p> <p>The stocktaking will not just aim the verification of assets that are currently registered but also the identification of other assets owned by the Ex-Municipality or LGUs. It will also identify assets which could be damaged or do not exist. Also it is necessary a close cooperation with the Real Estate Office.</p> <p>All assets owned by Municipality or LGU should be revalued and to each asset, including those assets that are held off balance, must be assigned a value.</p> <p>Such revaluation can be carried out taking into account the source of reference prices and widely accepted methodology regarding the evaluation of these assets. Results of the evaluation report must then be reflected in the financial statements as well as in a full register of assets. All the subsequent changes during the lifetime of each asset must be recorderd in the assets register.</p>

Investments	
<p>Ex-Municipality and LGUs perform most of their services using their own resources. However, they have also investments in other entities that perform public services on their behalf.</p> <p>There are no instructions from the Ministry of Finance regarding the treatment of investments and it is not clear if a value for these investments should be presented to the assets and how to measure their value.</p>	<p>These investments should be presented as financial assets. They are presented in individual audit report in Note No. 9, according to the % of ownership that the unit has in these subsidiaries using the cost method (% of subscribed share capital).</p> <p>These investments together with other assets owned by the municipality, which serve for the same purpose (ex. former municipal water supplies that are not privately owned public entities Sh.a) should be analyzed, and the analysis should be used for the review of the opportunity of the integration of management, ownership and operations into a separate entity.</p>
Liabilities	
<p>On July 31, 2015 total liabilities of the municipality are reported at a value of 500,614 thousand ALL. Overdue municipal obligations are reported at a value 207,736 thousand ALL.</p> <p>The information is often incomplete and does not give details on arrears and risks of delays in repaying them. Furthermore the liabilities are not even detailed to the same level of categories used in the allocation of grants from central government.</p>	<p>It is recommended a detailed analysis to identify the age and nature of their obligations. This analysis will provide a clearer picture of rotating repayment of Municipality obligations and sources of funds.</p>

<p>Receivables</p>	
<p>During 2015, tax and non-tax revenues were 32% of total revenues, due to the low rate of revenue collection</p> <p>During LGUs control it was noticed that some of the LGUs do not have a complete list and accurate receivables of taxes from individuals and businesses.</p>	<p>It is recommended that the municipality impose strict procedures for analysis and regular monitoring of actual financial performance against budget. Following the analysis will lead to increased levels of tax collections for the municipality and capacity for expenses.</p> <p>A complete and accurate list of receivables from individuals and business taxes should be established. These lists will make possible that the municipality can facilitate the tracing in detail of receivables and improve their collection rates. Also, they will allow a fair treatment of taxpayers and provide a documented basis for actions against those who do not pay.</p>
<p>Lack of unified accounting policies and practices</p>	
<p>It is noticed that the presentation of financial reporting has been relatively standard, this due to the uniformity of clear and descriptive financial formats used by Municipality and LGUs. All LGUs and Municipality has reported in accordance with the list of accounts prescribed by the Ministry of Finance. Accounts lists are well integrated with financial reporting formats prescribed by the Ministry of Finance. However, the accounting policies for the preparation of financial statements and the bookkeeping of LGUs and ex- Municipality are limited.</p>	<p>Ununiformed application of accounting policies and accounting practices and procedures from different LGUs could affect the completeness and accuracy of accounting data used in consolidation. Consequently, LGUs are exposed to the risk of data loss, which may adversely affect their daily activities and lead to financial losses.</p> <p>We recommend the government should include in the current legislation more rules for the application of uniform accounting policies and for maintaining an effective general ledger. Accounting records kept manually or electronically must follow a process of archiving in accordance with archiving policies. Using a uniform software solution for</p>

Lack of unified accounting policies and practices - continued

During our work we have identified different and non-uniform accounting policies and practices used by LGUs. In some LGUs expenses are recognized on accrual basis and in others on the basis of payment. Also, various differences, classifications and inconsistencies were identified when comparing the financial statements with supporting notes.

Just a few LGUs use accounting software that enables the construction of a full and steady verification balance. The rest keep written documents or documents in the computer files of "MS Office" package. In many cases we have identified absence of accounting documents of prior periods such as inventory details and details of debtors or creditors.

all LGUs could be useful in improving the accountancy and financial reporting.

Consolidated financial statements

Overview

To present and analyze the position and financial performance indicators of the newly formed Municipality Kavajë, we have prepared the consolidated financial statements, which are presented in formats 1 to 9, as defined in the guidelines of the Ministry of Finance

These statements have been prepared by summing line by line the restated statements of Municipality Kavajë, LGU Synej, LGU Luz i vogel, LGU Golem, LGU Helmes.

Affiliated units are consolidated at the level of municipality and have been part of individual due diligence report of Municipality Kavajë.

The restated statements reflect the adjustments that have been identified and presented in individual reports for each ex-Municipality and administrative unit. Adjustments are based upon the guidelines and rules of the Ministry of Finance to apply uniform accounting policies

These consolidated financial statements do not include any consolidation adjustment.

Key performance indicators

Key performance indicators	
<i>Amounts in 000 leke</i>	<i>For the period ended 31 july 2015</i>
Income from grants	326,501
Tax and non-tax revenue	151,465
Total Expenses	329,378
Total Assets	4,576,939
Liabilities	500,614

Table 1. Summary of consolidated statement of financial position.

Amounts in thousand ALL

		In ALL '000	
Account Number	Description	2015 Period Rerated	2015 Period
A	Assets	4,576,939	4,051,022
I	Current Assets	637,886	637,886
	1. Petty - Cash, Banks, and		
Class 5	Funds Availability	171,112	171,112
Class 4	2. Receivables	439,320	439,320
Class 3	3. Current Inventory accounts	27,453	27,453
II	Non-current Assets	3,939,053	3,413,137
23	1. Investments	819,391	819,391
25,26	2. Finance assets	525,917	-
21,24,28	3. Tangible assets	2,593,745	2,593,745
20	4. Intangible assets	-	-
III	Other assets	-	-
B	Liabilities	500,614	500,614
I	Current liabilities	500,614	500,614
Class 4	1. Accounts payable	500,614	500,614
16	2. Non-current liabilities	-	-
II	Non liquid liabilities	-	-
17	1. Foreign loans	-	-
III	Other liabilities	4,076,325	3,550,408
	Net assets (A - B)	3,966,507	3,440,590
	Presented: Consolidated budget	109,818	109,818

Overview of the consolidated statement of the financial position

- On July 31, 2015 total assets and liabilities of the new municipality were 4,576,939 thousand respectively. Total assets of the municipality on July 31, 2015 increased by 26% compared to December 31, 2014.

Current assets

- Current assets which have 14% of total assets are increased by 14% during the period ended as of 31 July 2015 compared to the year ended as of 31 December 2014. Among the items of current assets it is noticed an increase of 44% of cash, which affects more in the total increase of current assets meanwhile the receivable's accounts are increased by 8%.

Accounts Receivable

- Structure of total debtors of municipality Kavajë consists of 47,2% of debtors of LGU Kavajë, 38,77% of debtors of LGU Golem, 7,03% of LGU Luz i vogel and 6,88% of debtors of LGU Synej.

- *Non-current accounts*

- Non-current assets which occupy the largest share of assets of the municipality Kavajë 86%, have increased by 36% in total, where the biggest effect in this increase, was the addition of financial assets item during 2015, and the increase of tangible assets by 154%.

PPE

- 54.92% of PPEs of Municipality Kavajë are composed by the PPEs of LGU Kavajë, 23,6% PPEs by LGU Golem, 10,99% by LGU Synej, 6,62% by LGU Luz i Vogel, 3,87% by LGU Helmes.

Accounts Payable

Accounts payable have decreased by 13% during the period ended July 31, 2015 compared with the previous year 2014.

- 50,4% of the total accounts payable is composed of accounts payable of LGU Kavajë, 36,6% by LGU Golem, 6,73% by LGU Luz i vogel, 6,59% by LGU Synej.

Further details on the assets and liabilities are presented in formats 1 and 2 in the appendices of this report.

Tabela 2: Summary of Consolidated Statement of Financial Performance

Amounts in thousand ALL

Account Number	Description	In ALL '000	
		2015 Period Restated	2015 Period
A	TOTAL REVENUES	477,670	477,670
70,750,71	I. REVENUES AND CONTRIBUTES	151,465	151,465
70	1. Tax revenues upon	70,128	70,128
71	3. Non tax revenues	81,337	81,337
72	II. GENERAL ACTUAL GRANTS	326,501	326,501
78	IV. WORKS FOR INVESTMENTS	-	-
77, 83	V. OTHER REVENUES	(297)	(297)
B	TOTAL EXPENSES	367,851	367,851
	I. ACTUAL EXPENSES	330,104	330,104
600 601	1. Salaries and employees contribution	113,174	113,174
602	2. Goods and Services	57,701	57,701
604	4. Internal actual transfers	1,397	1,397
606	6. Budget transfers for families and individuals	157,831	157,831
67	IV. OTHER EXPENSES	37,748	37,748
C	DETERMINED NET INCOME	109,818	109,818
	From this: Functioning results	109,818	109,818
	Functioning observed grants	-	-

Overview of consolidated statement of financial performance

Sources of funds (revenues)

- During the period ended July 31, 2015 total revenue recognized by the new municipality in the consolidated statement of financial performance were 477,670 thousand lek. 32% of the total municipality incomes are composed of tax and non-tax revenues, 68% of income is from grants and 68% from other income.

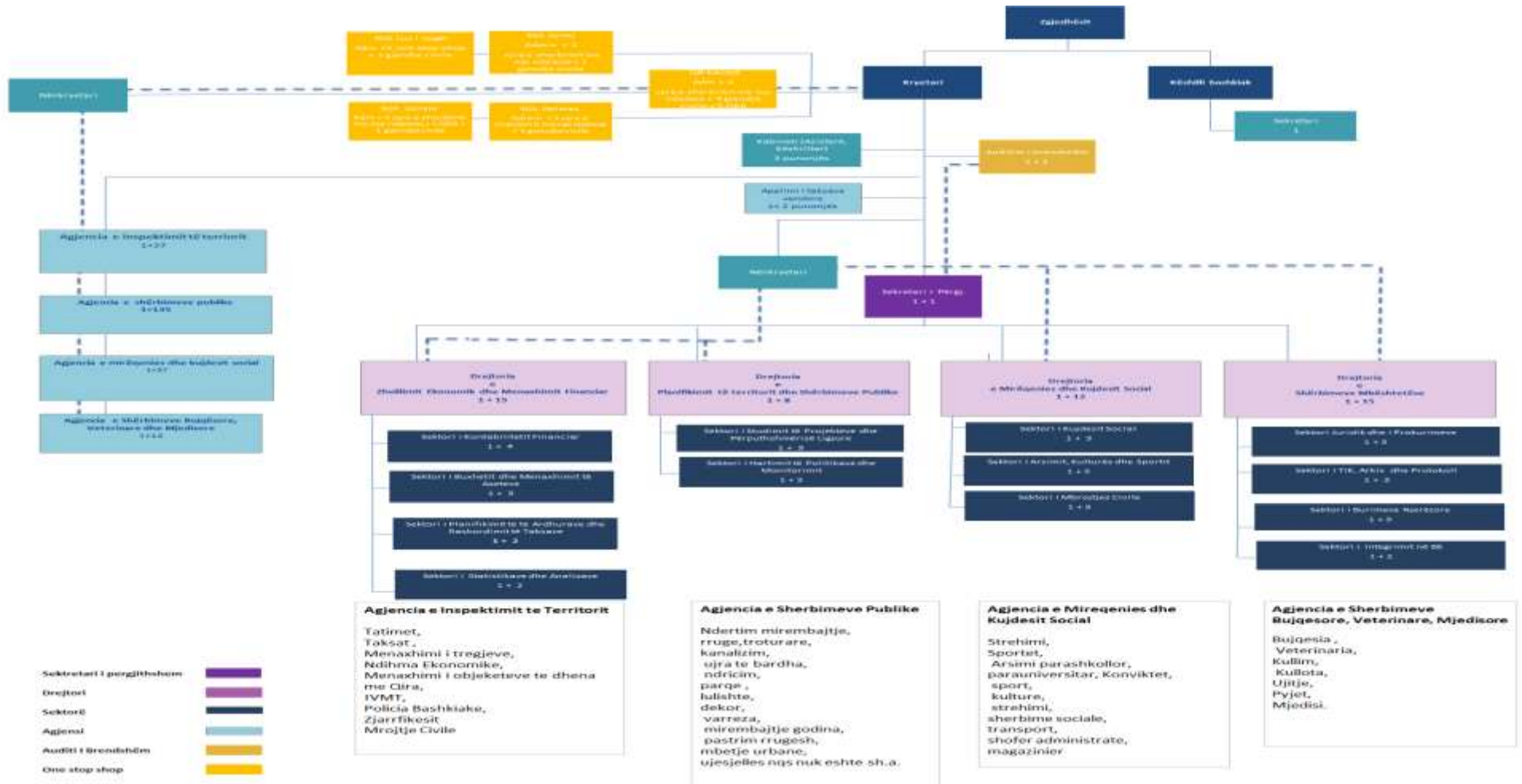
Structure of total revenues is comprised of 53,57% of the revenue generated from LGU Kavajë, 22,14% PPE by LGU Golem, 11,04% by LGU Luz i vogel, 8,28% by LGU Synej, 4,94% by LGU Helmes.

Uses of Funds (expenses)

- During the period ended July 31, 2015 the total expenditure recognized by the new municipality in the consolidated statement of income and expenses were 367,851 thousand Lek. 100% of the total municipal expenditure is composed of current expenditures.
- Structure of total expenditure is comprised by 59,28% of the expenditures of LGU Kavajë, 16,34% PPE by LGU Golem, 10,58% by LGU Synej, 8,04% by LGU Luz i vogel, 5,76% by LGU Helmes..

More details on the expenses and revenues are presented in formats 3/1 and 3/2 in the appendices of this report.

Appendix 1 –Possible organization structure



Appendix 2 – Personnel matters

Objectives of the analysis

The analysis of the personnel matters has the following objectives:

- Develop a register of the staff until the end of July 2015 containing information on the full name, place of work for each employee, function / the sector where each employee is assigned, the date of commencement of work in the LGU, type of employment, education and training.
- Presentation of a summarized description of the personnel data based on the appropriate legal framework as follows:
 - Labour Code Articles 105 a/2, 107, 140, 143, 144, 145, 147, 148
 - Law no.152/2013, dated 30.05.2013 “On Civil Servants” as amended, Articles 50/1/6 dhe 7
 - DCM No.118, dated 05.03.2014 “On the appointment, recruitment, management and termination of civil service relationship of civil servants in senior management and members of the TND”
 - DCM No.243, dated 18.03.2015 “On admission, lateral, probation period and appointing the executive category”
- Observations and recommendations on personnel transfer and training in the context of the merge and reorganization of the Municipality.

Summarized description of the information received

- According to the information received, until the date of constitution of the municipality, the total number of personnel, excluding Mayors and employees of the Register Office, is 1057 employees. More detailed: 105 persons working under employment contracts of one year, 849 persons working under labor contracts expired, (N/A) maternity leave. The latest under the Labour Code are considered a protected class.
- Personnel register is presented in Annex 2 – Personnel register

Observations and recommendations

Personnel matters

Observations	Recommendations
<p>The transfer of the staff</p> <ul style="list-style-type: none"> As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 of labor relations existing between the merged entity (LGUs) and their employees will be transferred to the Municipality of Kavajë. It is worth mentioning that the Municipality Kavajë, before the amalgamation process, is considered as one of the merged units. An employee has a fixed-term employment contract (1 year term). However, the employee, according to the report, has begun the employment relationship on 01.01.2006. 	<ul style="list-style-type: none"> In accordance with the provisions of the Labour Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, it is recommended that the case be seen whether the applicable provisions for the settlement of an employment contract with indefinite term. Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. Related to civil servants who are on probation, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources It is recommended that the Municipality should take any necessary measure to

enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.

Observations

Recommendations

Termination of working relationship

- The reorganization may bring the necessity of termination of the employment relationship for some of the Municipality employees.

- It is recommended to keep in mind that the legale basis for the termination of working relationships is different depending on the category of employees and respectively:
 - *Political functionaries.* Political functionaries of a Municipality are the deputy mayors, administrators and the employees of the mayor's cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations.
 - *Employees with working contract.* Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority.
 - *Civil Servants.* Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer

Improvement of organizational structure	
<ul style="list-style-type: none">• Organizational structures of local government units do not stipulate the position of General Secretary.	<ul style="list-style-type: none">• It is recommended that a new organizational structure should have a highest reporting line of civil servants, the position of the General Secretary. The General Secretary is responsible for the formulation and monitoring of policies and horizontal functions / support to these policies, and serves not only to guarantee the legality of the activity of civil servants but also serves as a filter to political pressure elected / nominated to the administration civil local government unit.

Appendix 3 –Information Technology

Objectives of the analysis

Assessing the status of information technology has the following objectives:

- The stocktaking of IT business systems, equipment, licenses and other agreements and contracts including IT services;
- Evaluation of IT equipment maintenance;
- Assessment of the actual information security practices, procedures for the recovery and storage of data in case of loss based on the information received until the end of 2015.

Summarized description of received information

- Use of information technology is limited to the use of personal computers, printers and Internet service. There is Microsoft Office package. There are no internal networks or e-mail standard and the majority of employees who have access to use their e-mail private. There is no maintenance contract and just one employee is specializing in Information Technology in the three local government units in all former local government units. All these are unlicensed softwares. The maintenance of the hardwares and softwares is done by the maintenance staff of LGU Kavajë.
- Consolidated information about the IT environment is presented in Table 9 – IT environment, below

Table 9: IT environment

Objective	Kavajë	Synej	Luz i Vogël	Golem	Helmas
Installed Software	Microsoft Office 2007 Microsoft Windows 7 Microsoft Windows XP Autocad 2013 Autocad 2016 AntiVirus Program Kontabiliteti Teamviewer	Microsoft Office 2003 Microsoft Office 2010 Microsoft Windows XP, SP3 Microsoft Windows 7, PROFESIONAL	Microsoft Office 2007 Microsoft Windows XP V.2002 Microsoft Windows 7 PROFESIONAL AntiVirus AVG Teamviewer V.10	Microsoft Office 2007 Microsoft Office 2010 Microsoft Windows 7 Microsoft Windows XP Autocad 2010 Program Kontabiliteti Alpha Teamviewer V.10	Microsoft Office 2007 Microsoft Windows XP AntiVirus AVG AntiVirus Avast
Contracts of licences	Yes	Po	Po	Po	Po
Hardware (in useage)	100	12	23	37	7
Computer (desktop)	34	5	7	11	3
Printers	22	5	9	10	3
Servers	0	0	0	0	0
IT staff in total	1	0	0	0	0
Hardware and Software maintenance	There no maintanance contract.	There no maintanance contract	There no maintanance contract	There no maintanance contract	There no maintanance contract

Observations and Recommendations

IT environment

Observations	Recommendations
<ul style="list-style-type: none"> Information Technology 	
<ul style="list-style-type: none"> The LGU has lack of a centralized and standardized system that automates network management of user account data and security requirements. In these conditions, the safety rules and access management are not implemented. 	<ul style="list-style-type: none"> New Municipality should consider implementing a centralized and standardized system that automates network management of user account data and security requirements, based on the principle that the cost / benefit.
<p>Data storage system</p> <ul style="list-style-type: none"> Lack of procedures for storage and recovery of data in case of loss. There are used USB drives, as a substitute means of communication which subsequently taken outside the LGU premises. 	<ul style="list-style-type: none"> New municipality may consider initiating and implementing policies and procedures for storage and recovery of data in case of loss, taking into account the current status of the technology infrastructure. Data can be stored on the platform of cooperation (DMS, erms, etc.) that can be implemented and stored safely in the central datacenter in Kavajë municipality or Private / Public Cloud.
<p>Optimization and Management of PC-s</p> <ul style="list-style-type: none"> Hardwares and softwares are old. There is lack of licence for software and software protection. Lack of qualified staff for maintenance of hardwares and softwares and service provider of maintenance services is performed by private local service provider without contract. 	<ul style="list-style-type: none"> New municipality may consider standardization of operating systems and business applications to make it easier and manageable maintenance (update, security policy, update, etc.) New Municipality should take into account the needs for licensing of Microsoft software in use as legal needs and for security system. It is deemed necessary the implementation of new trends to optimize the costs for services Copy / Print / Scan. These services can be provided in a centralized manner based on (Printing as a Service).
<p>Informaion Policy Securities</p>	
<ul style="list-style-type: none"> Lack of policies and procedures for providing information. Employees do not have knowledge of basic information security principles. 	<ul style="list-style-type: none"> New Municipality should consider initiating and implementing policies and procedures on information security for user access management and provision of computer hardware (desktop configuration passwords, laptop).
<p>Lack of IT staff</p> <ul style="list-style-type: none"> There is lack of IT staff for maintenance of Hardwares and Softwares. 	<ul style="list-style-type: none"> LGU Kavajë should take into consideration employment or entering into a contract for maintenance of Hardware and Software network.

Appendix 4 – Communication

Objectives of the analysis

Assessing the status of the communication system has the following objectives:

- Stocktaking of telephony and Internet deals
- Understand the methods of internal communication, verbal or written applied for circulating memos protocol, issuing regulations, orders the mayor and departamenteve and communication between different sectors;

Summarized description of the information received

- Only one local government unit under consideration fixed telephone service benefits regardless of the area where these units are not considered deep or isolated. All five of these units have Internet service by national and local operators and despite the fact the primary means of internal communications remain or information conveyed orally or circulation of memos or other written documents.
- Consolidated information about the communication systems is presented in Table 10 – Communication systems.

Communication	
Observations	Recommendations
Lack of electronic means of communication	
<ul style="list-style-type: none"> Despite that the administrative units have internet access, none of them has an internal electronic communication system. 	<ul style="list-style-type: none"> The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by setting clear rules on the type of information that can be charged or circulate on these platforms.
Lack of telephone service <ul style="list-style-type: none"> Local government units under survey does not receive the fixed telephone service. 	<ul style="list-style-type: none"> The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.

Observations and recommendations

Table 10: Communication System

Objectives	Kavajë	Synej	Luz i Vogël	Golem	Helmas
Telephony service	Telephone and mobile phone	Mobile phone	Mobile phone	Mobile phone	Mobile phone
Telephony/service providers	National Operator	N/A	N/A	N/A	N/A
Internet service	National Operator	National Operator	National Operator	Local Operator	National Operator
Assess coverage of the telephony service	Partly	N/A	N/A	N/A	N/A
Internal communication lines	Oral/Documentary	Oral/Documentary	Oral/Documentary	Oral/Documentary	Oral/Documentary

Appendix 5 – Archives

Objectives of the analysis

The analysis of the database has the following main objectives:

- The analysis of the actual archive practices until the end of 2014 based on the legal and technical requirements provided by the following legal framework applicable to archives:
 - Law nr.9154, dated 06.11.2003 "On Archives" and
 - Professional and technical rates and methodological archival service in the Republic of Albania (Archiving methodology);
- The preparation of a checklist for compliance with technical requirements for archive environments and requirements of methodology documentation;
- Provision of observations and recommendations regarding the archive within the union based on information received by the end of the year (year under review);

Summarized description of the information received

- In all the former local government units it had an employee responsible for the archives.
- It turns out that all former local government units, technical and methodological requirements of preservation, creation and management of archive only partially fulfilled
- Consolidated information about the practice of archiving and compliance with the Archive Methodology is presented in the table 11- Consolidated Checklist of technical requirements.

Technical requirements for practices in the premises of archives and record-keeping methodology	Kavajë	Synej	Luz i vogël	Golem	Helmas
Fire protection, shells protection from sun, dust and any other physical and biological agents	No, nuk ka	No	No	No	No, there is no
Secured doors and windows with a metallic net and automatic door closure	Only metal mesh	No	No	No	No
Cardboard folders for putting the documents, placed in metalik shells and painted against rust	Yes	No	No	No	No
Vertically oriented shells to the windows with a distance 40-60 cm from the wall	No, There is no enough space	No, There is no enough space	No, There is no enough space	No, There is no enough space	No
Presence of heaters or any other item that can cause fire present in the archive premise	No, there is no	No	No	No	No, nuk ka
Records on physical control of the archive kept from the secretary of the archive	No	No	No	No	No
Archive keys in two copies	Yes	Yes	Yes	Yes	Yes
One copy of the key closed in an envelope, preserved from the LGU Mayor or the Deputy in charge of the archive service. Other copy kept in accordance with the rules applicable for other keys of other sectors in LGU.	Yes	No	No	No	No
Safes, cup-boards, doors of the secretary and the archive ensured and stamped after the official working timetable.	Safes, cup-boards, doors of the secretary and the archive itself are secured	No	Yes	No	

Technical requirements for practices in the premises of archives and record-keeping methodology	Kavajë	Synej	Luz i vogël	Golem	Helmas
Documents structured as per organizational structure of the public institution (e.g when the public institution has a hierarchy of organizational structure).					
<p>According to this scheme, all the documents that are found in the archive:</p> <p>Firstly are classified (grouped) by year</p> <p>Then, are classified based on structures (i.e directorates, departments, branche, etc.)</p> <p>Note: When the organization has a two-tier structure (example: directorate and branches), documents are grouped under this approach with 2 levels, and then create folders. Creation of folders should consider documents containing information which refers to more than one department.</p>	Yes If the recorder holds the record of correspondence.	Yes	Yes If the recorder holds the record of correspondence.	Yes If the recorder holds the record of correspondence.	If the recorder holds the record of correspondence.
Files containing information to be stored up to 10 years, have no need for internal restructuring, but the number of pages contained in documents written in their cap.	Yes	No	Yes	No	No

Technical requirements for practices in the premises of archives and record-keeping methodology	Kavajë	Synej	Luz i vogël	Golem	Helmas
Cover file (Module 6), clearly marked and grammar: <ul style="list-style-type: none"> - Full name of the state entity - no state - Department or branch that operates - The level of classification (if the document is of this type) - The file contains an identification number, year - Full title of the file - The peREod that the document should save (protect) - Date of completion of conservation - The amount of documents that are stored in files - Inventory identification number on file - The period of use 	Partly	Partly	Partly	Partly	No
Based on a) "the list of models of documents on storage" and b) "the list of models on documents of histoREcal imYesrtance, national", which are published by the General Directorate, the State Commission and non-state experts, to be built a concrete list of their documents. This list should reflect those documents that are of histoREcal imYesrtance, national and documentation retention peREod. Also, the committee of experts should determine the peREod of preservation of these documents (by module 11).	Yes	No	Yes	No	No
The emblem of the Republic	Yes	Yes	Yes	Yes	Yes
At the head of the document should be written "Republic of Albania"	Yes	Yes	Yes	Yes	Yes
Title of the institution and structures belonging to the institution	No	Yes	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Kavajë	Synej	Luz i vogël	Golem	Helmas
Number of documents attached	Yes	No	No	No	No
The content of the document	Yes	Yes	Yes	Yes	Yes
Name, surname and signature of the person who signed the document and stamp	Yes	Yes	Yes	Yes	Yes
Signature of the director of the institution	Yes	No	Yes	Yes	Yes
Date and number of protocol	Yes	Yes	Yes		Yes
Mod 1 - Correspondence model	Yes	Yes	Yes	Yes	Yes
Mod 3 - Serial Number of Correspondence	Yes	Yes	Yes	Yes	Yes
Mod 4. -The Book Delivery	Yes	Yes	Yes	No	Yes
Mod 4/1. -The Book of shipments of documents from archives in sectors secretariat and vice versa	Yes	Yes	Yes	Yes	Yes
Mode 5 - Table definitions of files for the year	Yes	Yes	Yes	Yes	Yes
Mod 6 - Elements of cover dossier	Yes	Yes	Yes	Yes	Yes
Mod 7 - Register of files	Yes	No	No	No	No
Mod 8 - Internal File register	No	No	No	No	No

Technical requirements for practices in the premises of archives and record-keeping methodology	Kavajë	Synej	Luz i vogël	Golem	Helmas
Mod 9 - Decision of the Commission of Experts	No	No	No	No	No
Mod 10 - Compilation of the list of documents that set aside	Bore	No	No	No	No
Mod 11 - The period laid down for storage (protection)	No	Yes	No	No	No
Mod 12 - Destruction of documents containing any further value	No	Yes	No	No	No

Observations and Recommendations

Archive

Observations	Recommendations
Centralization of archive	
<ul style="list-style-type: none">The archive volume is expected to increase from the documents received from the previous local government units. Consequently reorganization of the new Municipality archive and its maintenance can be difficult..	<ul style="list-style-type: none">The new municipality may consider taking measures to ensure new facilities or expand the existing ones.
Lack of technical requirements in the archive management	
<ul style="list-style-type: none">In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, missing security doors and windows, missing duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours.	<ul style="list-style-type: none">The new municipality may consider taking measures to ensure new facilities or expand the existing ones.

Appendix 6 – Assets Management System

Objectives of the analysis

Analysis of asset management has the following main objectives:

- Analysing the status of assets management based on the legal and technical requirements provided by the following legal framework applicable to asset management:
 - Law nr.10296, dated 08.07.2010 "On Financial Management and Control" and
 - Decree of the Minister of Finance no. 30, dated 27.12. 2011 "For the management of public sector assets" of change;
- Prepare a checklist related to compliance with the legal framework of asset management based on the information received until the end of 2014;
- Provision of observations and recommendations regarding the management of assets within the union based on information received by the end of the year (year under review);

Summarized description of the information received

- In Kavaja municipality was deputy authorizing officer in a while technically being a political official can not be the “most senior “as required by law.
- Only three former local government units had approved plans, objectives and control mechanisms and risk management.
- All local governments carried on inventory assets and annual basis and in local government units were set up committees to inventory valuation and disposal of assets.
- Consolidated information regarding compliance with the requirements for the Asset Management is presented in Table 12 - List of consolidated control applications for Assets Management below.

Table 12: List of consolidated control applications for Assets Management

ASSET MANAGEMENT	Kavajë	Synej	Luz i vogël	Golem	Helmas
Adopted rules and procedures on asset management	No	No	No	No	No
Authorizing Officer	Deputy Mayor	Mayor	Mayor	Mayor	Mayor
Executing Officer	Director of economic resources	Responsible of Finance	Responsible of Finance	Responsible of Finance	Responsible of Finance
Adopted plan, objectives and control mechanisms related Risk	Yes	No	No	Yes	No
Asset Accounting Register	Yes	Yes	Yes	Yes	Yes
Leased Properties Register	Yes	Yes	No	No	No
Owned Companies Register	Yes	Yes	Yes	Yes	No
Annual Assets Inventory	No	No	No	No	No
Assets Inventory Committee	Yes	Yes	Yes	Yes	Yes
Assets Evaluation Committee	Yes	Yes	Yes	Yes	Yes
Assets DisYessal Committee	Yes	Yes	Yes	Yes	Yes
Committee of disYessal of assets	Yes	Yes	Yes	Yes	Yes

Observations and Recommendations

Asset Management

Observations	Recommendations
Asset management – lack of registers	
<ul style="list-style-type: none"> Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties. 	<ul style="list-style-type: none"> Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

Appendix 7 – Investment Projects

Based on the inventory of investment projects for each municipality / administrative unit it is prepared a consolidated table on which appear all investment projects that will be transferred to the Municipality as a result of the merger. Please refer to Table 13 investment projects below.

Investment Projects

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
Synej	Sistemimi dhe asfaltimi i rrugës së Bejlerëve	Contracted	0	5773032
Luz i vogël	Rikonstruksion i Rrugës Shehaj- Hallull- Blerimaj	Finishing, but it's not made total liquidation	46,502,898	46,502,898
Luz i vogël	Rikonstruksion i Rrugës Xekaj- Kryqez Luz - Vorrozen	Finishing, but it's not made total liquidation	1,789,090	1789090

Appendix 8 – Legal Issues

Public Service Arrangements

Consolidated information for public service contracts that will be transferred to the Municipality in the context of the merge, is presented in Appendix 3- contracts public services, in a secure CD based on an inventory of public service contracts for every ex-municipality / administrative unit.

Legal Proceedings

Consolidated information on litigations that will be transferred to the

Municipality in the context of the merge, is presented in Annex 4- Litigation,

on a CD provided, based on the inventory of litigation of any ex-municipality / administrative unit.

Third party contracts

Consolidated information on third party contracts that will be transferred to the Municipality in the context of the merge, is presented in Annex 5- third party contracts in a secure CD based on the inventory of third party contracts of any ex-municipality / administrative unit.

Appendix 9 – Consolidated Financial Statements Template

Template 1: Balance Sheet-Statement of assets

Statement of assets has been prepared on accrual basis and includes short and long term assets; cash balances on hand and amounts to be collected.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Assets	In ALL '000		
			As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	12	Brought forward results	-	-	-
2	A	Non Current Assets	3,939,053	3,413,137	2,886,087
3		I. Intangible Assets	34,710	34,710	34,710
4	201	Amounts to be remitted and loan reimbursements	-	-	-
5	202	Studies and research	-	-	-
6	203	Concessions, license, other similar licenses	-	-	-
7	209	Amortization of current intangible assets (-)	-	-	-
8	230	Expenses for increase of current intangible assets	34,710	34,710	34,710
9		II. Tangible Assets	3,378,426	3,378,426	2,851,376
10	210	Land	32,324	32,324	32,324
11	211	Forests, Pasture, Plantation	-	-	-
12	212	Building and Constructions	837,941	837,941	833,741
13	213	Roads, networks, water facilities	1,925,894	1,925,894	1,876,053
14	214	Technical installment, machinery, equipment, working tools	61,677	61,677	61,737
15	215	TransYesrt vehicles	45,487	45,487	45,188
16	216	Government reserve	-	-	-
17	217	Working and production animals	-	-	-
18	218	Economic Inventory	111,843	111,843	108,535
19	219	Depreciation of tangible assets	(425,183)	(425,183)	(397,845)
20	231	Expenses in process for increase of current tangible assets	784,681	784,681	287,882
21	232	Expenses in process for capital transfers	-	-	-
22	24	Damaged current tangible assets	3,762	3,762	3,762
23	28	Assignments	-	-	-
24	25	III. Financial Assets	525,917	-	-
25	25	Loan and sub-loans	-	-	-
26	26	Participation with own capital	309 257	-	-
27	B	CURRENT ASSETS	637,886	637,886	739,940
28	Class 3	I. Inventory Status	27,453	27,453	27,586
29	31	Materials	2,701	2,701	3,107
30	32	Inventory Objects	24,751	24,751	24,357
31	33	Production, work and services in process	-	-	-
32	34	Products	-	-	-

(Amount in ALL '000, Unless otherwise stated)

			In ALL '000		
No.	Account Number	Assets	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
33	35	Goods	2	2	121
34	36	Animals fattening	-	-	-
35	37	Undelivered items or close to third party	-	-	-
36	38	Differences from warehouse prices	-	-	-
37	39	Forecasted amounts for inventory depreciation (-)	-	-	-
38	Class 4	II. Request for receivables	439,320	439,320	406,362
39	409	Suppliers, prepayments or partial payment	165	165	248
40	411-418	Similar clients or accounts	-	-	-
41	423	Employees, prepayment, deficits and penalties	211	211	211
42	431	Rights and taxes to deYessit to government	-	-	-
43	432	Taxes collected from central government for the Local Government	-	-	-
44	433	Expenses for natural disaster covered from the government	-	-	-
45	4342	Other operations with the government (debtor)	218,211	218,211	188,252
46	435	Social Insurance	-	-	-
47	436	Health Insurance	-	-	-
48	437	Other social organizations	-	-	-
49	44	Other public institutions	-	-	-
50	45	Relationships with institutions in and outside the system	-	-	-
51	465	Receivables from selling of bonds	-	-	-
52	468	Different Debtors	220,734	220,734	217,651
53	49	Forecasted amounts for depreciation (-)	-	-	-
54	51	III. Financial accounts	171,112	171,112	305,992
55	50	Securities	-	-	-
56	511	Amounts to receive	-	-	-
57	512	Bank	-	-	-
58	520	Treasury funds	170,289	170,289	305,713
59	531	Petty-cash	-	-	-
60	532	Other amounts	823	823	280
61	54	Recognized and prepayments	-	-	-
62	56	Accounts in Lending Institutions	-	-	-
63	59	Devaluation provisions on securities (-)	-	-	-

(Amount in ALL '000, Unless otherwise stated)

			In ALL '000		
No.	Account Number	Assets	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
64	C	Other Assets	-	-	-
65	477	Assets conversion differences	-	-	-
66	481	Expenses to distribute in several exercises	-	-	-
67	486	Expenses in the future	-	-	-
68	85	EXERCISE RESULTS (saldo debitoare)	-	-	-
69	X	ASSETS TOTAL	4,576,939	4,051,022	3,626,027
70	81	ACCOUNTS OUT OF BALANCE SHEET	-	-	-
71	80,81	Active evidences	-	-	-

Template 2: Bilanci – Balance Sheet - Statement of fund and liabilities

Funds and Liability Statement has been prepared on accrual basis and presents its own funds and obligations of Municipality.

(Amount in ALL '000, unless otherwise stated)

			In ALL '000		
No.	Account Number	Liabilities	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	A	OWN FUNDS	3,966,507	3,966,507	2,912,972
2	10	I. Own funds	3,966,507	3,966,507	2,912,972
3	101	Base funds	3,966,507	3,966,507	2,912,972
4	105	Capital internal grants	-	-	-
5	106	Capital foreigner grants	-	-	-
6	107	Current assets in use	-	-	-
7	109	Reserves from revaluation of current assets	-	-	-
8	11	II. Other own funds	-	-	-
9	111	Reserve funds	-	-	-
10	115	Assignments from the year results for investments	-	-	-
11	116	Revenues from selling of current assets	-	-	-
12	12	III. Carried result	-	-	-
13	13	IV. Exceptional subsidiaries (-)	-	-	-
14	14	V. Participation of the institution in investing for third parties	-	-	-
15	15	VI. Forecasted amounts for disasters and expenses	-	-	-
16	B	LIABILITIES	500,614	500,614	444,560
17		I. Long-term debts	-	-	-
18	16	Internal borrowing and similar	-	-	-
19	17	Borrowing out of the country	-	-	-
20	Class 4	II. Short term liabilities	500,614	500,614	444,560
21	419	Clients (Creditors), partial prepayment	-	-	-
22	401-408	Suppliers and related accounts	202,425	202,425	86,624
23	42	Employees and related accounts	7,680	7,680	12,396
24	431	Liabilities to government for taxes	288	288	1,248
25	432	Taxes collected from government for the local government	-	-	-
26	433	Government natural disaster	-	-	-
27	4341	Te tjera operacione me shtetin(kreditor)	221,109	221,109	218,662
28	435	Social Insurance	2,202	2,202	6,896

			In ALL '000		
No.	Account Number	Liabilities	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
29	436	Health Insurance	306	306	3,869
30	437	Other social organizations	-	-	-
31	44	Other public institutions	-	-	-
32	45	Relationships with institutions in and outside the system	-	-	-
33	460	Borrower	-	-	-
34	464	Liabilities for bond purchasing	823	823	171
35	466	Creditors for assets under guard	60,471	60,471	37,366
36	467	Other creditors	5,311	5,311	77,328
37	C	OTHER ACCOUNTS	-	-	-
38	475	Incomes to register in the coming years	-	-	-
39	478	Passive converting differences	-	-	-
40	480	Incomes to classify or adjust	-	-	-
41	487	Incomes received before title exYessure	-	-	-
42	85	Result (credit amount)	109,818	109,818	268,495
43	X	TOTAL LIABILITY	4,576,939	4,576,939	3,626,027
44	81	ACCOUNTS OUT OF BALANCE SHEET	-	-	-
45	80,81	Passive evidences	-	-	-

Template 3-1: Statement of expenses

Statement of expenditure was prepared on accrual basis, as required by law no. 9936 on the "Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Expenses	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 6	A. Expenses for exploitation/usage		329,378	329,378	666,120
2	60	I. Current expenses		330,104	330,104	662,520
3	600	Salaries, bonuses		97,223	97,223	166,892
4	6001	Salaries		97,025	97,025	166,512
5	6002	TemYesrary salaries		198	198	380
6	6003	Bonuses		-	-	-
7	6009	Other personal expenses		-	-	-
8	601	Health and social insurance contributions		15,951	15,951	31,067
9	6010	Insurance contributions		14,323	14,323	27,573
10	6011	Health insurance		1,628	1,628	3,494
11	602	Other goods and services		57,701	57,701	98,737
12	6020	Stationary		2,724	2,724	3,972
13	6021	Special services		2,507	2,507	8,146
14	6022	Services from third party		19,170	19,170	26,116
15	6023	TransYesrt expenses		7,612	7,612	18,835
16	6024	Travel expense		-	-	60
17	6025	Ordinary maintenance expenses		6,897	6,897	7,361
18	6026	Rent expenses		50	50	278
19	6027	Expenses for legal liability for compensation		-	-	-
20	6028	Borrowing costs related to loans		-	-	-
21	6029	Other operating expenses		18,742	18,742	33,969
22	603	Subsidies		-	-	-
23	6030	Subsidies for price differences		-	-	-
24	6031	Subsidies to promote employment		-	-	-
25	6032	Subsidies to cover loss		-	-	-
26	6033	Subsidies for entrepreneurship		-	-	-
27	6039	Other subsidies		-	-	-
28	604	Current internal transfers		1,397	1,397	10,210

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Expenses	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
29	6040	Current transfers to other government levels		1,052	1,052	7,910
30	6041	Current transfers to various government institutions		345	345	2,300
31	6042	Current transfers for social and health insurance		-	-	-
32	6044	Current transfers for not for profit organizations		-	-	-
33	605	Current transfers with outsiders		-	-	-
34	6051	Transfers for IOS		-	-	-
35	6052	Transfers for foreign governments		-	-	-
36	6053	Transfers for non not-for profit organizations		-	-	-
37	6059	Other current transfers with foreign governments		-	-	-
38	606	Transfers family budges and other individuals		157,831	157,831	355,615
39	6060	Transfers paid from ISS and HII		21,743	21,743	14,610
40	6061	Transfers paid from other institutions and Local government		136,089	136,089	341,005
41	63	II. Change in inventory balances		(725)	(725)	3,600
42	68	III. Depreciation rates and expected balances		-	-	-
43	681	Amortization rates on exploitation		-	-	-
44	682	Residual value on fixed assets, damaged or disYessed		-	-	-
45	683	Amounts provided for exploitations		-	-	-
46	686	Amounts provided for finance assets		-	-	-
47	65, 66	B. Finance expenses		-	-	-
48	65	I. Internal finance expenses		-	-	-
49	650	Bond interest rates and direct loans		-	-	-
50	651	Borrowing costs related to loans		-	-	-
51	652	Other interest on government securities		-	-	-
52	656	Foreign exchange expenses		-	-	-
53	66	II. External finance expenses		-	-	-
54	660	Interest on loans from Foreign Governments		-	-	-
55	661	Interest on financing from international organizations		-	-	-
56	662	Interest on other foreign loans		-	-	-
57	67	C. Extraordinary Expenses		-	-	-
58	677	Losses from allowed errors from previous years		-	-	-
59	678	Other Extraordinary expenses		-	-	-
60	Class 6	TOTAL EXPENSES		329,378	329,378	666,120
61		D. RESULT CORRECTIONS ACTIVITES		38,473	38,473	69,458
62	828	Names of cancelled revenues		-	-	-
63	831	Determination of revenues for investments		38,044	38,044	69,342
64	8420	Revenues deYessited in the budget		-	-	116

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Expenses	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
65	8421	DeYessit in the budget of unused revenues		-	-	-
66	8422	Transfers of revenues within the system		-	-	-
67	8423	Transfers for changes in situation		429	429	-
68	8424	Transfers for identified debtors and similar items		-	-	-
69	Class 6 & 8	TOTAL FROM OPERATIONS		367,851	367,851	735,578
70	85	RESULTS FROM FUNCTIONING		109,818	109,818	268,495
71	X	TOTAL		477,670	477,670	1,004,073

Template 3-2: Statement of revenues

Income Statement is prepared on cash basis, as required tnga Law no. 9936 on 'Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Revenues	In ALL '000		
			As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 7	A. REVENUES	477,966	477,966	1,000,473
2	70	I. TAX INCOMES	70,128	70,128	154,116
3	700	a) On revenues, profit, and equity revenue	17,894	17,894	36,295
4	7000	Personal income tax	-	-	-
5	7001	Income tax	-	-	-
6	7002	Small business tax	13,888	13,888	29,538
7	7009	Other tax	4,007	4,007	6,757
8	702	b) Property tax	43,194	43,194	58,384
9	7020	On immovable property	38,730	38,730	53,257
10	7021	Sales of immovable property	-	-	116
11	7029	Other on property	4,464	4,464	5,011
12	703	c) Tax uYesn goods and services in the country	9,039	9,039	59,437
13	7030	VAT	-	-	-
14	7031	Special taxes	-	-	-
15	7032	Tax uYesn specific services	-	-	-
16	7033	Tax uYesn goods usage and activity permission	3,843	3,843	1,880
17	7035	Local tax on goods usage and activity permission	5,196	5,196	57,557
18	704	d) Tax uYesn commercial and international transactions	-	-	-
19	7040	Duties on imYesrt goods	-	-	-
20	7041	Duties on exYesrt goods	-	-	-
21	7042	Custom tariff and Yesst service	-	-	-
22	7049	Other tax uYesn international commercial transYesrt	-	-	-
23	705	e) Road tax	-	-	-
24	708	f) Other national tax	-	-	-
25	709	g) Penalty interest	-	-	-
26	75	II. SOCIAL AND HEALTH INSURANCE	-	-	-
27	750	From employee's	-	-	-
28	751	From employer	-	-	-
29	752	From self employees	-	-	-
30	753	From farmers	-	-	-
31	754	From volunteer insurance	-	-	-
32	755	Budget contribution for Social Insurance	-	-	-
33	756	Budget contribution for Health Insurance	-	-	-

(Amount in ALL '000, Unless otherwise stated)

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
34	71	III. NON TAX REVENUES	81,337	81,337	89,905
35	710	a) From enterprise and ownership	-	-	15,982
36	7100	From public non financial enterprise	-	-	-
37	7101	From public financial enterprise	-	-	-
38	7109	Others from enterprise and ownership	-	-	15,982
			-	-	-
39	711	b) Administrative service and secondary revenues	25,814	25,814	20,750
40	7110	Administrative tariffs and regulations	24,821	24,821	17,920
41	7111	Secondary revenues and payments of services	159	159	498
42	7112	Tax for legal actions and notary	107	107	-
43	7113	From goods and services sales	225	225	-
44	7114	Revenues from tickets	-	-	1,914
45	7115	Fines and late-fees, sequestration and compensation	503	503	418
		Revenues from ownership transfer, legalization of buildings			
46	7116	without permits	-	-	-
47	719	c) Other non tax revenues	55,523	55,523	53,173
48	72	IV. ACTUAL GRANTS (a+b)	326,501	326,501	756,451
49	720	a) Internal actual grant	326,501	326,501	756,451
50	7200	From same Government level	187,507	187,507	589,991
51	7201	From other Government levels	16,625	16,625	37,652
52	7202	From budget for special payments to Social Institute	-	-	-
		From budget to cover the deficit of Social Institute and			
53	7203	Healthcare Institute	-	-	-
54	7204	Participation of institution in national taxes	-	-	-
55	7205	Additional finances created within the system	-	-	-
56	7206	Expected financing from budget	122,369	122,369	128,808
57	7207	Third party sYesnsorship	-	-	-
58	7209	Other internal grants	-	-	-
59	721	b) External actual grants	-	-	-
60	7210	From foreigner Governments	-	-	-
61	7211	From international organizations	-	-	-
62	73	V. CHANGES IN PRODCUTS BALANCE	-	-	-

(Amount in ALL'000, Unless otherwise stated)

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
63	78	VI. WORK INVESTMENTS AND RETAKINGS	-	-	-
64	781	Works, investments in economy	-	-	-
65	782	Forecasted retakings for liquid assets	-	-	-
66	783	Forecasted retakings for fixed assets	-	-	-
67	784	Prepayment of expenses in the years to come	-	-	-
68	785	Use of funds of the year to come	-	-	-
69	787	Withdraw from investments	-	-	-
70	76	B. FINANCIAL INCOMES	-	-	-
71	760	From internal borrowing interests	-	-	-
72	761	From external borrowing interests	-	-	-
73	765	Incomes from deYessits interests	-	-	-
74	766	Revenues from exchange rates	-	-	-
75	77	C. EXTRAORDINARY REVENUES	-	-	-
76	773	From closed activities and changes in strategy	-	-	-
77	777	From mistakes allowed in previous exercise	-	-	-
78	778	Correction from previous year	-	-	-
79	779	Other revenues	-	-	-
80	Class 7	TOTAL INCOMES	477,966	477,966	1,000,473
81	83	D. RESULT CORRECTIONS ACTIVITES	(297)	(297)	3,600
82	829	Canceled or under written expense order	-	-	-
83	841	Status change transfer	(297)	(297)	3,600
84	Class 7 & 8	TOTAL FROM OPERATIONS	477,670	477,670	1,004,073
85	85	RESULTS FROM FUNCTIONING	-	-	-
86	X	TOTAL	477,670	477,670	1,004,073

Template 4: Funds and expenses related to investments

Financing costs associated with the investments represents all capital assets under construction that are not yet completed and not yet transferred to fixed assets.

(Amount in ALL '000, Unless otherwise stated)

			In ALL '000			
No.	Account Number	Description	Opening Balance, 1 January 2015	Transactions during the Year		Closing Balance, 31 July 2015
			<i>c</i>	<i>Debit</i> <i>d</i>	<i>Credit</i> <i>e</i>	<i>f</i>
<i>a</i>						
1	I	SOURCE OF FUNDS	-	106	106	-
2	105	Internal capital grants	-	106	106	-
3	1050	From the same government level	-	106	106	-
4	1051	From other Government levels	-	-	-	-
5	1052	Third parties contribution for investments	-	-	-	-
6	1059	Internal grants in nature	-	-	-	-
7	106	Foreigner Capital grants	-	-	-	-
8	1060	From foreigner governments	-	-	-	-
9	1061	From international institutions	-	-	-	-
10	1069	Foreigner grants in nature	-	-	-	-
11	14	Capital grants for investments to third parties	-	-	-	-
		Internal grants, participation capital in				
12	145	investments for third parties	-	-	-	-
		Foreigner grants, participation capital in				
13	146	investments for third parties	-	-	-	-
14	11	Other own funds	-	-	-	-
15	111	Reserve funds	-	-	-	-
		Fund allocation for investments from result of the				
16	115	year	-	-	-	-
17	116	Revenues from tangible assets sales	-	-	-	-
18	12	Carried result	-	-	-	-
19	16	Internal borrowing and similar	-	-	-	-
20	160	Bonds and direct credit (entry)	-	-	-	-
21	161	Other internal borrowing (entry)	-	-	-	-
22	162	Borrowing through securities (entry)	-	-	-	-

In ALL '000

No.	Account Number	Description	Opening	Transactions during the Year		Closing Balance,
			Balance, 1 January 2015	Debit	Credit	31 July 2015
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
23	165	Bonds and direct credit (outing)	-	-	-	-
24	166	Other internal borrowing (outing)	-	-	-	-
25	167	Borrowing through securities (outing)	-	-	-	-
26	17	Borrowing from foreigner Governments	-	-	-	-
27	170	Borrowing from foreigner governments (entry)	-	-	-	-
28	171	Borrowing from international institutions (entry)	-	-	-	-
29	172	Other borrowings (entry)	-	-	-	-
30	175	Borrowing from foreigner Governments (outing)	-	-	-	-
31	176	Borrowing from international institutions (outing)	-	-	-	-
32	177	Other borrowings (outing)	-	-	-	-
33	II	EXPENSES FOR INVESTMENTS	310,116	553,693	56,894	806,915
34	230	Expenses for increase of Intangible Assets	22,234	-	-	22,234
35	231	Expenses for increase of Tangible Assets	287,882	553,693	56,894	784,681
36	2310	Land	-	-	-	-
37	2311	Forests, Pasture, Plantation	-	-	-	-
38	2312	Building and Constructions	8,026	4,200	4,200	8,026
39	2313	Roads, networks, water facilities	279,855	546,160	49,361	776,655
40	2314	Technical installment, machinery, equipment, working tools	-	124	124	-
41	2315	TransYesrt vehicles	-	-	-	-
42	2316	Government reserve	-	-	-	-
43	2317	Working and production animals	-	-	-	-
44	2318	Economic Inventory	-	3,209	3,209	-
45	232	Capital transfers	-	-	-	-
46	25	Lending	-	-	-	-
47	255	Outing for internal lending	-	-	-	-
48	256	Outing for transactions of foreigner lending	-	-	-	-
49	250	Entry from internal lending principal	-	-	-	-
50	251	Entry from foreigner lendings principal transaction	-	-	-	-
51	26	Participation with own equity	-	-	-	-
52	265	Outing for own equity in non profit public enterprise	-	-	-	-
53	266	Outing for own equity in financial institutions	-	-	-	-

In ALL '000					
No.	Account Number	Description	Opening Balance, 1 January 2015	Transactions during the Year	Closing Balance, 31 July 2015
<i>a</i>			<i>c</i>	<i>Debit</i> <i>d</i>	<i>Credit</i> <i>e</i>
					<i>f</i>
54	267	Outing for own equity in Noint venture	-	-	-
55	269	Outing for own equity other	-	-	-
56		Total (I + II)	310,116	553,799	57,000
					806,915

Template 5: Statement of cash flows

Cash Flow Statement presents the cash movements during the year, including the opening balance brought forward from the previous year and the cash balance at the end of the year carried forward to next year.

(Amount in ALL '000, Unless otherwise stated)

		In ALL '000			
No.	Account Number	Treasury Balance		Bank Liquidity	
		Debit c	Credit d	Debit e	Credit f
<i>a</i>					
1	I. OPENING BALANCE	305,713	-	-	-
2	II. RECEIVABLES "CASH"	636,371	-	-	-
3	1. Funds from budget	484,906	-	-	-
4	Actual budget funds (Budget with changes)	172,837	-	-	-
5	Capital budget funds (Budget with changes)	312,069	-	-	-
6	2. Incomes and revenues during the year in "Cash"	151,465	-	-	-
7	Tax revenues in "Cash"	95,309	-	-	-
8	Social and health insurance in "Cash"	-	-	-	-
9	Non tax revenues "Cash"	56,156	-	-	-
10	Interact incomes "Cash"	-	-	-	-
11	SYesnsorships, grants and other revenues "cash"	-	-	-	-
12	Loans and different lending	-	-	-	-
13	Entry from storage "Cash"	-	-	-	-
14	III. PAYMENTS OF THE YEAR "CASH"	-	1 974 126	-	-
15	1. Payment from the budget for actual expenses	-	795 978	-	-
16	2. Payments from the budget for capital expenses	-	190 922	-	-
17	3. Payments from revenues for actual expenses	-	254 244	-	-
18	4. Payments from revenues from capital expenses	-	695 903	-	-
19	5. Payments from storage	-	32 549	-	-
20	6. Other payments	-	4 529	-	-
21	IV. TRANSFERS	-	398 721	-	-
22	1. DeYessit of revenues in the budget	-	542	-	-
23	2. Unused budget (actual and capital)	-	249 798	-	-
24	3. Internal movements and transfers	-	148 381	-	-
25	V. MOVEMENTS TOTAL (I UP TO IV)	942,084	2 372 847	-	-
26	VI. CLOSING BALANCE	170,289	-	-	-

Template 6: Statement of Fixed Assets' Balance and Changes during the year

Statement of changes in asset balances and stable during all the changes presents tangible and intangible assets during the year, measured at cost.

In ALL '000.

No.	Description	Opening	Additions during the Year					Decreases during the Year			Closing	
		Balances	Transf.								Balances	
<i>a</i>	<i>b</i>	<i>1</i>	Purch.	Out	In	Mov.	Total	Sales	Write Off	Other	Total	<i>11</i>
			<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	
1	I. INTAGIBLE	12,476	-	-	-	-	-	-	-	-	-	12,476
	Amounts to be remitted and											
2	201 loan reimbursements	-	-	-	-	-	-	-	-	-	-	-
3	202 Studies and research	-	-	-	-	-	-	-	-	-	-	-
4	203 Concessions, license, other similar licenses	-	-	-	-	-	-	-	-	-	-	-
4/1	230 Expenses for increase of current intangible assets	12,476	-	-	-	-	-	-	-	-	-	12,476
5	II. TANGIBLE	2,961,340	57,873	-	-	-	57,873	-	100	184	284	3,018,929
6	210 Land	32,324	-	-	-	-	-	-	-	-	-	32,324
7	211 Forests, Pasture, Plantation	-	-	-	-	-	-	-	-	-	-	-
8	212 Building and Constructions	833,741	4,200	-	-	-	4,200	-	-	-	-	837,941
9	213 Roads, networks, water facilities	1,876,053	49,841	-	-	-	49,841	-	-	-	-	1,925,894
10	214 Technical installment, machinery, equipment, working tools	61,737	124	-	-	-	124	-	-	184	184	61,677
11	215 TransYesrt vehicles	45,188	399	-	-	-	399	-	100	-	100	45,487
12	216 Government reserve	-	-	-	-	-	-	-	-	-	-	-
13	217 Working and production animals	-	-	-	-	-	-	-	-	-	-	-
14	218 Economic Inventory	108,535	3,309	-	-	-	3,309	-	-	-	-	111,843
17	24 Damaged current tangible assets	3,762	-	-	-	-	-	-	-	-	-	3,762
18	28 Assignments	-	-	-	-	-	-	-	-	-	-	-
19	T O T A L (I + II)	2,973,816	57,873	-	-	-	57,873	-	100	184	284	12,476

Template 7: Statement of Fixed Assets' depreciation

The statement below presents the movements in accumulated amortization of tangible and nontangible assets, including the amortization of the year for the respective additions and disposals.

(Amount in ALL '000, Unless otherwise stated)

In ALL '000											
No	Account Number	Description	Opening Accumulated Depreciation	Additions during the Year			Decreases during the Year			Closing Accumulated Depreciation	
			1 January 2015	Dep. Charge for the year	Other Addit.	Total	Sales	Write off	Other Depr.	Total	31 July 2015
<i>a</i>	<i>b</i>		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>
1	209	I. INTAGIBLE	-	-	-	-	-	-	-	-	-
2	219	II. TANGIBLE	397,845	27,338	-	27,338	-	-	-	-	425,183
		TOTAL (I + II)	397,845	27,338	-	27,338	-	-	-	-	425,183

Template 8: Statement of changes in fund

Statement of Changes in Fund presents all additions and reductions of fixed assets, amortization charge for the year and other changes affecting the fund.

(Amount in ALL '000, Unless otherwise stated)

No.	Acc. No.	Description	Restated									
			Opening Balance	Period of Movements			Closing Balances	Opening Balance	Period of Movements			Closing Balances
			1 Jan. 2015	Debit	Credit	31 July 2015	1 Jan. 2015	Debit	Credit	31 July 2015		
		Credit	Debit	Credit	Credit	Credit	Debit	Credit	Credit			
<i>a</i>	<i>b</i>		1	2	3	4=1+3-2	1	2	3	4=1+3-2		
1	101	BASE FUND	2,912,972.39	28,316	1,081,851	3,966,507	2,912,972	28,316	555,934	3,440,590		
2	1010	Status of base fund	2,912,972	-	481,089	3,394,062	2,912,972	-	-	2,912,972		
3	1011	Additions base fund	-	-	600,761	600,761	-	-	555,934	555,934		
4	1012	Decrease base fund	-	878	-	(878)	-	878	-	(878)		
5	1013	Decrease from tangible assets consume	-	27,338	-	(27,338)	-	27,338	-	(27,338)		
6	1014	Decrease from selling tangible assets	-	-	-	-	-	-	-	-		
7	1015	Decrease from	-	100	-	(100)	-	100	-	(100)		
8	1016	Decrease from transferring tangible assets	-	-	-	-	-	-	-	-		
9	109,	DIFFERENCE IN TANGIBLE ASSETS REVALUATION	-	-	-	-	-	-	-	-		
	105,107,11,12											
10	13,145,15,85	INTERNAL FUND	268,495	786,911	628,234	109,818	268,495	786,911	628,234	109,818		
11	105	Capital internal grants	-	-	-	-	-	-	-	-		
12	107	Current assets in use	-	-	-	-	-	-	-	-		
13	11	Other own funds	-	-	-	-	-	-	-	-		
14	12	Carried result	-	-	-	-	-	-	-	-		
15	13	Exceptional subsidiaries	-	-	-	-	-	-	-	-		
16	145	Participation of the institution in investing for third parties	-	-	-	-	-	-	-	-		
17	15	Forecasted amounts for disasters and expenses	-	-	-	-	-	-	-	-		
18	85	Result	268,495	786,911	628,234	109,818	268,495	786,911	628,234	109,818		
19	106	EXTERNAL FUND	-	-	-	-	-	-	-	-		
20	106	Capital foreigner grants	-	-	-	-	-	-	-	-		
21	146	Capital foreigner grants investing for third parties	-	-	-	-	-	-	-	-		
22		CONSOLIDATED FUND (1 up to 4)	3,181,467	815,227	1,710,085	4,076,325	3,181,467	815,227	1,184,168	3,550,408		

Template 9: Statement of number of employees and personnel expenses

The statement below presents information about the number of employees for various Yessitions, with appropriate salaries and other expenses.

(Amount in ALL '000, Unless otherwise stated)

In ALL '000

No.	Categories	Annual Average No. of Employees	Turnover of the Employ. During the year		No. of Employ. At the end of the year	Salaries and Contributions					
			New Employ.	Leaved		Total Salaries	Addit. Rewards	Immed. Social Assistance	Social and Health Insurance	Other Rewards	Income Tax
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<i>a</i>	Total number of employees (1+2+3+4+5+6)	280	7	2	285	97,223	-	-	16,428	-	2,956
<i>1</i>	Directors	39	-	-	39	15,242	-	-	3,182	-	1,278
<i>2</i>	High level education specialist	59	5	1	63	17,751	-	-	5,391	-	970
<i>3</i>	Technical	49	-	-	49	12,461	-	-	2,792	-	438
<i>4</i>	Ordinary officers	23	-	1	22	4,756	-	-	1,636	-	149
<i>5</i>	Employees	106	2	-	108	46,815	-	-	3,427	-	101
<i>6</i>	TemYesrary employees	4	-	-	4	198	-	-	-	-	20

Template 10: Summary Consolidated Statement of financial Yessionion

Consolidated statements of financial Yessionion represent the consolidated financial Yessionion of the Municipality.

			In ALL '000		
No.	Account Number	Description	2015 Period Restated	2015 Period	2014 Period
1	A	Assets	4,576,939	4,051,022	3,626,027
2	I	Current Assets	637,886	637,886	739,940
		1. Petty- Cash, Banks, and Funds			
3	Class 5	Availability	171,112	171,112	305,992
13	Class 4	2. Receivables	439,320	439,320	406,362
29	Class 3	3. Current Inventory accounts	27,453	27,453	27,586
39	II	Non-current Assets	3,939,053	3,413,137	2,886,087
40	23	1. Investments	819,391	819,391	322,592
44	25,26	2. Finance assets	525,917	-	-
47	21,24,28	3. Tangible assets	2,593,745	2,593,745	2,563,495
60	20	4. Intangible assets	-	-	-
65	III	Other assets	-	-	-
69	B	Liabilities	500,614	500,614	444,560
70	I	Current liabilities	500,614	500,614	444,560
71	Class	1. Accounts payable	500,614	500,614	444,560
88	16	2. Non-current liabilities	-	-	-
89	II	Non liquid liabilities	-	-	-
90	17	1. Foreign loans	-	-	-
91	III	Other liabilities	4,076,325	3,550,408	3,181,467
96		Net assets (A - B)	3,966,507	3,440,590	2,912,972
97		Presented: Consolidated budget	109,818	109,818	268,495
98		Carried forward results	4,576,939	4,051,022	3,626,027

Template 11: Consolidated statement of comprehensive income and operating expenses

Consolidated statement of comprehensive income and expenses represents the consolidated statement of the comprehensive income of the Municipality.

			In ALL '000		
No.	Account Number	Description	2015 Period Restated	2015 Period	2014 Period
<i>1</i>	<i>2</i>	<i>3</i>	<i>5</i>	<i>6</i>	<i>7</i>
1	A	TOTAL REVENUES	477,670	477,670	1,004,073
2	70,750,71	I. REVENUES AND CONTRIBUTES	151,465	151,465	244,022
3	70	1. Tax revenues uYesn	70,128	70,128	154,116
19	71	3. Non tax revenues	81,337	81,337	89,905
23	72	II. GENERAL ACTUAL GRANTS	326,501	326,501	756,451
31	78	IV. WORKS FOR INVESTMENTS	-	-	-
32	77, 83	V. OTHER REVENUES	(297)	(297)	3,600
33	B	TOTAL EXPENSES	367,851	367,851	735,578
34		I. ACTUAL EXPENSES	330,104	330,104	662,520
35	600 601	1. Salaries and employees contribution	113,174	113,174	197,959
38	602	2. Goods and Services	57,701	57,701	98,737
50	604	4. Internal actual transfers	1,397	1,397	10,210
52	606	6. Budget transfers for families and individuals	157,831	157,831	355,615
57	67	IV. OTHER EXPENSES	37,748	37,748	73,058
58	C	DETERMINED NET INCOME	109,818	109,818	268,495
59		From this: Functioning results	109,818	109,818	268,495
60		Functioning observed grants			

STAR Project

**Municipality Rrogozhinë
Consolidated Due Diligence report**

Glossary

ACP	Agency of Consumer Protection
Agency	Agency of Itocktaking of Public Property at the Ministry of Internal Affairs
ALL	Albanian Lek
APP	Public Procurement Agency
CD	Compact Disc
CDL	Council Decision of LGU
CHUIA	Central Unit of Coordination of Internal Audit
DCM	Decision of the Council of Ministers of Republic of Albania
Cr	Credit
Dr	Debit
F	Form
FID	Fiscal Identification Number
FS	Financial Statement
FY	Financial year
GA	Government of Albania
HR	Human Resources

IT	Information Technology
KKRT	National Council on Territory Regulation
LGU	Local Government Administrative Unit
MF	Ministry of Finance of Republic of Albania
n/a	Not Applicable
NBV	Net Book Value
No	Number
PM	Policy Modification
RE	Reclassifications
T	Template
TAR	Territorial and administrative reform
VAT	Value Added Tax
WIP	Work In Progress

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Operational due diligence

Summary of observations and recommendations

- A summary of observations and recommendations, in the context of their merger process is comprised as follows:

Observations	Recommendations
Roles – Mayor	
<ul style="list-style-type: none"> • Under the law in force for the local government, the Municipality mayor is responsible for the approval of the new organizational structure of the municipality and the regulation for its organization functioning. Currently we observed a conservative approach, almost formal, to the organizational structure, which makes it a document that does not add much value in practice. 	<ul style="list-style-type: none"> • The new municipality may consider an innovative approach to the new organization structure. The new structure may have a functional approach; which means to have agility, accountability, efficiency and effectiveness in delivering services to the community. As such it may be suggested that the Mayor, in adopting it, take into account not only the general principles that should normally lead organization and functioning of the municipality, but also take into consideration all the specific circumstances characterizing the specific municipality; which means the types of services offered, how to provide these services, geographical condition which affect the decision-making and above all, human resources and the type of work required in fulfilling these functions.
Roles – Deputy Mayor	
<ul style="list-style-type: none"> • In most of ex - municipalities and ex- administrative units in question, the deputy mayor was conceived more as an onorifik position. 	<ul style="list-style-type: none"> • The new municipality may consider a more active role of the deputy mayor, who can take care of meeting the targets by certain parts of the municipal administration. It is suggested that the Deputy Mayor take an active role in the management of the municipality. Because this position under the direct authority of the mayor who appoints and dismisses it is assumed that among these there is also a steady relationship of trust. Setting the deputy mayor in active positions and fulfillment of policy objectives on the other side of the Mayor's cabinet delivers such functions leaving cabinet members focused on their original role; holder that counseling for various technical issues.
Roles – Municipality Council	

Observations	Recommendations
<ul style="list-style-type: none"> In the law of organization and functioning of local government it is stipulated that the Municipality Council will be responsible for approving the budget, the maximum number of employees of the New Municipality and budgetary institutions and the maximum bonus level. It has been noted that the municipality council does not have sufficient time available for a detailed analysis of the budget. 	<ul style="list-style-type: none"> The new municipality may consider to prepare the budget and the new structure and to submit it to the council in a timely manner in order that the Municipality Council takes sufficient time for analysis and detailed examination of the structure of the budget and presented structure.
<p>Roles – Administrator</p> <ul style="list-style-type: none"> The Administrator is a new role stipulated in the amendments to the law of local government before the election of 2015. The administrator is appointed and dismissed by the Mayor who directs the Administrative Unit and oversees its operation. The administrator is supposed to assist the mayor in fulfillment of municipal functions in the territory of the administrative unit and be responsible for the quality of services provided to the public. It is noted insufficient clearance about the administrator's role in relation to the services provided and hierarchical dependence of agencies expected to provide services to citizens. 	<ul style="list-style-type: none"> The new municipality may consider that the regulation of its organization and operation to clearly define the role of the administrator in relation to the services provided and hierarchical dependence agencies that will offer these services to citizens.
<p>Roles – Administrative Unit</p> <ul style="list-style-type: none"> The ex-municipality is not considered an administrative unit and has not appointed an administrator. 	<ul style="list-style-type: none"> The mayor should consider the fact that under the law on territorial reform, the ex-municipality itself is an administrative unit like all other LGUs and therefore the appointment of an administrator would facilitate his work in the management of the territory of the ex-municipality and help improve the monitoring of the quality of services provided to the community in that territory.
<p>Functions - order and civil protection</p> <ul style="list-style-type: none"> The maximum number of police forces of LGU's for every existing LGU is determined by the Council of Ministers ("DCM") No.313, dated 01.07.2002, on "Determining the structure, number of employees, and costs for municipal police. 	<ul style="list-style-type: none"> This DCM appear to undermine the organizational autonomy granted to the municipality by the Constitution of the Republic of Albania and the law on the organization and functioning of local government as it limits the number of police forces and do not allow the municipality to determine it by themselves as needed. In these conditions it is suggested that the municipality or forms of organization that protects the interests of local governments to require the change of this decision.
<p>Orientation – Mixed orientation of administrative structures</p> <ul style="list-style-type: none"> Organizational units have a mixed orientation and exercise sectoral and 	<ul style="list-style-type: none"> The municipality may consider that the positions of the same field or closely related fields are grouped within the same organizational unit and organization sectors, directory or general directory is carried out in case of fulfillment of numerical

Observations	Recommendations
horizontal functions.	standards for each of them.
<p>Organization - diverse label of organizational units</p> <ul style="list-style-type: none"> Organizational unit in the actual structures are not named and organized in an orderly manner, there are offices, sectors, companies, brigades, etc. 	<ul style="list-style-type: none"> The new municipality may consider re-organization and name them in an orderly and hirerchal manner. For this purpose it is suggested that organizational units should be divided into sectors, directory and general directory depending on the fulfillment of numerical standards.
<p>Orientation - horizontal functions</p> <ul style="list-style-type: none"> Support functions are performed by many sub-units, whether in the municipality, or in the administrative unit. 	<ul style="list-style-type: none"> The new municipality should consider the concentration of some of the horizontal functions / support in order to increase efficiency and accountability in their exercise. Public procurement should be centralized and be part of the main section of the structure. Internal audit of the local government unit should directly report to the mayor (functional reporting) without being dependent from any other organ of the municipality in addition to the General Secretary from whom should depend on terms of organization in accordance with the legislation in force. The Internal Audit Report to the Head of the institution should be presented simultaneously also to the municipal council and the decision-making resulting from it are a collegial decision between the institution and the relevant municipal council. The finance service, budget and procurement should also be centralized and carried on center. Information technology service should also be centralized and monitored from the center of the municipality through the creation and implementation of the electronic systems of internal communication. The service of human resource management and revenue management should also be centralized and carried on the municipality.
<p>The organization and structure - digital standard</p> <ul style="list-style-type: none"> Offices, sectors, brigades, directories, etc do not have in their composition a sufficient number of employees to be qualified as such, pursuant to Decision no. 893, dated 12.02.2014. 	<ul style="list-style-type: none"> The new municipality may consider that a sector must have at least 5 employees, including the head of the sector, except in special cases where it is impossible for specialists of various fields be grouped in a single sector; Directoris should have at least 2-3 sectors or at least by 10-15 employees and the general directories should consist of at least 2 directors per each. This standard can be applied regardless of the typology of employees serving in these structures.

Observations	Recommendations
<p>The organization and structure - Policy-making in the provision of services and horizontal functions.</p> <ul style="list-style-type: none"> • There is a lack of clear division within the administrative units which perform multi functions, service delivery, policy-making and horizontal functions. 	<ul style="list-style-type: none"> • The new municipality may consider adopting an organizational structure that has a clear separation between the functions of policy-making and monitoring the quality of services, horizontal functions and service delivery. For this purpose, it is suggested that the main top management of the organizational units should be responsible for the design and monitoring of policies and horizontal functions / support to these policies. The majority of the policy-makers should be composed of civil servants under the existing laws in force.
<p>The organization and structure - Delivery of services to the community</p> <ul style="list-style-type: none"> • There is no clear division of functions within the organization's administration. 	<ul style="list-style-type: none"> • In terms of services offered to the public it is suggested that these should be organized and provided by institutions that might be designated as enterprise or agency and would be positive if kept homogeneity of their name in the whole territory of the Republic of Albania in order to avoid confusion about their status or powers. It is suggested that these should be named "Agency" by adding the respective field of action. All employees of these agencies will be time administrative staff as well as their activities are simply services offer on the basis of the objectives and policies of the organizational units of the main block. Their activity will also be under the control and monitor of these organizational units are the main block. At the technical level these agencies are run by directors or general managers depending on the fulfillment of digital standard. How long they are typically service agency, it is assumed that their working relationship, regardless of the name of internal organization units, to be based in the Labour Code.
<p>The organization and structure – relation with voters community</p> <ul style="list-style-type: none"> • Absence of a specialized designated structure for relations with the voters community and other institutions or entities, public or private, domestic or foreign. 	<ul style="list-style-type: none"> • The municipality may consider creating an organizational unit responsible for relations with the voters community and eventually with other institutions. This unit can be arranged as a sector or the directory depending on the fulfillment of numeric standard. This unit have also suggested to have archive and protocol workers for how long that it will be the focal point of cooperation and interaction with the public and the municipality responsible for relations with other institutions. Also, given the recent initiatives undertaken in connection with the establishment of service offices with a stop (one stop shop or front office) suggested that part of this unit can be linked or de-localized in the local units existing supervised by administrators. Last but not least, these units should be composed of the archive and protocol workers, either at central or de-localized level.

Observations	Recommendations
Personnel matters – The transfer of the staff	
<ul style="list-style-type: none"> • As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 of labor relations existing between the merged entity (LGU's) and their employees will be transferred to the Municipality of Rrogozhinë. It is worth mentioning that, also the ex-municipality, before the amalgamation process, it is considered as one of the units that is merged. • An employee has fixed-term employment contract (1 year term). However, the employee, according to the report, has begun the work relationship on 01.01.2006. 	<ul style="list-style-type: none"> • In accordance with the provisions of the Labour Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, it is recommended that the case be seen whether the provisions for the settlement of an employment contract with indefinite term can be applied. • Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. • Related to civil servants who are on probation, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. • The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources • It is recommended that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.
Personnel matters – Termination of working relationship	
The reorganization may bring the necessity of termination of the employment relationship of some employees of the Municipality. Problems may arise if the labor relations with employees, who leave, do not terminate in accordance with the status that they have. In the event that the relevant provisions do not apply for the termination	<ul style="list-style-type: none"> • It is recommended to keep in mind that the legale basis for the termination of working relationships is different depending on the category of employees and respectively: <i>Political functionaries.</i> Political functionaries of a Municipality are the deputy

Observations	Recommendations
<p>of labor relations, it has financial consequences for the Municipality.</p>	<p>mayors, administrators and the employees of the mayor's cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations.</p> <p><i>Employees with working contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority.</p> <p><i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer.</p>
<p>Information Technology – Lack of security rules and softwares</p> <ul style="list-style-type: none"> • Computers are not managed through a centralized and standardized system that automates the network management of user account data and security requirements. Therefore, the implementation of safety rules and access management is not implemented. 	<ul style="list-style-type: none"> • The municipality may consider adopting clear regulations on information security and implement the necessary softwares for managing and storing information.
<p>Information Technology – Lack of hardware devices</p> <ul style="list-style-type: none"> • The level of availability of hardware equipment is at the minimum level. Not all employees have access to a personal computer and the existing devices are from a wide variety of brands and models. There is lack of servers and back-up mechanisms for information. 	<ul style="list-style-type: none"> • The municipality may consider unifying the types of hardware devices that are currently being used. This would also help in ensuring their maintenance by specialized companies.
<p>Communication – Lack of electronic means of communication</p> <ul style="list-style-type: none"> • Despite that the administrative units have internet access, none of them has an 	<ul style="list-style-type: none"> • The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by

Observations	Recommendations
internal electronic communication system.	setting clear rules on the type of information that can be charged or circulate on these platforms.
<p>Communication – Lack of telephone service</p> <ul style="list-style-type: none"> Administrative units do not have telephone service. 	<ul style="list-style-type: none"> The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.
<p>Archive - Centralization of archive</p> <ul style="list-style-type: none"> The archive volume of the new municipality is expected to increase from the documents received from the previous local government units. Consequently reorganization of the new Municipality archive and its maintenance can be difficult. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.
<p>Archive - Lack of technical requirements in the management of the archive</p> <ul style="list-style-type: none"> In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, missing security doors and windows, missing duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours. 	<ul style="list-style-type: none"> The new municipality may consider taking necessary measures to guarantee the physical safety and security of preserving the archive from possible damages.
<p>Asset Management – lack of registers</p> <ul style="list-style-type: none"> Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties. 	<ul style="list-style-type: none"> Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

The structure and organization

Organizational Model

Analysis of the organization and structure for the Municipality Rrogozhinë and five existing LGUs of Kryevidhit, Sinaballaj, Lekaj, Gosës, is performed based on organizational model developed on "Guidelines for the Control of the Local Government Units" and its annexes.

- The aim is to facilitate the analysis of segregation of the roles and responsibilities in administrative structures, and to provide consistency in the process of amalgamation.

Table 1: Roles in the municipality/administrative units

Roles	Municipality Rrogozhinë	LGU Kryevidh	LGU Sinebabaj	LGU Lekaj	LGU Gose
LGU Council	✓	✓	✓	✓	✓
Mayor	✓	✓	✓	✓	✓
Deputy Mayor	x	✓	x	x	x
Secretary of the LGU Council	✓	✓	✓	✓	✓

Their respective responsibilities include:

- **LGU Council:** The adoption of the Statute of the LGU and internal rules of operation of the local council; approval of the organizational structure and administration of the LGU budget and its institutions, the number of their personnel, the criteria for qualifications, salaries and criteria for their reward.
- **Mayor:** The mayor is responsible for carrying out all functions of the Municipality, except those powers that are attributed to the Council. The Mayor shall exercise all the rights and ensures the fulfillment of all obligations of local government based on his status as a legal entity.

- The results of four elements of the organizational model: roles, functions, service delivery and orientation, are summarized below.

Roles

Performed roles are shown in table 1, below:

- **Deputy Mayor:** Assist the Mayor in the supervision of the operation of LGU.
- **Secretary of the LGU Council:** Storage of the official documents of the council; sending notifications for the Council meetings; Publication of notices and decisions taken by the Council; Preparation of public hearings with LGU's Council.

According to the law no. 150/2014 "On the administrative and territorial units of local government in the Republic of Albania", the new LGU Rrogozhinë, consists of five administrative units, as presented in the table 2 below.

Table 2: Roles in the Municipality

Roli				
New Municipality	Rrogozhinë			
Municipality Council	✓			
Mayor	✓			
Deputy Mayor	☒			
Secretary of Municipality Council	✓			
Administrative Unit	Kryevidh	Gose	Lekaj	Sineballaj
Administrator	✓	✓	✓	✓

- Municipality Council will continue to exercise the same powers. To help in the improvement of the efficiency of the Municipality, The Municipality Council will undertake the amended responsibilities, as follows:
 - Approval of salary and bonuses for employees and others elected or appointed according to the law.
 - By approving the budget and its changes, the Council will also approve the maximum number of employees of the Municipality and budgetary institutions depending on the Municipality.
- The Mayor shall continue to exercise the same powers. To assist with improving the effectiveness of the Municipality, the Mayor will take on new responsibilities, as follows:
 - Approval of the Municipality organizational structure and basic regulations of the Municipality administration and its budgetary institutions depending on the Municipality.
 - Appoints and dismisses managers of administrative units.
- Deputy Mayor/s shall continue to exercise the same powers. The Municipality Mayor shall appoint them.
- Secretary of Municipality Council shall continue to exercise the same powers. The Municipality Mayor shall appoint him.
- The Administrator is a new role. He / she shall be appointed and dismissed by the Mayor and shall undertake the following responsibilities:
 - Runs the administrative unit and reports to the Mayor about the functioning of the administrative unit;
 - Observes and examines administrative offenses;
 - It has the right to delegate its powers in connection with the conclusion and review of administrative offenses, to other employees of the administrative unit;

Functions

- Information on public services, with the number of people who carry out these functions, is shown in Table 3 on the following page.

When people exercise more than one function, they are split proportionally according to the time spent, resulting in the equivalent of full-time workers. As a result, the number of people qualifying for some functions may not result rounded.

The total number of people performing public services is 45.

- The information can also present functions for which there is no allocation of human resources to execute them, and are set with 'n/a' (not applicable).
- Horizontal functions together with the number of people who carry out these functions are presented in table 4 below:

The total number of people that execute horizontal functions is 22.

Table 3: Public Services Functions and number of people associated with these functions

Public Services	Rrogozhina	Kryevidh	Gose	Lekaj	Sineballaj	Merged
Infrastructure and public services						
Water Supply Company	Contracted	Contracted	Contracted	Contracted	Contracted	Contracted
Functioning of the sewerage system	n/a	n/a	n/a	n/a	n/a	n/a
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	n/a	n/a	n/a	n/a	n/a	n/a
Construction of roads, pavements and public squares	0	0	0	0	0	0
Rehabilitation and maintenance of local roads, sidewalks and public squares	0	0	0	2	0	2
Public lighting	1	1	0	0	0	2
The operation of urban public transport	n/a	n/a	n/a	n/a	n/a	n/a
Cemeteries administration and guarantee of funeral services	Contracted	0	0	0	0	Contracted
Decorations Service in town / village	Contracted	0	0	0	0	Contracted
Administration of parks, gardens and public spaces	Contracted	0	0	0	0	Contracted
Collection, disposal and recovery of waste	Contracted	0	0	0	0	Contracted
Urban planning	4	2	0.5	2	0	8.5
Land management	1	1	0.5	1	1	4.5
Shelter	0	0	0	0	0	0
Social,cultural and sports Services						
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	1	0	0	0	0	1
Organization of sporting, recreational and entertainment activities and management of relevant institutions	1	0	0	0	0	1
Social services of kindergardens	4	0	0	0	0	4
Social services - orphanages, shelters	0	0	0	0	0	0
Local economic development						
Preparation of local economic development programs	0	0	0	0	0	0
Establishment and function of public markets and trade network	0	0	0	0	0	0
Small business development, and the development of promotional activities such as fairs and advertisements in public places	0	0	0	0	0	0
Organization of services within the local economic development support and information structures and infrastructure necessary	0	0	0	0	0	0

Public Services	Rrogozhina	Kryevidh	Gose	Lekaj	Sineballaj	Merged	
Veterinary services	1	1	0	1	0	3	1
Conservation and development of forests and natural resources of local character	0	0	0	0	0	0	0
The order and civil protection							
Preservation of public order to prevent administrative violations	3	1	0	2	0	6	3
Civil protection	0	0	0	0	0	0	0
Educational institutions							
Maintenance of facilities in preliminary education	1	0	0	3	0	4	1
Medicine							
Health care system and the protection of public health	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Social care							
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	2	1	0.33	0	0.33	3.66	2
Social Care on domestic violence	0	0	0.33	0	0.33	0.66	0
Social care for the protection of children's Rights	0	0	0.34	0	0.34	0.68	0
Environmental Protection							
Environmental Protection	0	0	0	0	0	0	0
Register Office							
Register Office	1	1	1	1	0	4	1
Business Registration							
National Registration Center	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	20	8	3	12	2	45	20

Table 4: Horizontal functions and number of people associated with these functions

Horizontal Functions	Rrogozhinë	Kryevindh	Gosë	Lekaj	Sineballaj	Merged
Finance	2	2	1	3	0	8
Local taxes and Tariffs	2	1	0	2	1	6
Legal Issues	1	1	1	0	1	4
Procurement	0	0	0	0	0	0
Institutional Relations	0	0	0	0	0	0
Human Resources	0	0	0	0	0	0
Protocol	0	0	0	0	0	0
Archiving	1	1	0	1	0	3
Information Technology	0	0	0	0	0	0
Supporting services	1	0	0	0	0	1
Internal Audit	0	0	0	0	0	0
Total	7	5	2	6	2	22

Orientation

- Two types of guidance used in the current organizational model are:
 - Breakdown by sector for the Public Services, and,
 - Functional orientation to horizontal functions,
- Analysis show these exceptions:

Rrogozhinë

- Staff responsible for support services under the Secretary of the Mayor.

Gose

- Building Inspector's office is part of human resources, administrative and financial assistance;
- Technician surveyor's office is part of human resources, administrative and financial assistance;
- Personnel responsible for public services is part of the office of human resources, administration and economic aid

Lekaj

- Veterinarian and agriculture are under urban sector.
- The process of unification brings a new dimension to the organizational model orientation, which is split by geography. Therefore, it is necessary to develop an organizational structure that serves the fulfillment of the functions of the local government unit.
- The organizational structure will require the construction of multiple reporting lines, dakordësim objectives between sectoral divisions and functions, combining the planning and use of resources, decision-making, coordination and communication.

- Responsibilities of the following positions of leadership that existed in LGU's, will vary:

Rrogozhinë:

- Head of the finance sector
- Head of the urban sector
- Head of the construction sector

- Head of the office of public services

Gose:

- Head office of human resources, administrative and financial assistance;
- Head of the accounting office
- Head of the tax office

Kryevidh:

- Head of the accounting office
- Head of the city planning office
- Head of the Legal Office
- Head of the tax office
- Head of the office of public services
- Civil engineering inspection
- Municipal police

Lekaj:

- Head of the urban sector
- Head of the accounting office
- lawyer
- Head office and local tax rates
- Director of the Department of Public Service and Administration

Sinaballaj:

- lawyer
- Office services
- Sector of local taxes and fees.

Service Providing

- In the below tables 3 and 4 there are the detailed ways of providing public services and execution of Horizontal Functions.
- Majority of the functions are provided with its own resources.
- The below services are contracted:
 - Water supply;
 - Administration of cemeteries and guaranteeing burial service is contracted Rrogozhinë
 - Service décor in town is contracted Rrogozhinë
 - The management of parks, gardens and public green areas as well as the collection, removal and processing of waste are also contracted in Rrogozhinë while the other units are not available as public services
 - Internal audit contract.
 - There is no licensed service.
- Decisions on changes in service delivery cannot be achieved during a short - term period and preparatory work is required in order to analyze processes, to assess the current human resource capacity and infrastructure, including the information - communication - current technology.
- To facilitate this analysis, we have compiled the following three questions to be used as development principles:
 - Does the fulfillment of work require physical presence?
 - Is there any reason (legal, strategic) to centralize the execution of function?
 - Is the work scalable by performing it in distance/ centralized processing?
- The information in tables 5 and 6, on the following pages demonstrates the application of these development principles. It is noticed that the answers given reflect the meaning, without considering future strategic decisions to be taken by the Municipality of changing service delivery (principle developer 2)
- Based on these responses, the execution of some horizontal functions can be subject to changes in the future. More specifically, the following functions can be subject to a physical relocation, centralization in performing the function and performance remote / centralized processing:
 - Finance (Assuming that the Administrative Units will not be designated as dependant budgetary institutions of the Municipality)
 - Legal Issues
 - Procurement
 - Institutional Relations
 - Human Resources
 - Archive
 - Internal Audit
- By applying the above principles of development for each function, alternative developments of organizational structure will be encouraged. These structural formations then should be refined and that organizational structure which is more feasible should be selected.

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Infrastructure and public services			
Water Supply Company	Yes	No	No
Functioning of the sewerage system	Yes	No	No
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	Yes	No	No
Construction of roads, pavements and public squares	Yes	No	No
Rehabilitation and maintenance of local roads, sidewalks and public squares	Yes	No	No
Public lighting	Yes	No	No
The operation of urban public transport	No	No	Yes
Cemeteries administration and guarantee of funeral services	Yes	No	No
Decorations Service in town / village	Yes	No	No
Administration of parks, gardens and public spaces	Yes	No	No
Collection, disposal and recovery of waste	Yes	No	No
Urban planning	No	No	Yes
Land management	Yes	No	No
Shelter	No	No	Yes
Social, cultural and sports Services			
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	Yes	No	No
Organization of sporting, recreational and entertainment activities and management of relevant institutions	Yes	No	No
Social services of kindergartens	Yes	No	No
Social services - orphanages, shelters	Yes	No	No
Local economic development			

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Preparation of local economic development programs	Yes	No	No
Establishment and function of public markets and trade network	Yes	No	No
Small business development, and the development of promotional activities such as fairs and advertisements in public places.	Yes	No	No
Organization of services within the local economic development support and information structures and infrastructure necessary			
Veterinary services	No	No	Yes
Conservation and development of forests and natural resources of local character.	Yes	No	No
The order and civil protection			
Preservation of public order to prevent administrative violations.	Yes	No	No
Civil protection	Yes	No	No
Educational institutions			
Maintenance of facilities in preliminary education			
Medicine			
Health care system and the protection of public health	Yes	No	No
Social care			
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	Yes	No	No
Social Care on domestic violence	Yes	No	No
Social care for the protection of children's Rights	Yes	No	No
Environmental Protection			
Environmental Protection			

Table 6: Horizontal Functions – Application of development principles

Function	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Finance (Note 1)	No	Yes	Yes
Local taxes and Tariffs	No	Yes	No
Legal Issues	No	Yes	Yes
Procurement	No	Yes	Yes
Institutional Relations	No	Yes	Yes
Human Resources	No	Yes	Yes
Protocol	Yes	No	No
Archiving	Yes	No	No
Information Technology	No	Yes	Yes
Supporting services	Yes	No	No
Internal Audit	No	Yes	Yes

Organizational Structure

To develop a future organizational structure based on best practices, it may be taken into consideration that the future organizational structure includes the following features

- A matrix organizational structure that combines elements of the division by sector, geography and functional orientation;
 - Administrative structures of public services by Administrative Units have a primary reporting line to the relevant administrative structures of the Municipality;
 - At the same time they should also have a second line of reporting to administrators;
 - Due to the complexity and larger scale there can be two / three deputy mayors of the following divisions of responsibilities:
 - Infrastructure and Public Services;
 - Social Functions, cultural and sportive, local economic development, and maintaining order;
 - Finance, Local Taxes and other horizontal functions;
 - Internal audit function reports directly to the Mayor;
 - A possible illustration of the future organizational structure, is presented in Annex 2;
- In forming its organizational structure, the municipality may consider the following factors:
- Consistent with the strategic direction: to support the priorities of the vision and strategy of the Municipality;
 - Form follows function: the organizational structure should ensure the provision of quality public services;
 - Responsibility: there must be responsibility and clear and well-defined decision-making authorities;
 - Extent of control – scope of control should be as wide as possible, without sacrificing efficiency. However, there is a limit to the number of positions that a person can effectively be responsible. The scope of control should ensure proper monitoring of performance and access to the staff opinion (a person generally must manage no more than 10 employees);
 - Specialization: activities for which a single individual is responsible should be similar. Similar functions should be grouped appropriately around key competencies and reporting lines;
 - Surveillance layers: the number of authority levels should be kept at the minimum (from top to bottom);
 - Decision-making: organizational formation should facilitate timely and effective decision-making in support of daily work;
 - Communication: Communication is effective and efficient in the reporting lines and outsourcing services;
 - Coordination approach - Applicable especially for new administrators who will be responsible for running the regional units within the various departments of public and horizontal services. Clear rules and procedures must be developed to distinguish between sectoral responsibilities (functional) and administrative and reporting lines;

- Divisions - organizational formation of the Municipality should reflect the special status and interdependent regional administrative units (separate actions in separate locations);

(Rrogozhinë):

- Finance Sector
- Urban Sector
- The construction sector
- Office of public services
- Kindergarten
- Legal Office

(Gosë):

- The office of human resources , administrative and financial assistance ;
- Office of Finance
- The tax office
- Municipal police

(Kryevindh):

- Finance
- Office of Urban Planning
- Legal Office
- The tax office
- Office of public services

- Growth and change in the future - the organizational structure should be flexible and adaptable to future growth and public service needs;
- A non-exhaustive list of Yessitions, whose ways of reYesrting is likely to change is shown below:

- Civil engineering inspection
- Municipal police

(Lekaj)

- Urban Sector
- Finance Office
- Legal Office
- Office of tariffs and local taxes
- Department of Public Service and Administration
- Municipal police

(Sinaballaj)

- Legal Office
- Office services
- Sector of local taxes and fees.
- Finance Sector

Financial due diligence

Summary of observations and recommendations

Observations	Recommendations
<p>Property, Plant and Equipment</p>	
<p>During the control of the Ex-Municipality and LGUs it was noticed that a significant number of fixed assets are not recorded in the respective balance sheets.</p> <p>Fixed assets, which are currently owned by the Ex -Municipality and LGUs are kept at historical cost. Depreciation is accumulated in based on categories of assets. Many other assets are kept out off balance sheet and they actually have a book value.</p>	<p>We suggest that the stocktaking of fixed assets at 31 December 2015 to be carried out as soon as Yesssible. The stocktaking will serve as a basis for the preparation of fixed assets registers to be used for the preparation of the financial statements year ended December 31, 2015.</p> <p>The stocktaking will not just aim the verification of assets that are currently registered but also the identification of other assets owned by the Ex-Municipality or LGUs. It will also identify assets which could be damaged or do not exist. Also it is necessary a close cooperation with the Real Estate Office.</p> <p>All assets owned by Municipality or LGU should be revalued and to each asset, including those assets that are held off balance, must be assigned a value.</p> <p>Such revaluation can be carried out taking into account the source of reference prices and widely accepted methodology regarding the evaluation of these assets. Results of the evaluation reYesrt must then be reflected in the financial statements as well as in a full register of assets. All the subsequent changes during the lifetime of each asset must be recorderd in the assets register.</p>

Investments	
<p>Ex-Municipality and LGUs perform most of their services using their own resources. However, they have also investments in other entities that perform public services on their behalf.</p> <p>There are no instructions from the Ministry of Finance regarding the treatment of investments and it is not clear if a value for these investments should be presented to the assets and how to measure their value.</p>	<p>These investments should be presented as financial assets. They are presented in individual audit report in Note No. 9, according to the % of ownership that the unit has in these subsidiaries using the cost method (% of subscribed share capital).</p> <p>These investments together with other assets owned by the municipality, which serve for the same purpose (ex. former municipal water supplies that are not privately owned public entities Sh.a) should be analyzed, and the analysis should be used for the review of the opportunity of the integration of management, ownership and operations into a separate entity.</p>
Liabilities	
<p>On July 31, 2015 total liabilities of the municipality are reported at a value of 96,836 thousand ALL. Overdue municipal obligations are reported at a value 63,971 thousand ALL.</p> <p>The information is often incomplete and does not give details on arrears and risks of delays in repaying them. Furthermore the liabilities are not even detailed to the same level of categories used in the allocation of grants from central government.</p>	<p>It is recommended a detailed analysis to identify the age and nature of their obligations. This analysis will provide a clearer picture of rotating repayment of Municipality obligations and sources of funds.</p>

<p>Receivables</p>	
<p>During 2015, tax and non-tax revenues were 13% of total revenues, due to the low rate of revenue collection</p> <p>During LGUs control it was noticed that some of the LGUs do not have a complete list and accurate receivables of taxes from individuals and businesses.</p>	<p>It is recommended that the municipality imYesse strict procedures for analysis and regular monitoring of actual financial performance against budget. Following the analysis will lead to increased levels of tax collections for the municipality and capacity for expenses.</p> <p>A complete and accurate list of receivables from individuals and business taxes should be established. These lists will make Yesssible that the municipality can fascilitate the tracing in detail of receivables and improve their collection rates. Also, they will allow a fair treatment of taxpayers and provide a documented basis for actions against those who do not pay.</p>
<p>Lack of unified accounting Yeslicies and practices</p>	
<p>It is noticed that the presentation of financial reYesrting has been relatively standard, this due to the uniformity of clear and descriptive financial formats used by Municipality and LGUs. All LGUs and Municipality has reYesrted in accordance with the list of accounts prescribed by the Ministry of Finance. Accounts lists are well integrated with financial reYesrting formats prescribed by the Ministry of Finance. However, the accounting Yeslicies for the preparation of financial statements and the bookkeeping of LGUs and ex- Municipality are limited.</p>	<p>Ununiformed application of accounting Yeslicies and accounting practices and procedures from different LGUs could affect the completeness and accuracy of accounting data used in consolidation. Consequently, LGUs are exYessed to the risk of data loss, which may adversely affect their daily activities and lead to financial losses.</p> <p>We recommend the government should include in the current legislation more rules for the application of uniform accounting Yeslicies and for maintaining an effective general ledger. Accounting records kept manually or electronically must follow a process of archiving in accordance with archiving Yeslicies. Using a uniform software solution</p>

Lack of unified accounting Yeslicies and practices - continued

During our work we have identified different and non-uniform accounting Yeslicies and practices used by LGUs. In some LGUs expenses are recognized on accrual basis and in others on the basis of payment. Also, various differences, classifications and inconsistencies were identified when comparing the financial statements with supYesrting notes.

Just a few LGUs use accounting software that enables the construction of a full and steady verification balance. The rest keep written documents or documents in the computer files of "MS Office" package. In many cases we have identified absence of accounting documents of prior periods such as inventory details and details of debtors or creditors.

for all LGUs could be useful in improving the accountancy and financial reYesrting.

Consolidated financial statements

Overview

To present and analyze the position and financial performance indicators of the newly formed Municipality Rrogozhinë, we have prepared the consolidated financial statements, which are presented in formats 1 to 9, as defined in the guidelines of the Ministry of Finance

These statements have been prepared by summing line by line the restated statements of Municipality Rrogozhinë, LGU Kryevindh, LGU Sinaballaj, LGU Lekaj, LGU Gose.

Affiliated units are consolidated at the level of municipality and have been part of individual due diligence report of Municipality Rrogozhinë.

The restated statements reflect the adjustments that have been identified and presented in individual reports for each ex-Municipality and administrative unit. Adjustments are based upon the guidelines and rules of the Ministry of Finance to apply uniform accounting practices

These consolidated financial statements do not include any consolidation adjustment.

Key performance indicators

Key performance indicators	
<i>Amounts in 000 leke</i>	<i>For the period ended 31 July 2015</i>
Income from grants	188,291
Tax and non-tax revenue	28,021
Total Expenses	145,956
Total Assets	1,052,885
Liabilities	96,836

Table 1. Summary of consolidated statement of financial Yessionion.
Amounts in thousand ALL

		In ALL '000	
Account Number	Description	2015 Period Restated	2015 Period
A	Assets	1,052,885	887,138
I	Current Assets	141,712	141,712
	1. Petty - Cash, Banks, and	35,488	35,488
Class 5	Funds Availability		
Class 4	2. Receivables	92,050	92,050
Class 3	3. Current Inventory accounts	14,174	14,174
II	Non-current Assets	911,173	745,425
23	1. Investments	20,234	20,234
25,26	2. Finance assets	165,748	-
21,24,28	3. Tangible assets	725,191	725,191
20	4. Intangible assets	-	-
III	Other assets	-	-
B	Liabilities	96,836	96,836
I	Current liabilities	96,836	96,836
Class 4	1. Accounts payable	96,836	96,836
16	2. Non-current liabilities	-	-
II	Non liquid liabilities	-	-
17	1. Foreign loans	-	-
III	Other liabilities	-	-
	Net assets (A - B)	956,049	790,301
	Presented: Consolidated budget	931,593	765,846
	Carried forward results	24,456	24,456

Overview of the consolidated statement of the financial Yessionion

- On July 31, 2015 total assets and liabilities of the new municipality were 1,052,885 thousand respectively. Total assets of the municipality on July 31, 2015 increased by 23% compared to December 31, 2014.

Current assets

- Current assets which have 13% of total assets are increased by 16% during the period ended as of 31 July 2015 compared to the year ended as of 31 December 2014. Among the items of current assets it is noticed an increase of 43% of cash, which affects more in the total increase of current assets the account of the state of inventories have slightly increased by 15% and 10% respectively.

Accounts Receivable

- Structure of total debtors of municipality Rrogozhinë consists of 57,76% of debtors of LGU Rrogozhinë, 29,87% of debtors of LGU Lekaj, 11,19% of LGU Gosë and the remaining part by other LGU.

- Non-current accounts*

- Non-current assets which occupy the largest share of assets of the municipality Rrogozhinë 87%, have increased by 24% in total, where the biggest effect in this increase, was the addition of financial assets item during 2015, and the increase of tangible assets by 1% which comYesse 69% of total assets.

PPE

- 25.58% of PPEs of Municipality Rrogozhinë are composed by the PPEs of LGU Rrogozhinë, 27.99% PPEs by LGU Kryevadh, 22.02% by LGU Lekaj, 20.81% by LGU Gosë and 3.6% by LGU Sinaballaj.

Accounts Payable

Accounts payable have decreased by 33% during the period ended July 31, 2015 compared with the previous year 2014.

- 16.35% of the total accounts payable is composed of accounts payable of LGU Rrogozhinë, 28.41% by LGU Lekaj, 46.49% by LGU Kryevadh, 7.92% by LGU Gosë and 0.83% by LGU Sinaballaj.
- Further details on the assets and liabilities are presented in formats 1 and 2 in the appendices of this report.

Tabela 2: Summary of Consolidated Statement of Financial Performance

Amounts in thousand ALL

		In ALL '000	
Account Number	Description	2015 Period Restated	2015 Period
A	TOTAL REVENUES	217,160	217,160
70,750,71	I. REVENUES AND CONTRIBUTES	28,021	28,021
70	1. Tax revenues uYesn	24,358	24,358
71	3. Non tax revenues	3,663	3,663
72	II. GENERAL ACTUAL GRANTS	188,291	188,291
78	IV. WORKS FOR INVESTMENTS	-	-
77, 83	V. OTHER REVENUES	849	849
B	TOTAL EXPENSES	192,704	192,704
	I. ACTUAL EXPENSES	144,476	144,476
600 601	1. Salaries and employees contribution	37,937	37,937
602	2. Goods and Services	32,124	32,124
604	4. Internal actual transfers	996	996
606	6. Budget transfers for families and individuals	73,419	73,419
67	IV. OTHER EXPENSES	48,228	48,228
C	DETERMINED NET INCOME	24,456	24,456
	From this: Functioning results	13,914	13,914
	Functioning observed grants	10,542	10,542

Overview of consolidated statement of financial performance

Sources of funds (revenues)

- During the period ended July 31, 2015 total revenue recognized by the new municipality in the consolidated statement of financial performance were 217,160 thousand lek. 13% of the total municipality income is composed of tax and non-tax revenues, 87% of income is from grants.

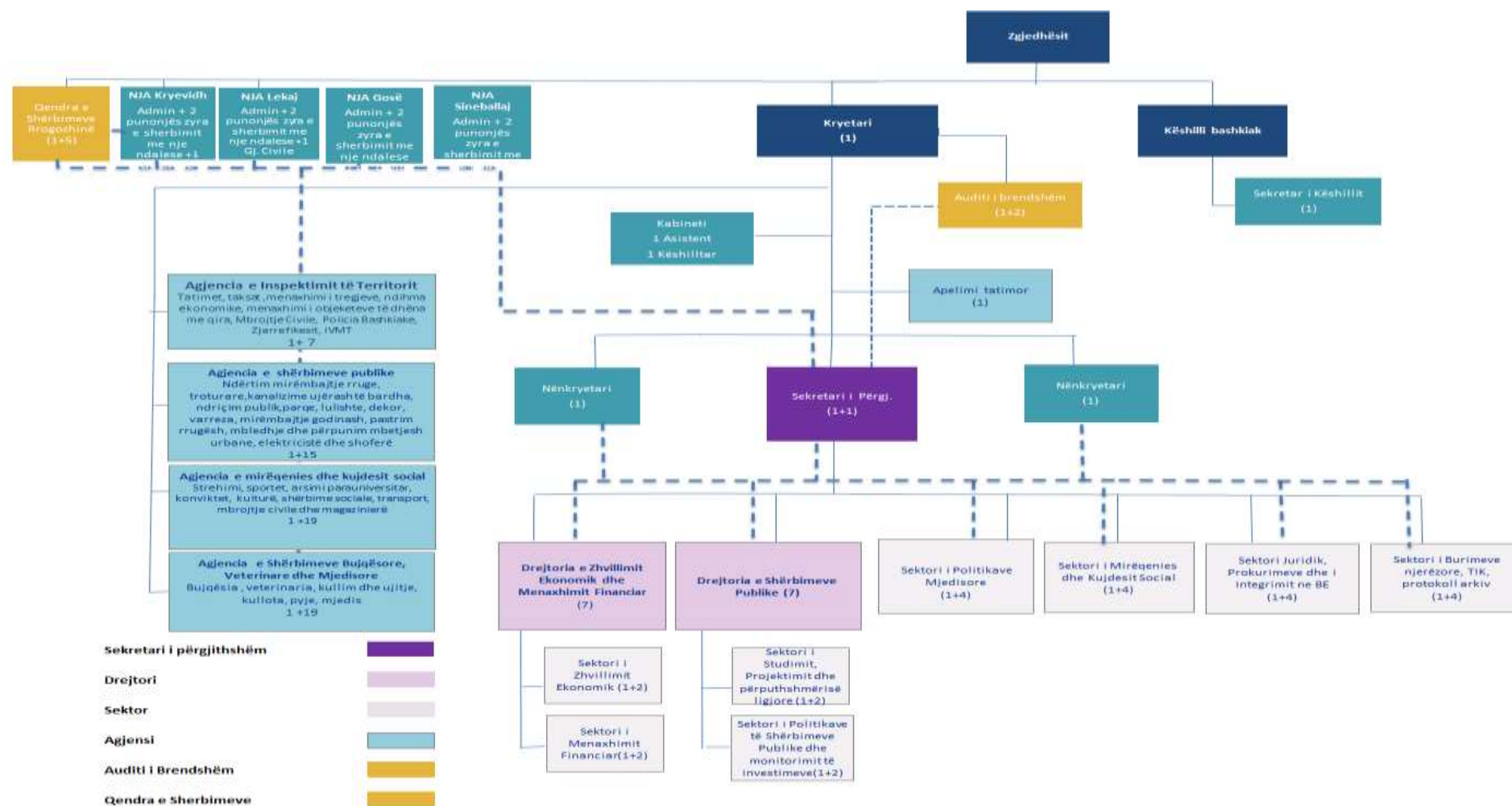
Structure of total revenues is comprised of 38.21% of the revenue generated from LGU Rrogozhinë, 29.22% PPE by LGU Kryevindh, 15.9% by LGU Lekaj, 12.31% by LGU Gosë and 4.35% by LGU Sinaballaj.

Uses of Funds (expenses)

- During the period ended July 31, 2015 the total expenditure recognized by the new municipality in the consolidated statement of income and expenses were 192,704 thousand Lek. 100% of the total municipal expenditure is composed of current expenditures.
- Structure of total expenditure is comprised by 40.76 % of the expenditures of LGU Rrogozhinë, 18.87% PPE by LGU Kryevindh, 17.38% by LGU Lekaj, 16.66% by LGU Gosë, and 6.24% by LGU Sinaballaj.

More details on the expenses and revenues are presented in formats 3/1 and 3/2 in the appendices of this report.

Appendix 1 –Yessible organization structure



Appendix 2 – Personnel matters

Objectives of the analysis

The analysis of the personnel matters has the following objectives:

- Develop a register of the staff until the end of July 2015 containing information on the full name, place of work for each employee, function / the sector where each employee is assigned, the date of commencement of work in the LGU, type of employment, education and training.
- Presentation of a summarized description of the personnel data based on the appropriate legal framework as follows:
 - Labour Code Articles 105 a/2, 107, 140, 143, 144, 145, 147, 148
 - Law no.152/2013, dated 30.05.2013 “On Civil Servants” as amended, Articles 50/1/6 dhe 7
 - DCM No.118, dated 05.03.2014 “On the appointment, recruitment, management and termination of civil service relationship of civil servants in senior management and members of the TND”
 - DCM No.243, dated 18.03.2015 “On admission, lateral, probation period and appointing the executive category”
- Observations and recommendations on personnel transfer and training in the context of the merge and reorganization of the Municipality.

Summarized description of the information received

- According to the information received, until the date of constitution of the municipality, the total number of personnel, excluding Mayors and employees of the Register Office, is 1057 employees. More detailed: 105 persons working under employment contracts of one year, 849 persons working under labor contracts expired, (N/A) maternity leave. The latest under the Labour Code are considered a protected class.
- Personnel register is presented in Annex 2 – Personnel register.

Observations and recommendations

Personnel matters

Observations	Recommendations
<p>The transfer of the staff</p> <ul style="list-style-type: none"> As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 of labor relations existing between the merged entity (LGUs) and their employees will be transferred to the Municipality of Rrogozhinë. It is worth mentioning that the Municipality Rrogozhinë, before the amalgamation process, is considered as one of the merged units. An employee has a fixed-term employment contract (1 year term). However, the employee, according to the reYesrt, has begun the employment relationship on 01.01.2006. 	<ul style="list-style-type: none"> In accordance with the provisions of the Labour Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, it is recommended that the case be seen whether the applicable provisions for the settlement of an employment contract with indefinite term. Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. Related to civil servants who are on probation, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources It is recommended that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.

Observations	Recommendations
Termination of working relationship	
<ul style="list-style-type: none"> The reorganization may bring the necessity of termination of the employment relationship for some of the Municipality employees. 	<ul style="list-style-type: none"> It is recommended to keep in mind that the legale basis for the termination of working relationships is different depending on the category of employees and respectively: <ul style="list-style-type: none"> - <i>Yeslitical functionaries.</i> Yeslitical functionaries of a Municipality are the deputy mayors, administrators and the employees of the mayor’s cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations. - <i>Employees with working contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority. - <i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer
Improvement of organizational structure	
<ul style="list-style-type: none"> Organizational structures of local government units do not stipulate the Yessionition of General Secretary. 	<ul style="list-style-type: none"> It is recommended that a new organizational structure should have a highest reYesrting line of civil servants, the Yessionition of the General Secretary. The General Secretary is resYesnsible for the formulation and monitoring of Yeslicies and horizontal functions / supYesrt to these Yeslicies, and serves not only to guarantee the legality of the activity of civil servants but also serves as a filter to Yeslitical pressure elected / nominated to the administration civil local government unit.

Appendix 3 –Information Technology

Objectives of the analysis

Assessing the status of information technology has the following objectives:

- The stocktaking of IT business systems, equipment, licenses and other agreements and contracts including IT services;
- Evaluation of IT equipment maintenance;
- Assessment of the actual information security practices, procedures for the recovery and storage of data in case of loss based on the information received until the end of 2015.

Summarized description of received information

- Use of information technology is limited to the use of personal computers, printers and Internet service. There is Microsoft Office package and Microsoft windows despite that there are no regular license for their use. There are no internal networks or e-mail standard and the majority of employees who have access to use their private e-mail. There is no maintenance contract and just one employee is specializing in Information Technology in the three local government units.
- Consolidated information about the IT environment is presented in Table 9 – IT environment, below

Table 9: IT environment

Objective	Rrogzhinë	Gosë	Kryevidh	Lekaj	Sinaballaj
Installed Software	7	7	7	7	7
Contracts of licences	0	0	0	0	0
Hardware (in useage)	9	18	23	23	21
Computer (desktop)	6	6	4	2	2
Printers	3	3	1	2	5
Servers	0	0	0	0	0
IT staff in total	0	0	0	0	0
Hardware and Software maintenance	n/a	n/a	n/a	n/a	n/a

Observations and Recommendations

IT environment

Observations	Recommendations
<ul style="list-style-type: none"> Information Technology 	
<ul style="list-style-type: none"> The LGU has lack of a centralized and standardized system that automates network management of user account data and security requirements. In these conditions, the safety rules and access management are not implemented. 	<ul style="list-style-type: none"> New Municipality should consider implementing a centralized and standardized system that automates network management of user account data and security requirements, based on the principle that the cost / benefit.
<p>Data storage system</p> <ul style="list-style-type: none"> Lack of procedures for storage and recovery of data in case of loss. There are used USB drives, as a substitute means of communication which subsequently taken outside the LGU premises. 	<ul style="list-style-type: none"> New municipality may consider initiating and implementing Yeslicies and procedures for storage and recovery of data in case of loss, taking into account the current status of the technology infrastructure. Data can be stored on the platform of cooperation (DMS, erms, etc.) that can be implemented and stored safely in the central datacenter in Rrogozhinë municipality or Private / Public Cloud.
<p>Optimization and Management of PC-s</p> <ul style="list-style-type: none"> Hardwares and softwares are old. There is lack of licence for software and software protection. Lack of qualified staff for maintenance of hardwares and softwares and service provider of maintenance services is performed by private local service provider without contract. 	<ul style="list-style-type: none"> New municipality may consider standardization of operating systems and business applications to make it easier and manageable maintenance (update, security Yeslicy, update, etc.) New Municipality should take into account the needs for licensing of Microsoft software in use as legal needs and for security system. It is deemed necessary the implementation of new trends to optimize the costs for services Copy / Print / Scan. These services can be provided in a centralized manner based on (Printing as a Service).
<p>Informaion Yeslicy Securities</p>	
<ul style="list-style-type: none"> Lack of Yeslicies and procedures for providing information. Employees do not have knowledge of basic information security principles. 	<ul style="list-style-type: none"> New Municipality should consider initiating and implementing Yeslicies and procedures on information security for user access management and provision of computer hardware (desktop configuration passwords, laptop).
<p>Lack of IT staff</p> <ul style="list-style-type: none"> There is lack of IT staff for maintenance of Hardwares and Softwares. 	<ul style="list-style-type: none"> LGU Rrogozhinë should take into consideration employment or entering into a contract for maintenance of Hardware and Softwere network.

Appendix 4 – Communication

Objectives of the analysis

Assessing the status of the communication system has the following objectives:

- Stocktaking of telephony and Internet deals
- Understand the methods of internal communication, verbal or written applied for circulating memos protocol, issuing regulations, orders the mayor and departamenteteve and communication between different sectors;

Summarized description of the information received

- Only one local government units under consideration fixed telephone service benefits regardless of the area where these units are not considered deep or isolated. Also, not all units have Internet service by national and local operators. However the main means of internal communication remain or information conveyed orally or circulation of memos or other written documents.
- Consolidated information about the communication systems is presented in Table 10 – Communication systems.

Communication

Observations	Recommendations
Lack of electronic means of communication	
<ul style="list-style-type: none">• Despite that the administrative units have internet access, none of them has an internal electronic communication system.	<ul style="list-style-type: none">• The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by setting clear rules on the type of information that can be charged or circulate on these platforms.
Lack of telephone service	
<ul style="list-style-type: none">• Local government units under survey does not receive the fixed telephone service.	<ul style="list-style-type: none">• The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.

Observations and recommendations

Table 10: Communication System

Objectives	Rrogzhinë	Gosë	Kryevindh	Lekaj	Sinaballaj
Telephony service	N/A	N/A	N/A	Po	N/A
Telephony/service providers	N/A	N/A	N/A	Albtelecom	N/A
Internet service	Asparag tv, 1024kb/sek	N/A	N/A	4 mbps	N/A
Assess coverage of the telephony service	N/A	N/A	N/A	Pa limit	N/A
Internal communication lines	N/A	N/A	N/A	N/A	N/A

Appendix 5 – Archives

Objectives of the analysis

The analysis of the database has the following main objectives:

- The analysis of the actual archive practices until the end of 2014 based on the legal and technical requirements provided by the following legal framework applicable to archives:
 - Law nr.9154, dated 06.11.2003 "On Archives" and
 - Professional and technical rates and methodological archival service in the Republic of Albania (Archiving methodology);
- The preparation of a checklist for compliance with technical requirements for archive environments and requirements of methodology documentation;
- Provision of observations and recommendations regarding the archive within the union based on information received by the end of the year (year under review);

Technical requirements for practices in the premises of archives and record-keeping methodology	Rrogozhinë	Gosë	Kryevindh	Lekaj	Sinaballaj
Fire protection, shells protection from sun, dust and any other physical and biological agents	No	No	No	No	No
Secured doors and windows with a metallic net and automatic door closure	No	No	Yes	No	No
Cardboard folders for putting the documents, placed in metalik shells and painted against rust	Yes	No	Yes	No	No
Vertically oriented shells to the windows with a distance 40-60 cm from the wall	Yes, but there is no distance from the wall	No	No	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall
Presence of heaters or any other item that can cause fire present in the archive premise	No	No	No	No	No
Records on physical control of the archive kept from the secretary of the archive	Yes	No	No	Yes	Yes
Archive keys in two copies	Yes	No	Yes	Yes	Yes
One copy of the key closed in an envelope, preserved from the LGU Mayor or the Deputy in charge of the archive service. Other copy kept in accordance with the rules applicable for other keys of other sectors in LGU.	Yes	No	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Rrogozhinë	Gosë	Kryevindh	Lekaj	Sinaballaj
<p>According to this scheme, all the documents that are found in the archive:</p> <p>Firstly are classified (grouped) by year</p> <p>Then, are classified based on structures (i.e directorates, departments, branche, etc.)</p> <p>Note: When the organization has a two-tier structure (example: directorate and branches), documents are grouped under this approach with 2 levels, and then create folders. Creation of folders should consider documents containing information which refers to more than one department.</p>		No			
Files containing information to be stored up to 10 years have no need for internal restructuring, but the number of pages contained in documents written in their cap.	Yes	Yes	Yes	Documents are not completed	Yes
<p>Cover file (Module 6), clearly marked and grammar:</p> <ul style="list-style-type: none"> - Full name of the state entity - no state - Department or branch that operates - The level of classification (if the document is of this type) - The file contains an identification number, year - Full title of the file - The period that the document should save (protect) - Date of completion of conservation - The amount of documents that are stored in files - Inventory identification number on file - The period of use 	Yes	Documents are not processed	No	Yes	Documents are processed

Technical requirements for practices in the premises of archives and record-keeping methodology	Rrogozhinë	Gosë	Kryevindh	Lekaj	Sinaballaj
Based on a) "the list of models of documents on storage" and b) "the list of models on documents of histoREcal imYesrtance, national", which are published by the General Directorate, the State Commission and non-state experts, to be built a concrete list of their documents. This list should reflect those documents that are of histoREcal imYesrtance, national and documentation retention peREod. Also, the committee of experts should determine the peREod of preservation of these documents (by module 11).	Partly processed	there is no comment	No	Partly	There is no comment
Title of the institution and structures belonging to the institution	Yes	Yes	Yes	Yes	Yes
Number of documents attached	No	No	No	Yes	No
The content of the document	Yes	Yes	Yes	Yes	Yes
Name, surname and signature of the person who signed the document and stamp	Yes	Yes	Yes	Yes	Yes
Signature of the director of the institution	Yes	Yes	Yes	Yes	Yes
Date and number of protocol	Yes	Yes	Yes	Yes	Yes
Mod 1 - CorresYesndence model	No	Yes	Yes	Yes	Yes
Mod 3 - Serial Number of CorresYesndence	No	No	No	No	No
Mod 4. -The Book Delivery	No	No	No	No	No
Mod 4/1. -The Book of shipments of documents from archives in sectors secretariat and vice versa	No	No	No	No	No
Mode 5 - Table definitions of files for the year	No	No	No	No	No
Mod 6 - Elements of cover dossier	Yes	No	No	Yes	No

Technical requirements for practices in the premises of archives and record-keeping methodology	Rrogozhinë	Gosë	Kryevindh	Lekaj	Sinaballaj
Mod 7 - Register of files	Yes	No	No	Yes	Yes
Mod 8 - Internal File register	No	No	Partly	Yes	No
Mod 9 - Decision of the Commission of Experts	No	No	No	No	No
Mod 10 - Compilation of the list of documents that set aside	No	No	No	No	No
Mod 11 - The period laid down for storage (protection)	No	No	No	No	No
Mod 12 - Destruction of documents containing any further value	No	No	No	No	No

Observations and Recommendations

Archive

Observations	Recommendations
Centralization of archive	
<ul style="list-style-type: none"> The archive volume is expected to increase from the documents received from the previous local government units. Consequently reorganization of the new Municipality archive and its maintenance can be difficult.. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.
Lack of technical requirements in the archive management	
<ul style="list-style-type: none"> In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, missing security doors and windows, missing duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.

Appendix 6 – Assets Management System

Objectives of the analysis

Analysis of asset management has the following main objectives:

- Analysing the status of assets management based on the legal and technical requirements provided by the following legal framework applicable to asset management:
 - Law nr.10296, dated 08.07.2010 "On Financial Management and Control" and
 - Decree of the Minister of Finance no. 30, dated 27.12. 2011 "For the management of public sector assets" of change;
- Prepare a checklist related to compliance with the legal framework of asset management based on the information received until the end of 2014;
- Provision of observations and recommendations regarding the management of assets within the union based on information received by the end of the year (year under review);

Summarized description of the information received

- In the former local governments, while the chair was the authorizing officer did not specify what the principal enforcer, simply confirmed the existence of this officer.
- All units reported that they had approved plans, objectives and control mechanisms and risk management. Hall Rrogozhinë only keep a record of leased properties , while no one held a registry owned companies and a register of concessions and Emphytousee.
- In all existing LGUs, the Mayor approves at the end of each year a special order for the inventory of assets, which is followed by the performance of inventory of assets at the beginning of next year. Special committees have been established to evaluate the assets.
- Consolidated information regarding compliance with the requirements for the Asset Management is presented in Table 12 - List of consolidated control applications for Assets Management below.

Table 12: List of consolidated control applications for Assets Management

ASSET MANAGEMENT	Rrogozhinë	Gosë	Kryevidh	Lekaj	Sinaballaj
Adopted rules and procedures on asset management	N/A	Po	Po	Po	Po
Authorizing Officer	N/A	Mayor	Po	Mayor	Mayor
Executing Officer	N/A	Po	Po	po	po
Adopted plan, objectives and control mechanisms related Risk	Po	Po	Po	Po	Po
Asset Accounting Register	Po	Po	Po	Po	Po
Leased Properties Register	Po	Jo	Jo	Jo	Jo
Owned Companies Register	Jo	Jo	Jo	Jo	Jo
Annual Assets Inventory	Jo	Jo	Jo	Jo	Jo
Assets Inventory Committee	Po	Po	Po	Po	Po
Assets Evaluation Committee	Po	Po	Po	Po	Po
Assets DisYessal Committee	N/A	Po	Po	Po	Po
Committee of disYessal of assets	Po	Po	Po	Po	Po

Observations and Recommendations

Asset Management

Observations	Recommendations
Asset management – lack of registers	
<ul style="list-style-type: none">• Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties.	<ul style="list-style-type: none">• Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

Appendix 7 – Investment Projects

Based on the inventory of investment projects for each municipality / administrative unit it is prepared a consolidated table on which appear all investment projects that will be transferred to the Municipality as a result of the merger. Please refer to Table 13 investment projects below.

Investment Projects

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
	There is no investment project			

Appendix 8 – Legal Issues

Public Service Arrangements

Consolidated information for public service contracts that will be transferred to the Municipality in the context of the merge, is presented in Appendix 3- contracts public services, in a secure CD based on an inventory of public service contracts for every ex-municipality / administrative unit.

Legal Proceedings

Consolidated information on litigations that will be transferred to the Municipality in the context of the merge, is presented in Annex 4- Litigation, on a CD provided, based on the inventory of litigation of any ex-municipality / administrative unit.

Third party contracts

Consolidated information on third party contracts that will be transferred to the Municipality in the context of the merge, is presented in Annex 5- third party contracts in a secure CD based on the inventory of third party contracts of any ex-municipality / administrative unit.

Appendix 9 – Consolidated Financial Statements Template

Template 1: Balance Sheet-Statement of assets

Statement of assets has been prepared on accrual basis and includes short and long term assets; cash balances on hand and amounts to be collected.

(Amount in ALL '000, unless otherwise stated)

No.	Account Number	Assets	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	12	Brought forward results		-	-	-
2	A	Non Current Assets		911,173	745,425	736,046
3		I. Intangible Assets		15,750	15,750	15,006
4	201	Amounts to be remitted and loan reimbursements		-	-	-
5	202	Studies and research	F6, Sh1	-	-	-
6	203	Concessions, license, other similar licenses		-	-	-
7	209	Amortization of current intangible assets (-)	F7, Sh1	-	-	-
8	230	Expenses for increase of current intangible assets		15,750	15,750	15,006
9		II. Tangible Assets		729,675	729,675	721,040
10	210	Land		5,839	5,839	5,839
11	211	Forests, Pasture, Plantation	F6, Sh1	1,596	1,596	1,596
12	212	Building and Constructions	F6, Sh1	319,424	319,424	318,240
13	213	Roads, networks, water facilities	F6, Sh1	449,294	449,294	435,694
14	214	Technical installment, machinery, equipment, working tools	F6, Sh1	8,915	8,915	8,915
15	215	TransYesrt vehicles	F6, Sh1	9,461	9,461	9,461
16	216	Government reserve		-	-	-
17	217	Working and production animals		-	-	-
18	218	Economic Inventory	F6, Sh1	42,909	42,909	40,108
19	219	Depreciation of tangible assets	F7, Sh1	(112,247)	(112,247)	(103,313)
20	231	Expenses in process for increase of current tangible assets	F4	4,484	4,484	4,500
21	232	Expenses in process for capital transfers		-	-	-
22	24	Damaged current tangible assets		-	-	-
23	28	Assignments		-	-	-
24	25	III. Financial Assets		165,748	-	-

				In ALL '000		
No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
25	25	Loan and sub-loans		-	-	-
26	26	Participation with own capital		165,748	-	-
27	B	CURRENT ASSETS		141,712	141,712	121,805
28	Class 3	I. Inventory Status		14,174	14,174	15,681
29	31	Materials	Sh2	1,273	1,273	2,223
30	32	Inventory Objects	Sh2	12,901	12,901	13,458
31	33	Production, work and services in process		-	-	-
32	34	Products		-	-	-
33	35	Goods		-	-	-
34	36	Animals fattening		-	-	-
35	37	Undelivered items or close to third party		-	-	-
36	38	Differences from warehouse prices		-	-	-
37	39	Forecasted amounts for inventory depreciation (-)		-	-	-
38	Class 4	II. Request for receivables		92,050	92,050	64,410
39	409	Suppliers, prepayments or partial payment		-	-	-
40	411-418	Similar clients or accounts		-	-	-
41	423	Employees, prepayment, deficits and penalties	Sh3	4,243	4,243	4,945
42	431	Rights and taxes to deYessit to government		-	-	-
		Taxes collected from central government for the Local				
43	432	Government		-	-	-
44	433	Expenses for natural disaster covered from the government		-	-	-
45	4342	Other operations with the government (debtor)		50,651	50,651	22,813
46	435	Social Insurance		-	-	-
47	436	Health Insurance		-	-	-
48	437	Other social organizations		-	-	-
49	44	Other public institutions		-	-	-
50	45	Relationships with institutions in and outside the system		-	-	-
51	465	Receivables from selling of bonds		200	200	66
52	468	Different Debtors	Sh4	36,955	36,955	36,586
53	49	Forecasted amounts for depreciation (-)		-	-	-
54	51	III. Financial accounts		35,488	35,488	41,714
55	50	Securities		-	-	-

					In ALL '000		
No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014	
56	511	Amounts to receive		-	-	-	
57	512	Bank		-	-	-	
58	520	Treasury funds	Sh5	24,456	24,456	37,047	
59	531	Petty-cash		-	-	-	
60	532	Other amounts		11,032	11,032	4,667	
61	54	Recognized and prepayments		-	-	-	
62	56	Accounts in Lending Institutions		-	-	-	
63	59	Devaluation provisions on securities (-)		-	-	-	
64	C	Other Assets		-	-	-	
65	477	Assets conversion differences		-	-	-	
66	481	Expenses to distribute in several exercises		-	-	-	
67	486	Expenses in the future		-	-	-	
68	85	EXERCISE RESULTS (saldo debitore)		-	-	-	
69	X	ASSETS TOTAL		1,052,885	887,138	857,851	
70	81	ACCOUNTS OUT OF BALANCE SHEET					
71	80,81	Active evidences		-	-	-	

Template 2: Bilanci – Balance Sheet - Statement of fund and liabilities

Funds and Liability Statement has been prepared on accrual basis and presents its own funds and obligations of Municipality.

(Amount in ALL '000, unless otherwise stated)

No.	Account Number	Liabilities	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	A	OWN FUNDS		931,593	765,846	747,870
2	10	I. Own funds		931,593	765,846	747,870
3	101	Base funds	F8	931,593	765,846	747,870
4	105	Capital internal grants		-	-	-
5	106	Capital foreigner grants		-	-	-
6	107	Current assets in use		-	-	-
7	109	Reserves from revaluation of current assets		-	-	-
8	11	II. Other own funds		-	-	-
9	111	Reserve funds		-	-	-
10	115	Assignments from the year results for investments		-	-	-
11	116	Revenues from selling of current assets		-	-	-
12	12	III. Carried result		-	-	-
13	13	IV. Exceptional subsidiaries (-)		-	-	-
14	14	V. Participation of the institution in investing for third parties		-	-	-
15	15	VI. Forecasted amounts for disasters and expenses		-	-	-
16	B	LIABILITIES		96,836	96,836	72,933
17		I. Long-term debts		-	-	-
18	16	Internal borrowing and similar		-	-	-
19	17	Borrowing out of the country		-	-	-
20	Class 4	II. Short term liabilities		96,836	96,836	72,933
21	419	Clients (Creditors), partial prepayment		-	-	-
22	401-408	Suppliers and related accounts	Sh6	48,669	48,669	15,093
23	42	Employees and related accounts		1,475	1,475	5,467
24	431	Liabilities to government for taxes		53	53	142
25	432	Taxes collected from government for the local government		-	-	-
26	433	Government natural disaster		-	-	-

			In ALL '000			
No.	Account Number	Liabilities	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
27	4341	Te tjera operacione me shtetin(kreditor)		26,339	26,339	28,553
28	435	Social Insurance		421	421	967
29	436	Health Insurance		58	58	126
30	437	Other social organizations		-	-	-
31	44	Other public institutions		-	-	-
32	45	Relationships with institutions in and outside the system		-	-	-
33	460	Borrower		-	-	-
34	464	Liabilities for bond purchasing		90	90	126
35	466	Creditors for assets under guard	Sh5	4,430	4,430	5,680
36	467	Other creditors		15,302	15,302	16,778
37	C	OTHER ACCOUNTS		-	-	-
38	475	Incomes to register in the coming years		-	-	-
39	478	Passive converting differences		-	-	-
40	480	Incomes to classify or adjust		-	-	-
41	487	Incomes received before title ex Yessure		-	-	-
42	85	Result (credit amount)		24,456	24,456	37,047
43	X	TOTAL LIABILITY		1,052,885	887,138	857,851
44	81	ACCOUNTS OUT OF BALANCE SHEET		-	-	-
45	80,81	Passive evidences		26,339	26,339	28,553

Template 3-1: Statement of expenses

Statement of expenditure was prepared on accrual basis, as required by law no. 9936 on the "Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, unless otherwise stated)

No.	Account Number	Description of Expenses	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 6	A. Expenses for exploitation/usage		145,956	145,956	267,913
2	60	I. Current expenses		144,476	144,476	265,965
3	600	Salaries, bonuses		32,873	32,873	56,084
4	6001	Salaries		31,070	31,070	55,989
5	6002	TemYesrary salaries		1,778	1,778	-
6	6003	Bonuses		25	25	61
7	6009	Other personal expenses		-	-	34
8	601	Health and social insurance contributions		5,064	5,064	9,445
9	6010	Insurance contributions		4,786	4,786	8,791
10	6011	Health insurance		278	278	654
11	602	Other goods and services		32,124	32,124	50,632
12	6020	Stationary		1,632	1,632	4,393
13	6021	Special services		211	211	349
14	6022	Services from third party		19,283	19,283	26,197
15	6023	TransYesrt expenses		3,400	3,400	5,921
16	6024	Travel expense		57	57	149
17	6025	Ordinary maintenance expenses		4,751	4,751	6,005
18	6026	Rent expenses		500	500	1,282
19	6027	Expenses for legal liability for compensation		1,195	1,195	4,701
20	6028	Borrowing costs related to loans		300	300	460
21	6029	Other operating expenses		794	794	1,175
22	603	Subsidies		-	-	-
23	6030	Subsidies for price differences		-	-	-
24	6031	Subsidies to promote employment		-	-	-
25	6032	Subsidies to cover loss		-	-	-

				In ALL '000		
No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
26	6033	Subsidies for entrepreneurship		-	-	-
27	6039	Other subsidies		-	-	-
28	604	Current internal transfers		996	996	10,036
29	6040	Current transfers to other government levels		996	996	10,036
30	6041	Current transfers to various government institutions		-	-	-
31	6042	Current transfers for social and health insurance		-	-	-
32	6044	Current transfers for not for profit organizations		-	-	-
33	605	Current transfers with outsiders		-	-	-
34	6051	Transfers for IOS		-	-	-
35	6052	Transfers for foreign governments		-	-	-
36	6053	Transfers for non not-for profit organizations		-	-	-
37	6059	Other current transfers with foreign governments		-	-	-
38	606	Transfers family budges and other individuals		73,419	73,419	139,768
39	6060	Transfers paid from ISS and HII		2,787	2,787	3,225
40	6061	Transfers paid from other institutions and Local government		70,632	70,632	136,544
41	63	II. Change in inventory balances	F1	1,480	1,480	1,948
42	68	III. Depreciation rates and expected balances		-	-	-
43	681	Amortization rates on exploitation		-	-	-
44	682	Residual value on fixed assets, damaged or disYessed		-	-	-
45	683	Amounts provided for exploitations		-	-	-
46	686	Amounts provided for finance assets		-	-	-
47	65, 66	B. Finance expenses		-	-	-
48	65	I. Internal finance expenses		-	-	-
49	650	Bond interest rates and direct loans		-	-	-
50	651	Borrowing costs related to loans		-	-	-
51	652	Other interest on government securities		-	-	-
52	656	Foreign exchange expenses		-	-	-
53	66	II. External finance expenses		-	-	-
54	660	Interest on loans from Foreign Governments		-	-	-
55	661	Interest on financing from international organizations		-	-	-
56	662	Interest on other foreign loans		-	-	-

				In ALL '000		
No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
57	67	C. Extraordinary Expenses		-	-	-
58	677	Losses from allowed errors from previous years		-	-	-
59	678	Other Extraordinary expenses		-	-	-
60	Class 6	TOTAL EXPENSES		145,956	145,956	267,913
61		D. RESULT CORRECTIONS ACTIVITES		46,748	46,748	11,303
62	828	Names of cancelled revenues		28,955	28,955	-
63	831	Determination of revenues for investments		16,779	16,779	11,228
64	8420	Revenues deYessited in the budget		-	-	-
65	8421	DeYessit in the budget of unused revenues		-	-	-
66	8422	Transfers of revenues within the system		-	-	-
67	8423	Transfers for changes in situation		1,015	1,015	75
68	8424	Transfers for identified debtors and similar items		-	-	-
69	Class 6 & 8	TOTAL FROM OPERATIONS		192,704	192,704	279,216
70	85	RESULTS FROM FUNCTIONING		13,914	13,914	26,108
71	X	TOTAL		206,619	206,619	305,324

Template 3-2: Statement of revenues

Income Statement is prepared on cash basis, as required tnga Law no. 9936 on 'Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Revenues	In ALL '000		
			As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 7	A. REVENUES	2 717 904	2 717 904	3 385 025
2	70	I. TAX INCOMES	216,311	216,311	311,501
3	700	a) On revenues, profit, and equity revenue	24,358	24,358	67,709
4	7000	Personal income tax	4,160	4,160	10,804
5	7001	Income tax	-	-	-
6	7002	Small business tax	-	-	-
7	7009	Other tax	3,705	3,705	8,572
8	702	b) Property tax	455	455	2,232
9	7020	On immovable property	12,347	12,347	40,672
10	7021	Sales of immovable property	9,407	9,407	29,825
11	7029	Other on property	2,895	2,895	9,390
12	703	c) Tax uYesn goods and services in the country	46	46	1,457
13	7030	VAT	7,851	7,851	16,233
14	7031	Special taxes	-	-	-
15	7032	Tax uYesn specific services	-	-	-
16	7033	Tax uYesn goods usage and activity permission	-	-	-
17	7035	Local tax on goods usage and activity permission	30	30	8
18	704	d) Tax uYesn commercial and international transactions	7,821	7,821	16,224
19	7040	Duties on imYesrt goods	-	-	-
20	7041	Duties on exYesrt goods	-	-	-
21	7042	Custom tariff and Yesst service	-	-	-
22	7049	Other tax uYesn international commercial transYesrt	-	-	-
23	705	e) Road tax	-	-	-
24	708	f) Other national tax	-	-	-
25	709	g) Penalty interest	-	-	-
26	75	II. SOCIAL AND HEALTH INSURANCE	-	-	-
27	750	From employee's	-	-	-

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
28	751	From employer	-	-	-
29	752	From self employees	-	-	-
30	753	From farmers	-	-	-
31	754	From volunteer insurance	-	-	-
32	755	Budget contribution for Social Insurance	-	-	-
33	756	Budget contribution for Health Insurance	-	-	-
34	71	III. NON TAX REVENUES	3,663	3,663	9,993
35	710	a) From enterprise and ownership	5	5	172
36	7100	From public non financial enterprise	-	-	-
37	7101	From public financial enterprise	-	-	-
38	7109	Others from enterprise and ownership	5	5	172
			-	-	-
39	711	b) Administrative service and secondary revenues	3,658	3,658	9,119
40	7110	Administrative tariffs and regulations	3,560	3,560	8,454
41	7111	Secondary revenues and payments of services	86	86	198
42	7112	Tax for legal actions and notary	-	-	-
43	7113	From goods and services sales	-	-	-
44	7114	Revenues from tickets	-	-	-
45	7115	Fines and late-fees, sequestration and compensation	12	12	468
		Revenues from ownership transfer, legalization of buildings	-	-	-
46	7116	without permits	-	-	-
47	719	c) Other non tax revenues	-	-	703
48	72	IV. ACTUAL GRANTS (a+b)	188,291	188,291	233,798
49	720	a) Internal actual grant	188,291	188,291	233,798
50	7200	From same Government level	118,207	118,207	209,720
51	7201	From other Government levels	1,959	1,959	1,265
52	7202	From budget for special payments to Social Institute	602	602	717
		From budget to cover the deficit of Social Institute and	-	-	-
53	7203	Healthcare Institute	-	-	-
54	7204	Participation of institution in national taxes	-	-	-
55	7205	Additional finances created within the system	-	-	-
56	7206	Expected financing from budget	67,522	67,522	22,095

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
57	7207	Third party sYesnsorship	-	-	-
58	7209	Other internal grants	-	-	-
59	721	b) External actual grants	-	-	-
60	7210	From foreigner Governments	-	-	-
61	7211	From international organizations	-	-	-
62	73	V. CHANGES IN PRODCUTS BALANCE	-	-	-
63	78	VI. WORK INVESTMENTS AND RETAKINGS	-	-	-
64	781	Works, investments in economy	-	-	-
65	782	Forecasted retakings for liquid assets	-	-	-
66	783	Forecasted retakings for fixed assets	-	-	-
67	784	Prepayment of expenses in the years to come	-	-	-
68	785	Use of funds of the year to come	-	-	-
69	787	Withdraw from investments	-	-	-
70	76	B. FINANCIAL INCOMES	-	-	-
71	760	From internal borrowing interests	-	-	-
72	761	From external borrowing interests	-	-	-
73	765	Incomes from deYessits interests	-	-	-
74	766	Revenues from exchange rates	-	-	-
75	77	C. EXTRAORDINARY REVENUES	-	-	-
76	773	From closed activities and changes in strategy	-	-	-
77	777	From mistakes allowed in previous exercise	-	-	-
78	778	Correction from previous year	-	-	-
79	779	Other revenues	-	-	-
80	Class 7	TOTAL INCOMES	216,311	216,311	311,501
81	83	D. RESULT CORRECTIONS ACTIVITES	849	849	4,763
82	829	Canceled or under written expense order	-	-	-
83	841	Status change transfer	849	849	4,763
84	Class 7 & 8	TOTAL FROM OPERATIONS	217,160	217,160	316,263
85	85	RESULTS FROM FUNCTIONING	-	-	-
86	X	TOTAL	217,160	217,160	316,263

Template 4: Funds and expenses related to investments

Financing costs associated with the investments represents all capital assets under construction that are not yet completed and not yet transferred to fixed assets.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description	In ALL '000			
			Opening Balance, 1 January 2015	Transactions during the Year		Closing Balance, 31 July 2015
				Debit	Credit	
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
1	I	SOURCE OF FUNDS	-	1,193	1,193	-
2	105	Internal capital grants	-	1,193	1,193	-
3	1050	From the same government level	-	1,193	1,193	-
4	1051	From other Government levels	-	-	-	-
5	1052	Third parties contribution for investments	-	-	-	-
6	1059	Internal grants in nature	-	-	-	-
7	106	Foreigner Capital grants	-	-	-	-
8	1060	From foreigner governments	-	-	-	-
9	1061	From international institutions	-	-	-	-
10	1069	Foreigner grants in nature	-	-	-	-
11	14	Capital grants for investments to third parties	-	-	-	-
12	145	Internal grants, participation capital in investments for third parties	-	-	-	-
13	146	Foreigner grants, participation capital in investments for third parties	-	-	-	-
14	11	Other own funds	-	-	-	-
15	111	Reserve funds	-	-	-	-
16	115	Fund allocation for investments from result of the year	-	-	-	-
17	116	Revenues from tangible assets sales	-	-	-	-
18	12	Carried result	-	-	-	-
19	16	Internal borrowing and similar	-	-	-	-
20	160	Bonds and direct credit (entry)	-	-	-	-
21	161	Other internal borrowing (entry)	-	-	-	-
22	162	Borrowing through securities (entry)	-	-	-	-
23	165	Bonds and direct credit (outing)	-	-	-	-

			In ALL '000			
No.	Account Number	Description	Opening	Transactions during the Year		Closing
			Balance, 1 January 2015	Debit	Credit	Balance, 31 July 2015
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
24	166	Other internal borrowing (outing)	-	-	-	-
25	167	Borrowing through securities (outing)	-	-	-	-
26	17	Borrowing from foreigner Governments	-	-	-	-
27	170	Borrowing from foreigner governments (entry)	-	-	-	-
28	171	Borrowing from international institutions (entry)	-	-	-	-
29	172	Other borrowings (entry)	-	-	-	-
30	175	Borrowing from foreigner Governments (outing)	-	-	-	-
31	176	Borrowing from international institutions (outing)	-	-	-	-
32	177	Other borrowings (outing)	-	-	-	-
33	II	EXPENSES FOR INVESTMENTS	17,193	16,945	16,216	17,921
34	230	Expenses for increase of Intangible Assets	12,693	1,044	300	13,437
35	231	Expenses for increase of Tangible Assets	4,500	15,901	15,916	4,484
36	2310	Land	-	-	-	-
37	2311	Forests, Pasture, Plantation	-	-	-	-
38	2312	Building and Constructions	-	2,771	2,771	-
39	2313	Roads, networks, water facilities	4,500	12,954	12,970	4,484
40	2314	Technical installment, machinery, equipment, working tools	-	-	-	-
41	2315	TransYesrt vehicles	-	-	-	-
42	2316	Government reserve	-	-	-	-
43	2317	Working and production animals	-	-	-	-
44	2318	Economic Inventory	-	176	176	-
45	232	Capital transfers	-	-	-	-
46	25	Lending	-	-	-	-
47	255	Outing for internal lending	-	-	-	-
48	256	Outing for transactions of foreigner lending	-	-	-	-
49	250	Entry from internal lending principal	-	-	-	-
50	251	Entry from foreigner lendings principal transaction	-	-	-	-
51	26	Participation with own equity	-	-	-	-
52	265	Outing for own equity in non profit public enterprise	-	-	-	-

			In ALL '000			
No.	Account Number	Description	Opening Balance, 1 January 2015	Transactions during the Year		Closing Balance, 31 July 2015
			<i>c</i>	<i>Debit</i> <i>d</i>	<i>Credit</i> <i>e</i>	<i>f</i>
<i>a</i>						
53	266	Outing for own equity in financial institutions	-	-	-	-
54	267	Outing for own equity in joint venture	-	-	-	-
55	269	Outing for own equity other	-	-	-	-
56		Total (I + II)	17,193	18,138	17,409	17,921

Template 5: Statement of cash flows

Cash Flow Statement presents the cash movements during the year, including the opening balance brought forward from the previous year and the cash balance at the end of the year carried forward to next year.

(Amount in ALL '000, Unless otherwise stated)

		In ALL '000			
No.	Account Number	Treasury Balance		Bank Liquidity	
		Debit c	Credit d	Debit e	Credit f
<i>a</i>					
1	I. OPENING BALANCE	37,047	-	-	-
2	II. RECEIVABLES "CASH"	176,029	-	-	-
3	1. Funds from budget	147,664	-	-	-
4	Actual budget funds (Budget with changes)	134,931	-	-	-
5	Capital budget funds (Budget with changes)	12,733	-	-	-
6	2. Incomes and revenues during the year in "Cash"	28,364	-	-	-
7	Tax revenues in "Cash"	4,001	-	-	-
8	Social and health insurance in "Cash"	-	-	-	-
9	Non tax revenues "Cash"	24,363	-	-	-
10	Interact incomes "Cash"	-	-	-	-
11	SYesnsorships, grants and other revenues "cash"	-	-	-	-
12	Loans and different lending	-	-	-	-
13	Entry from storage "Cash"	-	-	-	-
14	III. PAYMENTS OF THE YEAR "CASH"	-	170,688	-	-
15	1. Payment from the budget for actual expenses	-	125,877	-	-
16	2. Payments from the budget for capital expenses	-	14,212	-	-
17	3. Payments from revenues for actual expenses	-	27,686	-	-
18	4. Payments from revenues from capital expenses	-	2,913	-	-
19	5. Payments from storage	-	-	-	-
20	6. Other payments	-	-	-	-
21	IV. TRANSFERS	-	17,932	-	-
22	1. DeYessit of revenues in the budget	-	-	-	-
23	2. Unused budget (actual and capital)	-	17,932	-	-
24	3. Internal movements and transfers	-	-	-	-
25	V. MOVEMENTS TOTAL (I UP TO IV)	213,076	188,620	-	-
26	VI. CLOSING BALANCE	24,456	-	-	-

Template 6: Statement of Fixed Assets' Balance and Changes during the year

Statement of changes in asset balances and stable during all the changes presents tangible and intangible assets during the year, measured at cost.

In ALL '000.

No.	Description	Opening	Additions during the Year					Decreases during the Year			Closing		
		Balances		Transf.						Balances			
			Purch.	Out	In	Mov.	Total	Sales	Write Off	Other Decr.	Total		
<i>a</i>	<i>b</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	
1	I. INTAGIBLE	3,008	-	-	-	-	-	-	-	-	300	300	2,708
	Amounts to be remitted and loan												
2	201 reimbursements	-	-	-	-	-	-	-	-	-	-	-	-
3	202 Studies and research	-	-	-	-	-	-	-	-	-	-	-	-
4	203 Concessions, license, other similar licenses	-	-	-	-	-	-	-	-	-	-	-	-
4/1	230 Expenses for increase of current intangible assets	3,008	-	-	-	-	-	-	-	300	300	2,708	
5	II. TANGIBLE	819,853	16,525	-	-	1,871	18,396	-	810	-	810	837,439	
6	210 Land	5,839	-	-	-	-	-	-	-	-	-	5,839	
7	211 Forests, Pasture, Plantation	1,596	-	-	-	-	-	-	-	-	-	1,596	
8	212 Building and Constructions	318,240	1,758	-	-	-	1,758	-	575	-	575	319,424	
9	213 Roads, networks, water facilities	435,694	13,300	-	-	300	13,600	-	-	-	-	449,294	
10	214 Technical installment, machinery, equipment, working tools	8,915	-	-	-	-	-	-	-	-	-	8,915	
11	215 TransYesrt vehicles	9,461	-	-	-	-	-	-	-	-	-	9,461	
12	216 Government reserve	-	-	-	-	-	-	-	-	-	-	-	
13	217 Working and production animals	-	-	-	-	-	-	-	-	-	-	-	
14	218 Economic Inventory	40,108	1,467	-	-	1,571	3,038	-	236	-	236	42,909	
17	24 Damaged current tangible assets	-	-	-	-	-	-	-	-	-	-	-	
18	28 Assignments	-	-	-	-	-	-	-	-	-	-	-	
19	TOTAL (I + II)	822,860	16,525	-	-	1,871	18,396	-	810	300	1,110	840,146	

Template 7: Statement of Fixed Assets' depreciation

The statement below presents the movements in accumulated amortization of tangible and nontangible assets, including the amortization of the year for the respective additions and disposals.

(Amount in ALL'000, Unless otherwise stated)

In ALL '000

No.	Account Number	Description	Opening Accumulated Depreciation	Additions during the Year			Decreases during the Year			Closing Accumulated Depreciation	
			1 January 2015	Dep. Charge for the year	Other Addit.	Total	Sales	Write off	Other Depr.	Total	31 July 2015
<i>a</i>	<i>b</i>		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>
1	209	I. INTAGIBLE	-	-	-	-	-	-	-	-	-
2	219	II. TANGIBLE	103,313	8,935	-	8,935	-	-	-	-	112,247
		TOTAL (I + II)	103,313	8,935	-	8,935	-	-	-	-	112,247

Template 8: Statement of changes in fund

Statement of Changes in Fund presents all additions and reductions of fixed assets, amortization charge for the year and other changes affecting the fund.

(Amount in ALL '000, Unless otherwise stated)

No.	Acc. No.	Description	Restated							
			Opening Balance 1 Jan. 2015	Period of Movements			Closing Balances 31 July 2015	Opening Balance 1 Jan. 2015	Period of Movements	
			Credit 1	Debit 2	Credit 3	Credit 4=1+3-2	Credit 1	Debit 2	Credit 3	Credit 4=1+3-2
1	101	BASE FUND	747,870.48	10,894	194,626	931,603	747,870	10,894	28,879	765,856
2	1010	Status of base fund	747,870	-	-	747,870	747,870	-	-	747,870
3	1011	Additions base fund	-	-	194,626	194,626	-	-	28,879	28,879
4	1012	Decrease base fund	-	1,723	-	(1,723)	-	1,723	-	(1,723)
5	1013	Decrease from tangible assets consume	-	8,092	-	(8,092)	-	8,092	-	(8,092)
6	1014	Decrease from selling tangible assets	-	-	-	-	-	-	-	-
7	1015	Decrease from	-	1,078	-	(1,078)	-	1,078	-	(1,078)
8	1016	Decrease from transferring tangible assets	-	-	-	-	-	-	-	-
9	109,	DIFFERENCE IN TANGIBLE ASSETS REVALUATION	-	-	-	-	-	-	-	-
10	105,107,11,12, 13,145,15,85	INTERNAL FUND	37,047	170,688	158,096	24,456	37,047	170,688	158,096	24,456
11	105	Capital internal grants	-	-	-	-	-	-	-	-
12	107	Current assets in use	-	-	-	-	-	-	-	-
13	11	Other own funds	-	-	-	-	-	-	-	-
14	12	Carried result	-	-	-	-	-	-	-	-
15	13	Exceptional subsidiaries Participation of the institution	-	-	-	-	-	-	-	-
16	145	in investing for third parties Forecasted amounts for	-	-	-	-	-	-	-	-
17	15	disasters and expenses	-	-	-	-	-	-	-	-
18	85	Result	37,047	170,688	158,096	24,456	37,047	170,688	158,096	24,456
19	106	EXTERNAL FUND	-	-	-	-	-	-	-	-
20	106	Capital foreigner grants	-	-	-	-	-	-	-	-
21	146	Capital foreigner grants investing for third parties	-	-	-	-	-	-	-	-
22		CONSOLIDATED FUND (1 up to 4)	784,918	181,581	352,723	956,059	784,918	181,581	186,975	790,311

Template 9: Statement of number of employees and personnel expenses

The statement below presents information about the number of employees for various Yessitions, with appropriate salaries and other expenses.

(Amount in ALL '000, Unless otherwise stated)

In ALL '000

No.	Categories	Annual Average No. of Employees	Turnover of the Employ. During the year		No. of Employ. At the end of the year	Salaries and Contributions					
			New Employ.	Leaved		Total Salaries	Addit. Rewards	Immed. Social Assistance	Social and Health Insurance	Other Rewards	Income Tax
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<i>a</i>	Total number of employees (1+2+3+4+5+6)	121	3	7	117	21378099	-	-	3800641	-	503421
<i>1</i>	Directors High level education	159	4	1	162	32,848	642	-	3,290	-	573
<i>2</i>	specialist	12	-	-	12	4,907	218	-	513	-	154
<i>3</i>	Technical	58	4	1	61	12,183	135	-	1,590	-	133
<i>4</i>	Ordinary officers	19	-	-	19	5,272	34	-	170	-	40
<i>5</i>	Employees TemYesrary	22	-	-	22	5,130	224	-	545	-	173
<i>6</i>	employees	31	-	-	31	4,231	31	-	472	-	73

Template 10: Summary Consolidated Statement of financial Yessionion

Consolidated statements of financial Yessionion represent the consolidated financial Yessionion of the Municipality.

No.	Account Number	Description	In ALL '000		
			2015 Period Restated	2015 Period	2014 Period
1	A	Assets	1,052,885	887,138	857,851
2	I	Current Assets	141,712	141,712	121,805
		1. Petty- Cash, Banks, and Funds			
3	Class 5	Availability	35,488	35,488	41,714
13	Class 4	2. Receivables	92,050	92,050	64,410
29	Class 3	3. Current Inventory accounts	14,174	14,174	15,681
39	II	Non-current Assets	911,173	745,425	736,046
40	23	1. Investments	20,234	20,234	19,506
44	25,26	2. Finance assets	165,748	-	-
47	21,24,28	3. Tangible assets	725,191	725,191	716,540
60	20	4. Intangible assets	-	-	-
65	III	Other assets	-	-	-
69	B	Liabilities	96,836	96,836	72,933
70	I	Current liabilities	96,836	96,836	72,933
71	Class	1. Accounts payable	96,836	96,836	72,933
88	16	2. Non-current liabilities	-	-	-
89	II	Non liquid liabilities	-	-	-
90	17	1. Foreign loans	-	-	-
91	III	Other liabilities	-	-	-
96		Net assets (A - B)	956,049	790,301	784,918
97		Presented: Consolidated budget	931,593	765,846	747,870
98		Carried forward results	24,456	24,456	37,047

Template 11: Consolidated statement of comprehensive income and operating expenses

Consolidated statement of comprehensive income and expenses represents the consolidated statement of the comprehensive income of the Municipality.

No.	Account Number	Description	In ALL '000		
			2015 Period Restated	2015 Period	2014 Period
<i>1</i>	<i>2</i>	<i>3</i>	<i>5</i>	<i>6</i>	<i>7</i>
1	A	TOTAL REVENUES	217,160	217,160	316,263
2	70,750,71	I. REVENUES AND CONTRIBUTES	28,021	28,021	77,703
3	70	1. Tax revenues uYesn	24,358	24,358	67,709
19	71	3. Non tax revenues	3,663	3,663	9,993
23	72	II. GENERAL ACTUAL GRANTS	188,291	188,291	233,798
31	78	IV. WORKS FOR INVESTMENTS	-	-	-
32	77, 83	V. OTHER REVENUES	849	849	4,763
33	B	TOTAL EXPENSES	192,704	192,704	279,216
34		I. ACTUAL EXPENSES	144,476	144,476	265,965
35	600 601	1. Salaries and employees contribution	37,937	37,937	65,529
38	602	2. Goods and Services	32,124	32,124	50,632
50	604	4. Internal actual transfers	996	996	10,036
52	606	6. Budget transfers for families and individuals	73,419	73,419	139,768
54	66	III. FINANCIAL EXPENSES	-	-	-
57	67	IV. OTHER EXPENSES	48,228	48,228	13,251
58	C	DETERMINED NET INCOME	24,456	24,456	37,047
59		From this: Functioning results	13,914	13,914	26,108
60		Functioning observed grants	10,542	10,542	10,940

STAR Project

Municipality Tirana
Consolidated Due Diligence report

Glossary

ACP	Agency of Consumer Protection
Agency	Agency of Stocktaking of Public Property at the Ministry of Internal Affairs
ALL	Albanian Lek
APP	Public Procurement Agency
CD	Compact Disc
CDL	Council Decision of LGU
CHUIA	Central Unit of Coordination of Internal Audit
DCM	Decision of the Council of Ministers of Republic of Albania
Cr	Credit
Dr	Debit
F	Form
FID	Fiscal Identification Number
FS	Financial Statement
FY	Financial year
GA	Government of Albania
HR	Human Resources

IT	Information Technology
KKRT	National Council on Territory Regulation
LGU	Local Government Administrative Unit
MF	Ministry of Finance of Republic of Albania
n/a	Not Applicable
NBV	Net Book Value
No	Number
PM	Policy Modification
RE	Reclassifications
T	Template
TAR	Territorial and administrative reform
VAT	Value Added Tax
WIP	Work In Progress

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Operational due diligence

Summary of observations and recommendations

- A summary of observations and recommendations, in the context of their merger process is comprised as follows:

Observations	Recommendations
Roles – Mayor	
<ul style="list-style-type: none"> • According to the law in force on the local government, the Municipality mayor is responsible for the approval of the new organizational structure of the municipality and the regulation on its organization functioning. Currently we observed a conservative approach, almost formal, to the organizational structure, which makes it a document that does not add much value in practice. 	<ul style="list-style-type: none"> • The new municipality may consider an innovative approach to the new organization structure. The new structure may have a functional approach; which means to have agility, accountability, efficiency and effectiveness in delivering services to the community. As such it may be suggested that the Mayor, in adopting it, take into account not only the general principles that should normally lead organization and functioning of the municipality, but also take into consideration all the specific circumstances characterizing the specific municipality; which means the types of services offered, how to provide these services, geographical condition which affect the decision-making and above all, human resources and the type of work required in fulfilling these functions.
Roles – Deputy Mayor	
<ul style="list-style-type: none"> • In most of ex - municipalities and ex- administrative units in question, the deputy mayor was conceived more of an honorific position. 	<ul style="list-style-type: none"> • The new municipality may consider a more active role of the deputy mayor, who can take care of meeting objectives and targets by certain parts of the municipal administration. It is suggested that the Deputy Mayor take an active role in the management of the municipality. Because this position is under the direct authority of the mayor, who appoints and dismisses, it is assumed that among these there is also a steady relationship of trust. Setting the deputy mayor in active positions and fulfillment of policy objectives on the other side of the Mayor's cabinet delivers such functions leaving cabinet members focused on their original role; holder that counseling for various technical issues.
Roles – Municipality Council	

Observations	Recommendations
<ul style="list-style-type: none"> In the law of organization and functioning of local government it is stipulated that the Municipality Council will be responsible for approving the budget, the maximum number of employees of the New Municipality and budgetary institutions and the maximum bonus level. It has been noted that the municipality council has not been given sufficient time available for a detailed analysis of the budget. 	<ul style="list-style-type: none"> The new municipality may consider to prepare the budget and the new structure and to submit it to the council in a timely manner in order that the Municipality Council takes sufficient time for analysis and detailed examination of the structure of the budget and presented structure.
<p>Roles – Administrator</p> <ul style="list-style-type: none"> The Administrator is a new role stipulated in the amendments to the law of local government before the election of 2015. The administrator is appointed and dismissed by the Mayor who directs the Administrative Unit and oversees its operation. The administrator is supposed to assist the mayor in fulfillment of municipal functions in the territory of the administrative unit and be responsible for the quality of services provided to the public. It is noticed insufficient clearance about the administrator's role in relation to the services provided and hierarchical dependence of agencies expected to provide services to citizens. 	<ul style="list-style-type: none"> The new municipality may consider that the regulation of its organization and operation to clearly define the role of the administrator in relation to the services provided and hierarchical dependence agencies that will offer these services to citizens.
<p>Roles – Administrative Unit</p> <ul style="list-style-type: none"> The ex-municipality is not considered an administrative unit and has not appointed an administrator. 	<ul style="list-style-type: none"> The mayor should consider the fact that under the law on territorial reform, the ex-municipality itself is an administrative unit like all other LGUs and therefore the appointment of an administrator would facilitate his work in the management of the territory of the ex-municipality and help improve the monitoring of the quality of services provided to the community in that territory.
<p>Functions - order and civil protection</p> <ul style="list-style-type: none"> The maximum number of police forces of LGU's for every existing LGU is determined by the Council of Ministers ("DCM") No.313, dated 01.07.2002, on "Determining the structure, number of employees, and costs for municipal police. 	<ul style="list-style-type: none"> This DCM appears to undermine the organizational autonomy granted to the municipality by the Constitution of the Republic of Albania and the law on the organization and functioning of local government as it limits the number of police forces and do not allow the municipality to determine it by themselves as needed. In these conditions it is suggested that the municipality or forms of organization that protects the interests of local governments to require the change of this decision.
<p>Orientation – Mixed orientation of administrative structures</p>	<ul style="list-style-type: none"> The municipality may consider that the positions of the same field or closely related fields are grouped within the same organizational unit and organization sectors,

Observations	Recommendations
<ul style="list-style-type: none"> Organizational units have a mixed orientation and exercise sectoral and horizontal functions. 	<p>directory or general directory is carried out in case of fulfillment of numerical standards for each of them.</p>
<p>Organization - diverse labelling of organizational units</p> <ul style="list-style-type: none"> Organizational unit in the actual structures are not named and organized in an orderly manner, there are offices, sectors, companies, brigades, etc. 	<ul style="list-style-type: none"> The new municipality may consider re-organization and re-naming of them in an orderly and hierarchal manner. For this purpose it is suggested that organizational units should be divided into sectors, directory and general directory depending on the fulfillment of numerical standards.
<p>Orientation - horizontal functions</p> <ul style="list-style-type: none"> Support functions are performed by many sub-units, whether in the municipality, or in the administrative unit. 	<ul style="list-style-type: none"> The new municipality should consider the concentration of some of the horizontal functions / support in order to increase efficiency and accountability in their exercise. Public procurement should be centralized and be part of the main section of the structure Internal audit of the local government unit should directly reporting to the mayor (functional reporting) without being dependent from any other body of the municipality in addition to the General Secretary from whom should depend on terms of organization in accordance with the legislation in force. The Internal Audit Report to the Head of the institution should be presented simultaneously also to the municipal council and the decision-making resulting from it are a collegial decision between the institution and the relevant municipal council. The finance service, budget and procurement should also be centralized and carried out centrally. Information technology service should also be centralized and monitored from the center of the municipality through the creation and implementation of the electronic systems of internal communication. The service of human resource management and revenue management should also be centralized and carried on the municipality.
<p>The organization and structure - digital standard</p> <ul style="list-style-type: none"> Offices, sectors, brigades, directories, etc. do not have in their composition a sufficient number of employees to be qualified as such, pursuant to Decision no. 893, dated 12.02.2014. 	<ul style="list-style-type: none"> The new municipality may consider that a sector must have at least 5 employees, including the head of the sector, except in special cases where it is impossible for specialists of various fields be grouped in a single sector; Directories should have at least 2-3 sectors or at least by 10-15 employees and the general directories should consist of at least 2 directors per each. This standard can be applied regardless of the typology of employees serving in these structures.

Observations	Recommendations
<p>The organization and structure - Policy-making in the provision of services and horizontal functions.</p> <ul style="list-style-type: none"> • There is a lack of clear division within the administrative units which perform multi functions, service delivery, policy-making and horizontal functions. 	<ul style="list-style-type: none"> • The new municipality may consider adopting an organizational structure that has a clear separation between the functions of policy-making and monitoring the quality of services, horizontal functions and service delivery. For this purpose, it is suggested that the main top management of the organizational units should be responsible for the design and monitoring of policies and horizontal functions / support to these policies. The majority of the policy-makers should be composed of civil servants under the existing laws in force.
<p>The organization and structure - Delivery of services to the community</p> <ul style="list-style-type: none"> • There is no clear division of functions within the organization's administration.. 	<ul style="list-style-type: none"> • In terms of services offered to the public it is suggested that these should be organized and provided by institutions that might be designated as enterprise or agency and would be positive if kept homogeneity of their name in the whole territory of the Republic of Albania in order to avoid confusion about their status or powers. It is suggested that these should be named "Agency" by adding the respective field of action. All employees of these agencies will be time administrative staff as well as their activities are simply services offer on the basis of the objectives and policies of the organizational units of the main block. Their activity will also be under the control and monitor of these organizational units are the main block. At the technical level these agencies are run by directors or general managers depending on the fulfillment of digital standard. How long they are typically service agency, it is assumed that their working relationship, regardless of the name of internal organization units, to be based in the Labor Code.
<p>The organization and structure – relation with voters community</p> <ul style="list-style-type: none"> • Absence of a specialized designated structure for relations with the voter's community and other institutions or entities, public or private, domestic or foreign. 	<ul style="list-style-type: none"> • The municipality may consider creating an organizational unit responsible for relations with the voters' community and eventually with other institutions. This unit can be arranged as a sector or the directory depending on the fulfillment of numeric standard. This unit is also suggested to have archive and protocol workers for as long that it will be the focal point of cooperation and interaction with the public and the municipality responsible for relations with other institutions. Also, given the recent initiatives undertaken in connection with the establishment of service offices with a stop (one stop shop or front office) suggested that part of this unit can be linked or de-localized in the local units existing supervised by administrators. Last but not least, these units should be composed of the archive and protocol workers, either at central or de-localized level.
<p>Personnel matters – The transfer of the staff</p>	

Observations	Recommendations
<ul style="list-style-type: none"> As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 of labor relations existing between the merged entity (LGU's) and their employees will be transferred to the Municipality of Tirana. It is worth mentioning that, also the ex-municipality, before the amalgamation process, it is considered as one of the units that are merged. An employee has fixed-term employment contract (1 year term). However, the employee, according to the report, has begun the work relationship on 01.01.2006. 	<ul style="list-style-type: none"> In accordance with the provisions of the Labor Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, and it is recommended that the case be seen whether the provisions for the settlement of an employment contract with indefinite term can be applied. Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. Related to civil servants who are on probation, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources It is recommended that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.
<p>Personnel matters – Termination of working relationship</p>	
<p>The reorganization may bring the necessity of termination of the employment relationship of some employees of the Municipality.</p> <p>Problems may arise if the labor relations with employees, who leave, do not terminate</p>	<ul style="list-style-type: none"> It is recommended to keep in mind that the legal basis for the termination of working relationships is different depending on the category of employees and respectively: <p style="text-align: right;"><i>Political functionaries.</i> Political functionaries of a Municipality are the deputy mayors, administrators and the employees of the mayor's cabinet. This</p>

Observations	Recommendations
<p>in accordance with the status that they have. In the event that the relevant provisions do not apply for the termination of labor relations, it has financial consequences for the Municipality.</p>	<p>category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations.</p> <p><i>Employees with working contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority.</p> <p><i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer.</p>
<p>Information Technology – Lack of security rules and software’s</p> <ul style="list-style-type: none"> Computers are not managed through a centralized and standardized system that automates the network management of user account data and security requirements. Therefore, the implementation of safety rules and access management is not implemented. 	<ul style="list-style-type: none"> The municipality may consider adopting clear regulations on information security and implement the necessary software for managing and storing information.
<p>Information Technology – Lack of hardware devices</p> <ul style="list-style-type: none"> The level of availability of hardware equipment is at the minimum level. Not all employees have access to a personal computer and the existing devices are from a wide variety of brands and models. There is lack of servers and back-up mechanisms for information. 	<ul style="list-style-type: none"> The municipality may consider unifying the types of hardware devices that are currently being used. This would also help in ensuring their maintenance by specialized companies.
<p>Communication – Lack of electronic means of communication</p> <ul style="list-style-type: none"> Despite that the administrative units have internet access; none of them has an internal electronic communication system. 	<ul style="list-style-type: none"> The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by setting clear rules on the type of information that can be charged or circulate on these

Observations	Recommendations
	platforms.
<p>Communication – Lack of telephone service</p> <ul style="list-style-type: none"> Administrative units do not have telephone service. 	<ul style="list-style-type: none"> The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.
<p>Archive - Centralization of archive</p> <ul style="list-style-type: none"> The archive volume of the new municipality is expected to increase from the documents received from the previous local government units. Consequently reorganization of the new Municipality archive and its maintenance can be difficult. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.
<p>Archive - Lack of technical requirements in the management of the archive</p> <ul style="list-style-type: none"> In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, missing security doors and windows, missing duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours. 	<ul style="list-style-type: none"> The new municipality may consider taking necessary measures to guarantee the physical safety and security of preserving the archive from possible damages.
<p>Asset Management – lack of registers</p> <ul style="list-style-type: none"> Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties. 	<ul style="list-style-type: none"> Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

The structure and organization

Organizational Model

Analysis of the organization and structure for the Municipality Tiranë and 24 (twenty-four) existing LGUs of: LGU Tiranë, LGU No.1, LGU No.2, LGU No.3, LGU No.4, LGU No.5, LGU No.6, LGU No.7, LGU No.8, LGU No.9, LGU No.10, LGU No.11, LGU Petrelë, LGU Farkë, LGU Dajt, LGU Zall-Bastar, LGU Bërzhite, LGU Baldushk, LGU Krabë, LGU Shëngjergj, LGU Vaqarr, LGU Kashar, LGU Pezë, LGU Ndroq and LGU Zall-Herr is performed based on the organizational model developed on "Guidelines for the Control of the Local Government Units" and its annexes.

- The aim is to facilitate the analysis of segregation of the roles and responsibilities in administrative structures, and to provide consistency in the process of amalgamation.
- The results of four elements of the organizational model: roles, functions, service delivery and orientation, are summarized below.

Roles

Performed roles are shown in table 1, below:

Table 1: Roles in the municipality/administrative units

Roles	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
LGU Council	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mayor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Deputy Mayor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Secretary of the LGU Council	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Roles	LGU Dajt	LGU Petrelë	LGU Kashar	LGU Krrabë	LGU Farkë	LGU Bërzhitë	LGU Baldushk	LGU Zall-Her	LGU Zall-Bastar	LGU Ndroq	LGU Shën Gjergj	LGU Pezë	LGU Vaqarr
LGU Council	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mayor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Deputy Mayor	✓	✓	✓		✓	✓		✓	✓	✓		✓	✓
Secretary of the LGU Council	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Their respective responsibilities include:

- LGU Council: The adoption of the Statute of the LGU and internal rules of operation of the local council; approval of the organizational structure and administration of the LGU budget and its institutions, the number of their personnel, the criteria for qualifications, salaries and criteria for their reward.
- Mayor: The mayor is responsible for carrying out all functions of the Municipality, except those powers that are attributed to the Council. The Mayor shall exercise all the rights and ensures the fulfillment of all obligations of local government based on his status as a legal entity.
- Deputy Mayor: Assist the Mayor in the supervision of the operation of LGU.
- Secretary of the LGU Council: Storage of the official documents of the council; sending notifications for the Council meetings; Publication of notices and decisions taken by the Council; Preparation of public hearings with LGU's Council.

After the merger, the Municipality Tiranë and 24 (twenty-four) units are transformed in 1 (one) New Municipality, as presented in the table 2 below.

Table 2: Roles in the Municipality

Role	Tiranë																								
New Municipality																									
Municipality Council	✓																								
Mayor	✓																								
Deputy Mayor	✓																								
Secretary of Municipality Council	✓																								
Administrative Unit	Tiranë	No.1	No.2	No.3	No.4	No.5	No.6	No.7	No.8	No.9	No.10	No.11	Dajt	Petrelë	Kashar	Krrabë	Farkë	Berzhitë	Baldushkë	Zall-Her	Zall-Bastar	Ndroq	Shën Gjergj	Pezë	Vaqarr
Administrator	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

- Municipality Council will continue to exercise the same powers. To help in the improvement of the efficiency of the Municipality, The Municipality Council will undertake the amended responsibilities, as follows:
 - Approval of salary and bonuses for employees and others elected or appointed according to the law.
 - By approving the budget and its changes, the Council will also approve the maximum number of employees of the Municipality and budgetary institutions depending on the Municipality.
- The Mayor shall continue to exercise the same powers. To assist with improving the effectiveness of the Municipality, the Mayor will take on new responsibilities, as follows:
 - Approval of the Municipality organizational structure and basic regulations of the Municipality administration and its budgetary institutions depending on the Municipality.
 - Appoints and dismisses managers of administrative units.
- Deputy Mayor/s shall continue to exercise the same powers. The Municipality Mayor shall appoint them.
- Secretary of Municipality Council shall continue to exercise the same powers. The Municipality Mayor shall appoint him.
- The Administrator is a new role. He / she shall be appointed and dismissed by the Mayor and shall undertake the following responsibilities:
 - Runs the administrative unit and reports to the Mayor about the functioning of the administrative unit;

- Observes and examines administrative offenses;
- It has the right to delegate its powers in connection with the conclusion and review of administrative offenses, to other employees of the administrative unit;

Functions

- Information on public services, with the number of people who carry out these functions, is shown in Table 3 on the following page.

When people exercise more than one function, they are split proportionally according to the time spent, resulting in the equivalent of full-time workers. As a result, the number of people qualifying for some functions may not result rounded.

The total number of people performing public services is 980.5.

- The information can also present functions for which there is no allocation of human resources to execute them, and are set with 'n/a' (not applicable).
- Horizontal functions together with the number of people who carry out these functions are presented in table 4 below:

The total number of people that execute horizontal functions is 1,488.

Table 3: Public Services Functions and number of people associated with these functions

Public Services	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
Infrastructure and public services												
Water Supply Company	UKT sh.a + 3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Functioning of the sewerage system	UKT sh.a + 3	n/a	n/a	n/a	n/a	n/a	n/a	0.8	n/a	n/a	n/a	n/a
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	UKT sh.a + 3	n/a	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a
Construction of roads, pavements and public squares	Contracted	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rehabilitation and maintenance of local roads, sidewalks and public squares	2 employees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public lighting	1 employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
The operation of urban public transport	Urban passenger transport + 31	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cemeteries administration and guarantee of funeral services	Funerals	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Decorations Service in town / village	Décor Enterprise	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Administration of parks, gardens and public spaces	1 employee	n/a	1	1	n/a	3	19	6	n/a	n/a	1	n/a
Collection, disposal and recovery of waste	Contracted 1 employee + 11	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Urban planning	46	n/a	3.5	2	n/a	4	3	n/a	n/a	n/a	n/a	n/a
Land management	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shelter	7	n/a	0.5	n/a	n/a	n/a	n/a	0.2	n/a	n/a	n/a	n/a
Social, cultural and sports Services												
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	10	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Organization of sporting, recreational and entertainment activities and management of relevant institutions	14+ Sport Club + Cultural Center	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Public Services	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
	Tirana + Sports Center											
Social services of kindergardens	Economic Development Centers and Child Education + 8	n/a	n/a	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Social services - orphanages, shelters	8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Local economic development												
Preparation of local economic development programs	10	n/a	n/a	1	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Establishment and function of public markets and trade network	n/a	n/a	10	n/a	2	1	19	n/a	n/a	2	n/a	n/a
Small business development, and the development of promotional activities such as fairs and advertisements in public places	10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Organization of services within the local economic development support and information structures and infrastructure necessary	n/a	n/a	n/a	n/a	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Veterinary services	Consumer Protection Agency	n/a	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Conservation and development of forests and natural resources of local character	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
The order and civil protection												
Preservation of public order to prevent administrative violations	Municipal Police	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Civil protection	Municipal Police	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Educational institutions												
Maintenance of facilities in preliminary education	3 employees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medicine												
Health care system and the protection of public health	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Social care												
Social care and the alleviation of poverty and guarantee the functioning	16	2.5	2.5	3	3	3	3	1	2	2	2	3

Public Services	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
of the respective institutions												
Social Care on domestic violence	Center "Shtepia e Perbashket" + 2	0.5	0.5	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a
Social care for the protection of children's Rights	Social Center "Stand Together" + Multidisciplinary Center	1	1	1	1	1	1	1	1	1	1	1
Environmental Protection												
Environmental Protection	7	n/a	n/a	2	n/a	n/a	n/a	1	n/a	n/a	n/a	1
Register Office												
Register Office	3	4	5	3	5	5	5	5	4	4	3	5
Business Registration												
National Registration Center	9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	205	8	27	16	16	17	50	17	7	9	7	10

Note: The Subordinate Institutions of Municipality Tiranë performs the public services also in former 11 LGUs of Tiranë.

Table 3: Public Services Functions and number of people associated with these functions (continued)

Public Services	Dajt	Farkë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr	Merged
Infrastructure and public services													
Water Supply Company	Contracted 12	24	Contracted 14	Contracted 28	Contracted 9	n/a	Contracted 5	Contracted	Contracted 84	1	Contracted	Contracted 3	Contracted 109.4
Functioning of the sewerage system	20	4	4	18	2	1	n/a	n/a	35	2	n/a	1	Contracted 40
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2	n/a	n/a	Contracted 36.8
Construction of roads, pavements and public squares	Contracted	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a	27
Rehabilitation and maintenance of local roads, sidewalks and public squares	20	152	n/a	32	18	2	4	4	34	4	3	20	100.4
Public lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a	1
The operation of urban public transport	Licensed	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	32
Cemeteries administration and guarantee of funeral services	n/a	15	1	18	1	2	n/a	n/a	n/a	1	n/a	n/a	83
Decorations Service in town / village	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	1
Administration of parks, gardens and public spaces	n/a	5.7	1	18	n/a	2	n/a	n/a	n/a	n/a	n/a	n/a	46.5
Collection, disposal and recovery of waste	Contracted	Contracted	Contracted	Contracted	2	Contracted	n/a	Contracted	Contracted	4	n/a	Contracted	Contracted 332
Urban planning	6	6	7	1	1	2	n/a	1	2	n/a	n/a	3	88.5
Land management	5	35	7	3	2	2	n/a	3	18	1	1	4	363
Shelter	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7

Public Services	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr	Merged
Social, cultural and sports Services														
Preservation and development	1	n/a	n/a	2	0.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	14.5

of local cultural and historic values, organization of activities and management of relevant institutions														
Organization of sporting, recreational and entertainment activities and management of relevant institutions	n/a	n/a	n/a	2	0.5	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a	17.5
Social services of kindergardens	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11
Social services - orphanages, shelters	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8
Local economic development														
Preparation of local economic development programs	5	n/a	n/a	2	5	n/a	n/a	3	n/a	2	n/a	n/a	n/a	30
Establishment and function of public markets and trade network	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	35
Small business development, and the development of promotional activities such as fairs and advertisements in public places	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	3	n/a	n/a	n/a	14
Organization of services within the local economic development support and information structures and infrastructure necessary	5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7
Veterinary services	1	n/a	n/a	1	1	1	n/a	1	1	1	n/a	n/a	1	11
Conservation and development of forests and natural resources of local character	n/a	2	n/a	n/a	2	2	1	1	2	1.2	n/a	n/a	2	13.2
The order and civil protection														
Preservation of public order to prevent administrative violations	4	6	2	2	0.5	2	1	1	1	1	n/a	0.5	2	23
Civil protection	n/a	2	n/a	3	0.5	n/a	n/a	n/a	1	1	1	0.5	2	11
Educational institutions														
Maintenance of facilities in preliminary education	2	0.5	3	8	8	n/a	n/a	n/a	n/a	0.1	3	1	1	26.6

Medicine														
Health care system and the protection of public health	n/a	0.5	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.5
Social care														
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	1.9	0.6	1	1	0.5	n/a	0.5	1	0.5	1.9	1	1	1	54.9
Social Care on domestic violence	0.08	0.2	n/a	1	0.25	n/a	n/a	0.5	0.25	0.05	n/a	0.5	n/a	6.83
Social care for the protection of children's Rights	0.02	0.2	n/a	1	0.25	n/a	0.5	0.5	0.25	0.05	n/a	0.5	n/a	14.27
Environmental Protection														
Environmental Protection	Volunteer Groups	n/a	n/a	n/a	2	1	n/a	n/a	n/a	n/a	n/a	n/a	2	16
Register Office														
Register Office	1	2	1	2	1	1	1	1	1	1	1	1	1	66
Business Registration														
National Registration Center	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9
Total	107	76.5	67	116	46	19	25	15	11	32	24	9	44	980.5

Table 4: Horizontal functions and number of people associated with these functions

Horizontal Functions	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
Finance	28	3	3	3	4	3	3	3	3	3	3	3
Local taxes and Tariffs	DPTTV	1	15	2	2	2	13	3	2	3	2	3
Legal Issues	31	0.5	0.8	0.8	0.8	0.8	0.5	0.8	0.8	0.5	0.8	0.7
Procurement	11	0.5	0.2	0.2	0.2	0.2	0.5	0.2	0.2	0.5	0.2	0.3
Institutional Relations	19	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Human Resources	49	6	5	7	7	6	13	6	10	6	9	7
Protocol	4	0.8	0.8	0.5	0.5	0.5	0.8	0.6	0.5	0.5	0.5	0.5
Archiving	2	0.2	0.2	0.5	0.5	0.5	0.2	0.4	0.5	0.5	0.5	0.5
Information Technology	17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Infrastructure and Urban Control	n/a	3	4	3	4	7	3	3	3	4	4	3
Supporting services	Bussines	5	30	4	7	5	24	13	5	7	11	6
Internal Audit	13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Information Department	10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Office of coordination with Municipal units	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Office for gender equality	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Policies and services for facilities	9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Legal aid for citizens	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Office for protection from discrimination	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
The internal inspection	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sector coordination of municipal council	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
General Directorate of Policy Development and Promotion	57	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

General Directorate of Policy Development and Promotion	21	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
General Directorate of Policy Development and Promotion	98	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
General Directorate of Policy Development and Promotion	122	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	508	20	59	22	26	25	58	30	25	25	31	24	

General Directorate of Policy Development and Promotion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	21
General Directorate of Policy Development and Promotion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	98
General Directorate of Policy Development and Promotion	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	122
Total	86	76	63	113	55	33	40	16	17	42	17	16	61	1,488

Orientation

- Two types of guidance used in the current organizational model are:
 - Breakdown by sector for the Public Services, and
 - Functional orientation to horizontal functions
- The merger process brings a new orientation dimension to the organizational model, which is split by geography. Consequently, the need to develop a matrix organizational structure emerges.
- Matrix organizational structure will require the construction of multiple reporting lines, agreement of objectives between sectoral divisions and functions, planning and use of resources combined, decision-making, coordination and communication.

Service Providing

- In the below tables 5 and 6 there are the detailed ways of providing public services and execution of Horizontal Functions.
- Majority of the functions are provided with its own resources.
- The below services are contracted:
 - Water Supply;
 - Construction local roads, sidewalks and public squares, with local character;
 -
- Licensed Services:
 - n/a
- Decisions on changes in service delivery cannot be achieved during a short - term period and preparatory work is required in order to analyze processes, to assess the current human resource capacity and infrastructure, including the information - communication - current technology.

- To facilitate this analysis, we have compiled the following three questions to be used as development principles:
 - Does the fulfillment of work require physical presence?
 - Is there any reason (legal, strategic) to centralize the execution of function?
 - Is the work scalable by performing it in distance/ centralized processing?
- The information in tables 5 and 6, on the following pages demonstrates the application of these development principles. It is noticed that the answers given reflect the meaning, without considering future strategic decisions to be taken by the Municipality of changing service delivery (principle developer 2).
- Based on these responses, the execution of some horizontal functions can be subject to changes in the future. More specifically, the following functions can be subject to a physical relocation, centralization in performing the function and performance remote / centralized processing:
 - Finance (Assuming that the Administrative Units will not be designated as dependant budgetary institutions of the Municipality);
 - Legal Issues;
 - Procurement;
 - Institutional Relations;
 - Human Resources;
 - Archive;
 - Internal Audit.
- By applying the above principles of development for each function, alternative developments of organizational structure will be encouraged. These structural formations then should be refined and that organizational structure which is more feasible should be selected.

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Infrastructure and public services			
Water Supply Company	Yes	No	No
Functioning of the sewerage system	Yes	No	No
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	Yes	No	No
Construction of roads, pavements and public squares	Yes	No	No
Rehabilitation and maintenance of local roads, sidewalks and public squares	Yes	No	No
Public lighting	Yes	No	No
The operation of urban public transport	No	No	Yes
Cemeteries administration and guarantee of funeral services	Yes	No	No
Decorations Service in town / village	Yes	No	No
Administration of parks, gardens and public spaces	Yes	No	No
Collection, disposal and recovery of waste	Yes	No	No
Urban planning	No	No	Yes
Land management	Yes	No	No
Shelter	No	No	Yes
Social, cultural and sports Services			
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	Yes	No	No
Organization of sporting, recreational and entertainment activities and management of relevant institutions	Yes	No	No
Social services of kindergartens	Yes	No	No
Social services - orphanages, shelters	Yes	No	No

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Local economic development			
Preparation of local economic development programs	No	No	Yes
Establishment and function of public markets and trade network	Yes	No	No
Small business development, and the development of promotional activities such as fairs and advertisements in public places.	Yes	No	No
Organization of services within the local economic development support and information structures and infrastructure necessary	Yes	No	No
Veterinary services	Yes	No	No
Conservation and development of forests and natural resources of local character.	Yes	No	No
The order and civil protection			
Preservation of public order to prevent administrative violations.	Yes	No	No
Civil protection	Yes	No	No
Educational institutions			
Maintenance of facilities in preliminary education	Yes	No	No
Medicine			
Health care system and the protection of public health	Yes	No	No
Social care			
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	Yes	No	No
Social Care on domestic violence	Yes	No	No
Social care for the protection of children's Rights	Yes	No	No
Environmental Protection			
Environmental Protection	Yes	No	No

Table 6: Horizontal Functions – Application of development principles

Function	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Finance (Note 1)	No	Yes	Yes
Local taxes and Tariffs	Yes	No	No
Legal Issues	No	No	Yes
Procurement	No	No	Yes
Institutional Relations	No	No	Yes
Human Resources	No	No	Yes
Protocol	Yes	No	No
Archiving	No	No	Yes
Information Technology	Yes	No	Yes
Supporting services	Yes	No	No
Internal Audit	No	No	Yes

Organizational Structure

To develop a future organizational structure based on best practices, it may be taken into consideration that the future organizational structure includes the following features

- A matrix organizational structure that combines elements of the division by sector, geography and functional orientation;
- Administrative structures of public services by Administrative Units have a primary reporting line to the relevant administrative structures of the Municipality;
- At the same time they should also have a second line of reporting to administrators;
- Due to the complexity and larger scale there can be two / three deputy mayors of the following divisions of responsibilities:
 - Infrastructure and Public Services;
 - Social Functions, cultural and sportive, local economic development, and maintaining order;
 - Finance, Local Taxes and other horizontal functions;
- Internal audit function reports directly to the Mayor;
- A possible illustration of the future organizational structure, is presented in Annex 1;

In forming its organizational structure, the municipality may consider the following factors:

- Consistent with the strategic direction: to support the priorities of the vision and strategy of the Municipality;
- Form follows function: the organizational structure should ensure the provision of quality public services;
- Responsibility: there must be responsibility and clear and well-defined decision-making authorities;

- Extent of control – scope of control should be as wide as possible, without sacrificing efficiency. However, there is a limit to the number of positions that a person can effectively be responsible. The scope of control should ensure proper monitoring of performance and access to the staff opinion (a person generally must manage no more than 10 employees);
- Specialization: activities for which a single individual is responsible should be similar. Similar functions should be grouped appropriately around key competencies and reporting lines;
- Surveillance layers: the number of authority levels should be kept at the minimum (from top to bottom);
- Decision-making: organizational formation should facilitate timely and effective decision-making in support of daily work;
- Communication: Communication is effective and efficient in the reporting lines and outsourcing services;
- Coordination approach - Applicable especially for new administrators who will be responsible for running the regional units within the various departments of public and horizontal services. Clear rules and procedures must be developed to distinguish between sectoral responsibilities (functional) and administrative and reporting lines;
- Divisions - organizational formation of the Municipality should reflect the special status and interdependent regional administrative units (separate actions in separate locations);
- Growth and change in the future - the organizational structure should be flexible and adaptable to future growth and public service needs;

A non-exhaustive list of positions, whose ways of reporting is likely to change, is shown below.

In order to realize the premise of economy and to efficiency achieve in service delivery and reduce costs, the proposed structure in Appendix 1, explains the discussions regarding the four main blocks:

- The first unit is connected with the Mayors functions, the Mayors Cabinet, and with the supportive offices with functional reporting, by having a direct connection with the Mayor, through the Internal Audit and Tax Appeal.
- The second unit includes Civil servants who draft and approve policies of the New Municipality. The functions included in this block are the General Directorate, Directorate, and sectors, depending on the size of the New Municipality. The highest position in this block is the Secretary-General; the new role is added to the proposed organizational structure.
- In the third unit, agencies are responsible for implementing the policies drawn up by civil servants. According to the functions and roles they perform, they are divided into four types of agencies:
 1. Territorial Inspection Agency
 2. Public Service Agency
 3. Welfare Agency and Social Care
 4. Agricultural Services Agency, Veterinary and Environmental.
- In the fourth unit, of there are included the Service Offices. We explain that these offices in the Municipality, will have a

Responsible Office, Civil Registry staff, NRC if required, and employees that covers relations with the public, which collects requests, complaints from the community and sends to the Municipality the solutions. Also, in the Municipality, these offices can be raised even at the neighborhood level, which occur when the population is more than 20,000 residents. While in LGU's Service Offices will be represented by the Administrator, will be organized and will play the same role as amended in the Municipality.

Financial due diligence

Summary of observations and recommendations

Observations	Recommendations
<p>Property, Plant and Equipment</p>	
<p>During the control of the Municipality and LGUs it was noticed that a significant number of fixed assets are not recorded in the respective balance sheets.</p> <p>Fixed assets, which the Municipality and LGUs currently own are kept at historical cost. Depreciation is accumulated in based on categories of assets. Many other assets are kept off balance sheet and they actually have a book value.</p>	<p>We suggest that the stocktaking of fixed assets at 31 December 2015 to be carried out as soon as possible. The stocktaking will serve as a basis for the preparation of fixed assets registers to be used for the preparation of the financial statements year ended December 31, 2015.</p> <p>The stocktaking will not just aim the verification of assets that are currently registered but also the identification of other assets owned by the Ex-Municipality or LGUs. It will also identify assets which could be damaged or do not exist. Also it is necessary a close cooperation with the Real Estate Office.</p> <p>All assets owned by Municipality or LGU should be revalued and to each asset, including those assets that are held off balance, must be assigned a value.</p> <p>Such revaluation can be carried out taking into account the source of reference prices and widely accepted methodology regarding the evaluation of these assets. Results of the evaluation report must then be reflected in the financial statements as well as in a full register of assets. All the subsequent changes during the lifetime of each asset must be recorded in the assets register.</p>

Investments	
<p>Ex-Municipality and LGUs perform most of their services using their own resources. However, they have also investments in other entities that perform public services on their behalf.</p> <p>There are no instructions from the Ministry of Finance regarding the treatment of investments and it is not clear if a value for these investments should be presented to the assets and how to measure their value.</p>	<p>These investments should be presented as financial assets. They are presented in individual audit report in Note No. 9, according to the % of ownership that the unit has in these subsidiaries using the cost method (% of subscribed share capital).</p> <p>These investments together with other assets owned by the municipality, which serve for the same purpose (ex. former municipal water supplies that are not privately owned public entities Sh.a), should be analyzed, and the analysis should be used for the review of the opportunity of the integration of management, ownership and operations into a separate entity.</p>
Liabilities	
<p>On July 31, 2015 total liabilities of the municipality are reported at a value of 16,324,147 thousand ALL. Overdue municipal obligations are reported at a value 3,669,058 thousand ALL.</p> <p>The information is often incomplete and does not give details on arrears and risks of delays in repaying them. Furthermore the liabilities are not even detailed to the same level of categories used in the allocation of grants from central government.</p>	<p>It is recommended a detailed analysis to identify the age and nature of their obligations. This analysis will provide a clearer picture of rotating repayment of Municipality obligations and sources of funds.</p>

Receivables

During 2015, tax and non-tax revenues were 36% of total revenues, due to the low rate of revenue collection.

During LGUs control it was noticed that some of the LGUs do not have a complete list and accurate receivables of taxes from individuals and businesses.

It is recommended that the municipality impose strict procedures for analysis and regular monitoring of actual financial performance against budget. Following the analysis will lead to increased levels of tax collections for the municipality and capacity for expenses.

A complete and accurate list of receivables from individuals and business taxes should be established. These lists will make possible that the municipality can facilitate the tracing in detail of receivables and improve their collection rates. Also, they will allow a fair treatment of taxpayers and provide a documented basis for actions against those who do not pay.

Lack of unified accounting policies and practices

It is noticed that the presentation of financial reporting has been relatively standard, this due to the uniformity of clear and descriptive financial formats used by Municipality and LGUs. All LGUs and Municipality has reported in accordance with the list of accounts prescribed by the Ministry of Finance. Accounts lists are well integrated with financial reporting formats prescribed by the Ministry of Finance. However, the accounting policies for the preparation of financial statements and the bookkeeping of LGUs and Municipality are limited.

Ununiformed application of accounting policies and accounting practices and procedures from different LGUs could affect the completeness and accuracy of accounting data used in consolidation. Consequently, LGUs are exposed to the risk of data loss, which may adversely affect their daily activities and lead to financial losses.

We recommend the government should include in the current legislation more specification for the application of uniform accounting policies and for maintaining an effective general ledger. Accounting records kept manually or electronically must follow a process of archiving in accordance with archiving policies.

Lack of unified accounting policies and practices - continued

During our work, we have identified different and non-uniform accounting policies and practices used by LGUs. In some LGUs expenses are recognized on accrual basis and in others on the basis of payment. Also, various differences, classifications and inconsistencies were identified when comparing the financial statements with supporting notes.

Just a few LGUs use accounting software that enables the construction of a full and steady trial balance. The rest keep written documents or documents in the computer files of "MS Office" package. In many cases we have identified absence of accounting documents of prior periods such as inventory details and details of debtors or creditors.

Using a uniform software solution for all LGUs could be useful in improving the accountancy and financial reporting.

Consolidated financial statements

Overview

To present and analyze the position and financial performance indicators of the newly formed Municipality Tiranë, we have prepared the consolidated financial statements, which are presented in formats 1 to 9, as defined in the guidelines of the Ministry of Finance.

These statements have been prepared by summing line by line the restated statements of Municipality Tiranë, LGU No.1, LGU No.2, LGU No.3, LGU No.4, LGU No.5, LGU No.6, LGU No.7, LGU No.8, LGU No.9, LGU No.10, LGU No.11, LGU Petrelë, LGU Farkë, LGU Dajt, LGU Zall-Bastar, LGU Bërzhite, LGU Baldushk, LGU Krabë, LGU Shëngjergj, LGU Vaqarr, LGU Kashar, LGU Pezë, LGU Ndroq and LGU Zall-Herr.

Affiliated units are consolidated at the level of municipality and have been part of individual due diligence report of Municipality Tiranë.

The restated statements reflect the adjustments that have been identified and presented in individual reports for each Municipality and administrative unit. Adjustments are based upon the guidelines and rules of the Ministry of Finance to apply uniform accounting policies.

These consolidated financial statements do not include any consolidation adjustment.

Key performance indicators:

Key performance indicators	
<i>Amounts in ALL '000</i>	<i>For the period ended 31 July 2015</i>
Income from grants	5,791,496
Tax and non-tax revenue	3,441,707
Total Expenses	8,261,495
Total Assets	68,829,446
Liabilities	16,324,147

Table 1. Summary of consolidated statement of financial position.

Amounts in thousand ALL

		In ALL '000	
Account Number	Description	2015 Period Restated	2015 Period
A	Assets	68,829,446	68,740,109
I	Current Assets	16,430,789	16,324,514
	1. Petty - Cash, Banks, and Funds		
Class 5	Availability	1,527,594	1,527,584
Class 4	2. Receivables	14,345,720	14,239,441
Class 3	3. Current Inventory accounts	557,474	557,489
II	Non-current Assets	52,397,094	52,409,471
23	1. Investments	9,897,424	9,897,424
25,26	2. Finance assets	8,383,710	8,383,710
21,24,28	3. Tangible assets	33,691,086	33,703,464
20	4. Intangible assets	424,873	424,873
III	Other assets	1,564	6,124
B	Liabilities	16,359,267	16,279,175
I	Current liabilities	14,936,396	14,834,666
Class 4	1. Accounts payable	14,936,396	14,834,666
16	2. Non-current liabilities	-	-
II	Non liquid liabilities	1,387,751	1,387,751
17	1. Foreign loans	1,387,751	1,387,751
III	Other liabilities	35,121	56,758
	Net assets (A - B)	52,470,179	52,460,934
	Presented: Consolidated budget	51,136,657	51,159,743
	Carried forward results	1,333,522	1,301,191

Overview of the consolidated statement of the financial position

- On July 31, 2015 total assets and liabilities of the new municipality were ALL 68,829,446 thousand respectively. Total assets of the municipality on July 31, 2015 increased by 2.42% compared to December 31, 2014.

Current assets

- Current assets, which account for 24% of total assets, increased by 4.4% during the period ended as of 31 July 2015 compared to the year ended as of 31 December 2014. Among the items of current assets it is noticed an increase of 71.75% of cash, which is the major factor in the total increase of current assets, meanwhile the receivable's accounts decreased by 0.4% and inventories slightly increased by 0.4%.

Accounts Receivable

- Structure of total debtors of Municipality Tiranë consists of 95.85% of debtors of LGU Tiranë, 1.56% of debtors of LGU Kashar, 0.34% of debtors of LGU Ndroq, and the other part belongs to the debtors of other LGUs.

Non-current accounts

- Non-current assets which occupy the largest share of assets of the Municipality Tiranë 76%, have increased by 1.83% in total, where the biggest effect in this increase, was the addition of financial assets item during 2015, and the increase of tangible assets by 8.87%, which compose 0.32% of total assets.

PPE

- 74.33% of PPEs of Municipality Tiranë are composed by the PPEs of LGU Tiranë, 8.97% by LGU Kashar, 5.14% by LGU Farkë, 1.91% by LGU Petrelë and the other part belongs to other LGUs.

Accounts Payable

Accounts payable have decreased by 38% during the period ended July 31, 2015 compared with the previous year 2014. Meanwhile, it is noted an increase in borrowing by 69.85%. It is noticed an increase in borrowings, to ALL 570,728 thousand, which covers the accounts payable reduction.

The increase in borrowing and the reduction of accounts receivable has increased the liquidity of the Municipality, the investment and has resulted in a reduction of accounts payable.

Accounts Payable

- 94.72% of the total accounts payable is composed of accounts payable of LGU Tiranë, 1.58% by LGU Kashar, 1.1% by LGU Petrelë, 0.4% by LGU Bërzhit and the other part belongs to other LGUs

Further details on the assets and liabilities are presented in formats 1 and 2 in the appendices of this report.

Table 2: Summary of Consolidated Statement of Financial Performance

Amounts in thousand ALL

Account Number	Description	In ALL '000	
		2015 Period Restated	2015 Period
2	TOTAL REVENUES	9,577,004	9,464,158
A	I. REVENUES AND CONTRIBUTES	3,441,707	3,441,657
70,750,71	1. Tax revenues upon	2,642,353	2,642,302
70	2. Contributions and social and health insurance	-	-
75	3. Non tax revenues	799,355	799,355
71	II. GENERAL ACTUAL GRANTS	5,791,496	5,689,534
72	III. FINANCIAL REVENUES	-	-
78	IV. WORKS FOR INVESTMENTS	331,062	320,228
77, 83	V. OTHER REVENUES	12,739	12,739
	TOTAL EXPENSES	8,261,495	8,155,522
B	I. ACTUAL EXPENSES	331,062	320,228
	1. Salaries and employees contribution	1,481,444	1,471,027
600 601	2. Goods and Services	1,601,899	1,554,449
602	3. Subsidies	-	-
603	4. Internal actual transfers	107,462	119,092
604	5. External actual transfers	-	-
605	6. Budget transfers for families and individuals	1,430,884	1,375,501
606	II. AMORTIZATION QUOTES AND FORECASTED AMOUNT	-	-
68	III. FINANCIAL EXPENSES	-	-
66	IV. OTHER EXPENSES	3,639,806	3,635,454
67	DETERMINED NET INCOME	1,315,509	1,308,636
C	From this: Functioning results	1,315,459	1,319,470
	Functioning observed grants	50	(10,834)

Overview of consolidated statement of financial performance

Sources of funds (revenues)

- During the period ended July 31, 2015 total revenue recognized by the new municipality in the consolidated statement of financial performance was ALL 9,577,004 thousand. 36% of the total municipality incomes are composed of tax and non-tax revenues, 60% of income is from grants and 4% from other income.

Structure of total revenues is comprised of 58.58% of the revenue generated from LGU Tiranë, 9.4% by LGU Kashar, 3.87% by LGU Farkë, 2.35% by LGU Dajt, 1.33% By LGU Petrelë, 2.29% by LGU No. 2, 2.01% by LGU No. 11, 2.66% By LGU No. 6, 0.6% by LGU Bërzhit and the other part belongs to other LGUs.

Uses of Funds (expenses)

- During the period ended July 31, 2015 the total expenditure recognized by the new municipality in the consolidated statement of income and expenses were ALL 8,261,495 thousand. 56% of the total municipal expenditure is composed of current expenditures.
- Structure of total expenditure is comprised by 26.53% of the expenditures of LGU Tiranë, 4.57% by LGU Kashar, 1.11% by LGU Petrelë, 0.68% by LGU Bërzhit, 4.21% by LGU No. 2, 3.21% by LGU No. 11, 3.76% by LGU No. 6 and the other part belongs to other LGUs.

More details on the expenses and revenues are presented in formats 3/1 and 3/2 in the appendices of this report.

Appendix 2 – Personnel matters

Objectives of the analysis

The analysis of the personnel matters has the following objectives:

- Develop a register of the staff until the end of July 2015 containing information on the full name, place of work for each employee, function / the sector where each employee is assigned, the date of commencement of work in the LGU, type of employment, education and training.
- Presentation of a summarized description of the personnel data based on the appropriate legal framework as follows:
 - Labor Code Articles 105 a/2, 107, 140, 143, 144, 145, 147, 148;
 - Law no.152/2013, dated 30.05.2013 “On Civil Servants” as amended, Articles 50/1/6 and 7;
 - DCM No.118, dated 05.03.2014 “On the appointment, recruitment, management and termination of civil service relationship of civil servants in senior management and members of the TND”;
 - DCM No.243, dated 18.03.2015 “On admission, lateral, probation period and appointing the executive category”;
- Observations and recommendations on personnel transfer and training in the context of the merge and reorganization of the Municipality.

Summarized description of the information received

- According to the information received, until the date of constitution of the municipality, the total number of personnel, excluding Mayors and employees of the Register Office, is 1,587 employees, of which 502 employees have a long-term contract or an definitely contract, 266 employees have indefinitely contracts and 27 employees belonging to protected Labor code category.
- Personnel register is presented in Annex 2 – Personnel register.

Observations and recommendations

Personnel matters

Observations	Recommendations
<p>The transfer of the staff</p> <ul style="list-style-type: none"> As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 the labor relations existing between the merged entity (LGUs) and their employees will be transferred to the Municipality of Tiranë. It is worth mentioning that the Municipality Tiranë, before the amalgamation process, is considered as one of the merged units. An employee has a fixed-term employment contract (1 year term). However, the employee, according to the report, has begun the employment relationship on 01.01.2006. 	<ul style="list-style-type: none"> In accordance with the provisions of the Labor Code, the employment contract is signed for a fixed period justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior notice. However, after its expiration, the contract is silently extended beyond this limit and it is considered as a contract of indefinite duration. In this case it is recommended to check how the provisions for termination of the indefinite contract would apply. Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. Related to civil servants who are on probation, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources It is recommended that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.

Observations	Recommendations
Termination of working relationship	
<ul style="list-style-type: none"> The reorganization may bring the necessity of termination of the employment relationship for some of the Municipality employees. 	<ul style="list-style-type: none"> It is recommended to consider that the legal basis for the termination of working relationships is different depending on the category of employees and respectively: <ul style="list-style-type: none"> <i>Political functionaries.</i> Political functionaries of a Municipality are the deputy mayors, administrators and the employees of the mayor's cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations. <i>Employees with working contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority. <i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer
Improvement of organizational structure	
<ul style="list-style-type: none"> Organizational structures of local government units do not stipulate the position of General Secretary. 	<ul style="list-style-type: none"> It is recommended that a new organizational structure should have a highest reporting line of civil servants, the position of the General Secretary. The General Secretary is responsible for the formulation and monitoring of policies and horizontal functions / support to these policies, and serves not only to guarantee the legality of the activity of civil servants but also serves as a filter to political pressure elected / nominated to the administration civil local government unit.

Appendix 3 –Information Technology

Objectives of the analysis

Assessing the status of information technology has the following objectives:

- The stocktaking of IT business systems, equipment, licenses and other agreements and contracts including IT services;
- Evaluation of IT equipment maintenance;
- Assessment of the actual information security practices, procedures for the recovery and storage of data in case of loss based on the information received until the end of 2015.

Summarized description of received information

- Information technology is limited to the use of personal computers, printers and Internet service. The IT infrastructure is relatively old. Some of the PC and other devices are out of order. The operating systems and the software are not licensed. The network is working but has a status of maintenance problems, since a proper IT staff is missing and the local service providers perform the computer/hardware maintenance.
- Consolidated information about the IT environment is presented in Table 9 – IT environment, below.

Table 9: IT environment

Objective	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
Installed Software	Microsoft Office Package, Alpha Program, Antivirus	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package, Alpha	Microsoft Office Package, Alpha	Microsoft Office Package, Alpha	Microsoft Office Package, Alpha	Microsoft Office Package, Alpha	Microsoft Office Package, Alpha	Microsoft Office Package
Contracts of licenses	Alpha Program, Microsoft Office Package	n/a	n/a	n/a	n/a	Alpha Budget	Alpha Budget	Alpha Budget	Alpha Budget	Alpha Budget	Alpha Budget	n/a
Hardware (in usage)	2227	94	27	58	110	38	68	46	95	76	55	63
Computer (desktop)	463	21	8	17	28	12	20	6	32	24	14	26
Printers	201	12	7	12	14	10	9	12	9	17	13	28
Servers	1563	61	12	29	68	16	39	28	54	35	28	9
IT staff in total	12	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hardware and Software maintenance	IT staff from Municipality Tiranë	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers

Table 9: IT environment (continued)

Objective	Dajt	Farkë	Petrelë	Kashar	Pejë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
Installed Software	Microsoft Office Package, Finance 5	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package, Finance 5	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package	Microsoft Office Package
Contracts of licenses	Finance 5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hardware (in usage)	95	76	45	260	159	35	190	22	116	51	60	15	96
Computer (desktop)	22	23	14	199	46	10	58	4	35	10	27	6	28
Printers	16	13	12	59	13	8	14	6	9	10	17	9	12
Servers	57	40	19	0	100	17	118	12	72	31	16	0	56
IT staff in total	n/a	n/a	n/a	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hardware and Software maintenance	IT staff from Municipality Tiranë	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers	Local service providers

Observations and Recommendations

IT environment

Observations	Recommendations
<ul style="list-style-type: none"> Information Technology 	
<ul style="list-style-type: none"> The Municipality has lack of a centralized and standardized system that automates network management of user account data and security requirements. In these conditions, the safety rules and access management are not implemented. 	<ul style="list-style-type: none"> New Municipality should consider implementing a centralized and standardized system that automates network management of user account data and security requirements, based on the principle that the cost / benefit.
<p>Data storage system</p> <ul style="list-style-type: none"> Lack of procedures for storage and recovery of data in case of loss. There are used USB drives, as a substitute means of communication which subsequently taken outside the LGU premises. 	<ul style="list-style-type: none"> New municipality may consider initiating and implementing policies and procedures for storage and recovery of data in case of loss, taking into account the current status of the technology infrastructure. Data can be stored on the platform of cooperation (DMS, terms, etc.) that can be implemented and stored safely in the central datacenter in municipality or Private / Public Cloud.
<p>Optimization and Management of PC-s</p> <ul style="list-style-type: none"> Hardware and softwares are old. There is lack of license for software and software protection. Lack of qualified staff for maintenance of hardware and software and service provider of maintenance services is performed by private local service provider without contract. 	<ul style="list-style-type: none"> New municipality may consider standardization of operating systems and business applications to make it easier and manageable maintenance (update, security policy, update, etc.) New Municipality should take into account the needs for licensing of Microsoft software in use as legal needs and for security system. It is deemed necessary the implementation of new trends to optimize the costs for services Copy / Print / Scan. These services can be provided in a centralized manner based on (Printing as a Service)
<p>Information Policy Securities</p>	
<ul style="list-style-type: none"> Lack of policies and procedures for providing information. Employees do not have knowledge of basic information security principles. 	<ul style="list-style-type: none"> New Municipality should consider initiating and implementing policies and procedures on information security for user access management and provision of computer hardware (desktop configuration passwords, laptop).
<p>Lack of IT staff</p> <ul style="list-style-type: none"> There is lack of IT staff for maintenance of Hardware and Software. 	<ul style="list-style-type: none"> Municipality should take into consideration employment or entering into a contract for maintenance of Hardware and Software network.

Appendix 4 – Communication

Objectives of the analysis

Assessing the status of the communication system has the following objectives:

- Stocktaking of telephony and Internet deal.
- Understand the methods of internal communication, verbal or written applied for circulating memos protocol, issuing regulations, orders and communication between different sectors;

Summarized description of the information received

- LGU benefits from the telephone and Internet service from local and national service providers. Currently, all LGUs have independent Internet services. This makes it very difficult to cooperate between the LGUs and the Municipality of Tiranë and also creates unnecessary multiples connection. Regarding the internal and verbal communication, these tools are used to write memos, issue regulations, orders by the Municipality Mayor.
- Consolidated information about the communication systems is presented in Table 10 – Communication systems.

Communication	
Observations	Recommendations
Lack of communication:	
<ul style="list-style-type: none"> • The lack of electronic communications inside the Municipality and LGU. • In cases where it is necessary the use of electronic means, the Municipality and LGU employee use private email address, which is unsafe regarding the exchange of information and data. • Internal communication is oral or written and circulates from one department to another, in order to give a notification / information or a signature. 	<ul style="list-style-type: none"> • The Municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information, common email infrastructure, the implementation of the structure regarding the distribution of documentation and storage systems, business systems and centralized storage infrastructure. <p><i>Network infrastructures (LAN) of LGU</i> The New Municipality should consider implementing a new network (or improve) according to the contemporary parameters, in order to insure a stable and safe communication within the LGU premises. These networks must support the Gbps speed levels to support the service provided in LAN.</p> <p><i>Electronic Mail Service</i> The New Municipality may consider the use of a centralized electronic mail and needs to establish communications standards with e-mail as the official mean of communication.</p> <p><i>Identities management</i> The user identities management on the network is necessary. New Municipality may consider implementing a management service and a security of identities in order to identify and authorized all users on the network, to have a specific right on the PC and to have access to all the resources in the network or applications that will be served.</p>

Observations and recommendations

Table 10: Communication System

Objectives	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
Telephony service	Phone/Mobile Phone	Fix	Phone/Mobile Phone	Phone/Mobile Phone	Fixed line	Phone/Mobile Phone	Phone/Mobile Phone	Phone/Mobile Phone	Phone/Mobile Phone	Phone/Mobile Phone	Phone/Mobile Phone	There is no fixed line
Telephony / service providers	National Operator	Albtelecom sha	National Operator	Albtelecom sh.a.	National Operator	National and Local Operator	National Operator	Local Operator	National Operator	National Operator	National Operator	n/a
Internet service	National and Local provider	Abcom shpk	National and Local provider	National and Local provider	National and Local provider	National and Local provider	Local provider	Local provider	Local provider	Local provider	Paid by LGUemployees	National Provider
Assess coverage of the telephony service	Local Coverage	Local Coverage	Local Coverage	Local Coverage	Local Coverage	Local Coverage	Local Coverage	Local Coverage	Local Coverage	Local Coverage	Local Coverage	Local Coverage
Internal communication lines	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written

Table 10: Communication System (continued)

Objectives	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
Telephony service	n/a	There is no fixed line	There is no fixed line	Fixed Line	There is no fixed line	Fixed Line	There is no fixed line	There is no fixed line	There is no fixed line	Phone/Mobile Phone	There is no fixed line	There is no fixed line	There is no fixed line
Telephony / service providers	n/a	n/a	n/a	Vivo Communication shpk	n/a	Abcom sh.a	n/a	n/a	n/a	National and Local Operator	n/a	n/a	n/a
Internet service	National Provider	Free	National Provider	Albon shpk	n/a	Abcom sh.a	Local provider	National provider	Local provider	Local provider	n/a	Local provider	Local provider
Assess coverage of the telephony service	n/a	Local Coverage	n/a	Local Coverage	n/a	Local Coverage	n/a	n/a	Local Coverage	Local Coverage	n/a	n/a	n/a
Internal communication lines	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written	Verbal / Written

Appendix 5 – Archives

Objectives of the analysis

The analysis has the following main objectives:

- The analysis of the actual archive practices until the end of 2014 based on the legal and technical requirements provided by the following legal framework applicable to archives:
 - Law nr.9154, dated 06.11.2003 "On Archives" and;
 - Professional and technical rates and methodological archival service in the Republic of Albania (Archiving methodology);
- The preparation of a checklist for compliance with technical requirements for archive environments and requirements of methodology documentation;
- Provision of observations and recommendations regarding the archive within the union based on information received by the end of July 2015.

Summarized description of the information received

- Description of Archives in Tiranë, Vaqarr, Bërzhitë, Dajt, Kashar, Fark and 11 former Municipal Units held by the Protocol and Archiving Specialist. In Petrelë, Peza Shengjergj and Ndroq, the specialist and the Secretary of Archive perform archiving of documents. In Krrabë, the person responsible for the archive and the petty cash performs the archiving. In Zall - the person who is responsible for archive and repository keeps her archives. Human resources responsibilities in Baldushk perform archiving and filing of documents. Zall-Bastar forests specialist performs the archiving of documents and is responsible for the petty cash. Most administrative units have a certain environment for archives, in which the archiving process takes place, conservation and service of documents.
- From the information obtained in the field, the majority of the requirements for archive environments are met in Municipality Tiranë. Other administrative units do not meet most of these technical requirements. Also, documents are processed in accordance with the requirements for archiving and transfer of documents to the State Government Archives. The process is conducted in accordance with legal limits, except LGU Baldushk which has not committed yet transferred documents at the State Archive.
- Regarding the registers, not all LGUs are holding the Register of Correspondence.
- Consolidated information about the practice of archiving and compliance with the Archive Methodology is presented in the table 11- Consolidated Checklist of technical requirements.

Table 11: Technical requirements for archive environments practices

Technical requirements for practices in the premises of archives and record-keeping methodology	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
Fire protection, shells protection from sun, dust and any other physical and biological agents	Yes	No	No, because there is not a special office	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
Secured doors and windows with a metallic net and automatic door closure	No	Yes, but there is no automatic door lock	No	No	No	No	No	No	No	No	Yes	Yes
Cardboard folders for putting the documents, placed in metallic shells and painted against rust	Yes	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
Vertically oriented shells to the windows with a distance 40-60 cm from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	No	No	Yes, but there is no distance from the wall	No	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes	No	Yes	Yes
Presence of heaters or any other item that can cause fire present in the archive premise	No	No	No	No	Yes, conditioner	No	No	No	No	Yes	No	No
Records on physical control of the archive kept from the secretary of the archive	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes
Archive keys in two copies	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
One copy of the e key closed in an envelope, preserved from the LGU Mayor or the Deputy in charge of the archive service. Other copy kept in accordance with the rules applicable for other keys of other sectors in LGU.	Yes	No	Yes	Yes	Yes	Yes	No	Po	Yes	Yes – 1 copy	Yes	Yes
Safes, cupboards, doors of the secretary and the archive ensured and stamped after the official working	Guard during the night.	No	No	No	No iron door. Existing	No	No	Yes	Yes	No	Yes, but there is	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
timetable.					windows glass and glass door						no safe box	
Documents structured as per organizational structure of the public institution (e.g when the public institution has a hierarchy of organizational structure).	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes (internal structuring is done, the number and content of their mark are found in the cover)	Yes	Yes
According to this scheme, all the documents that are found in the archive: Firstly are classified (grouped) by year. Then, are classified based on structures (i.e. directorates, departments, branches, etc.) Note: When the organization has a two-tier structure (example: directorate and branches), documents are grouped under this approach with 2 levels, and then create folders. Creation of folders should consider documents containing information, which refers to more than one department.	Yes	No	RHK	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Files containing information to be stored up to 10 years have no need for internal restructuring, but the number of pages contained in documents written in their cap.	Yes	Yes, partially	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
<p>Cover file (Module 6), clearly marked and grammar:</p> <ul style="list-style-type: none"> - Full name of the state entity - no state - Department or branch that operates - The level of classification (if the document is of this type) - The file contains an identification number, year - Full title of the file - The period that the document should save (protect) - Date of completion of conservation - The amount of documents that are stored in files - Inventory identification number on file - The period of use 	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<p>Based on a) "the list of models of documents on storage" and b) "the list of models on documents of historical importance, national", which the General Directorate, the State Commission and non-state experts, to be built a concrete list of their documents, publish. This list should reflect those documents that are of historical importance, national and documentation retention period. Also, the committee of experts should determine the period of preservation of these documents (by module 11).</p>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
The emblem of the Republic	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
At the header of the document should be written "Republic of Albania"	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Title of the institution and structures belonging to the	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
institution												
Number of documents attached	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
The content of the document	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Name, surname and signature of the person who signed the document and stamp	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Signature of the director of the institution	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Date and number of protocol	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mod 1 - Correspondence model	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mod 3 - Serial Number of Correspondence	No	No	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No
Mod 4. -The Book Delivery	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mod 4/1. -The Book of shipments of documents from archives in sectors secretariat and vice versa	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Mode 5 - Table definitions of files for the year	No	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No
Mod 6 - Elements of cover dossier	No	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
Mod 7 - Register of files	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Mod 8 - Internal File register	No	No	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes
Mod 9 - Decision of the Commission of Experts	No	No	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes
Mod 10 - Compilation of the list of documents that set	No	No	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
aside												
Mod 11 - The period laid down for storage (protection)	No	No	No	Yes	No	Yes	No	Yes	Yes	Yes	No	No
Mod 12 - Destruction of documents containing any further value	No	No	No	Yes	No	No	No	Yes	Yes	Yes	No	Yes

Table 11: Technical requirements for archive environments practices (continued)

Technical requirements for practices in the premises of archives and record-keeping methodology	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
Fire protection, shells protection from sun, dust and any other physical and biological agents	Yes	No	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes	Yes, except protector against fire
Secured doors and windows with a metallic net and automatic door closure	Yes	No	Yes	No	No	Yes	No	No	No	No	No	Yes, the doors are safe but there are windows and doors with metal mesh and are not automatic.	Yes, without automatic closure
Cardboard folders for putting the documents, placed in metallic shells and painted against rust	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes
Vertically oriented shells to the windows with a distance 40-60 cm from the wall	Yes, but there is no distance from the wall	No	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall	Yes, but there is no distance from the wall
Presence of heaters or any other item that can cause fire present	No	No	No	No	No	No	No	No	Yes, stove fire	No	No	No	No

Technical requirements for practices in the premises of archives and record-keeping methodology	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
in the archive premise													
Records on physical control of the archive kept from the secretary of the archive	Yes	Yes	No	No	No	Yes	No	Only D.A.SH.V.	No	No	No	Yes	Yes, in 2011
Archive keys in two copies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
One copy of the e key closed in an envelope, preserved from the LGU Mayor or the Deputy in charge of the archive service. Other copy kept in accordance with the rules applicable for other keys of other sectors in LGU.	Yes	No	No	No	No	No	No	Yes	No	Yes	Yes	Yes	No
Safes, cupboards, doors of the secretary and the archive ensured and stamped after the official working timetable.	No	No	No	No	No	Yes	No	No	No	No	No	Yes, but there is no safe box	No
Documents structured as per organizational structure of the public institution (e.g. when the public institution has a hierarchy of organizational structure).	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbastar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
<p>According to this scheme, all the documents that are found in the archive:</p> <p>Firstly are classified (grouped) by year. Then, are classified based on structures (i.e. directorates, departments, branches, etc.)</p> <p>Note: When the organization has a two-tier structure (example: directorate and branches), documents are grouped under this approach with 2 levels, and then create folders. Creation of folders should consider documents containing information, which refers to more than one department.</p>	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Files containing information to be stored up to 10 years have no need for internal restructuring, but the number of pages contained in documents written in their cap.	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
Cover file (Module 6), clearly marked and grammar: - Full name of the state entity - no state - Department or branch that operates - The level of classification (if the document is of this type) - The file contains an identification number, year - Full title of the file - The period that the document should save (protect) - Date of completion of conservation - The amount of documents that are stored in files - Inventory identification number on file - The period of use	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Based on a) "the list of models of documents on storage" and b) "the list of models on documents of historical importance, national", which the General Directorate, the State Commission and non-state experts, to be built a concrete list of their documents,	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Technical requirements for practices in the premises of archives and record-keeping methodology	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
publish. This list should reflect those documents that are of historical importance, national and documentation retention period. Also, the committee of experts should determine the period of preservation of these documents (by module 11).													
The emblem of the Republic	Yes	Yes	Yes	Yes	Institution	Yes	No	Yes	Yes	Yes	Yes	Institution	Institution
At the head of the document should be written "Republic of Albania"	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Title of the institution and structures belonging to the institution	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of documents attached	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
The content of the document	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Name, surname and signature of the person who signed the document and stamp	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Signature of the director of the	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	Dajt	Farkë	Petrelë	Kashar	Peze	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
institution													
Date and number of protocol	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mod 1 - Correspondence model	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mod 3 - Serial Number of Correspondence	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	No
Mod 4. -The Book Delivery	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes
Mod 4/1. -The Book of shipments of documents from archives in sectors secretariat and vice versa	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes
Mode 5 - Table definitions of files for the year	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes
Mod 6 - Elements of cover dossier	No	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes
Mod 7 - Register of files	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Jo	Yes	Yes	Yes
Mod 8 - Internal File register	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	No
Mod 9 - Decision of the Commission of Experts	Yes	Yes	Yes	No	No	No	No	Yes	No	No	No	No	No
Mod 10 - Compilation of the	Yes	No	Yes	Yes	No	Yes	No	Yes	No	No	Yes	No	No

Technical requirements for practices in the premises of archives and record-keeping methodology	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
list of documents that set aside													
Mod 11 - The period laid down for storage (protection)	No	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes
Mod 12 - Destruction of documents containing any further value	Yes	No	No	No	No	No	No	Yes	No	No	No	No	No

Observations and Recommendations

Archive

Observations	Recommendations
Fulfillment of technical requirements in the archive management:	
<ul style="list-style-type: none"> Some of the technical requirements on archives, in the Municipality Tiranë, secured doors and windows, automatic door locking, distance from the wall and shelves, are not met. In the Municipality and LGUs, the other technical requirements for archive environments are met in most of them. 	<ul style="list-style-type: none"> As part of the merger, it is necessary to take measures in order to fulfill the standards, scientific and technical conditions provided in the Archiving Methodology and that there should be an archive environment.
Reorganization of the Archives:	
<ul style="list-style-type: none"> As a result of the merger, the volume of Municipal archives will grow from the documents received by the Municipality and the existing LGUs. <p>Consequently, given the volume of documents, the reorganization of the New Municipality archive and its maintenance, could prove to be difficult.</p>	<ul style="list-style-type: none"> As a temporary action, the opportunity to leave the current LGU archive premises that will unite should be taken into consideration, in case the archive merger can produce negative effects on public services. In order to have a more efficient public service delivery for the community the New Municipality better consider digitizing the archives.

Appendix 6 – Assets Management System

Objectives of the analysis

Analysis of asset management has the following main objectives:

- Analyzing the status of assets management based on the legal and technical requirements provided by the following legal framework applicable to asset management:
 - Law nr.10296, dated 08.07.2010 "On Financial Management and Control" and;
 - Decree of the Minister of Finance no. 30, dated 27.12. 2011 "For the management of public sector assets" of change;
- Prepare a checklist related to compliance with the legal framework of asset management based on the information received until the end of 2014;
- Provision of observations and recommendations regarding the management of assets within the union based on information received at the end of July 2015.

Summarized description of the information received

- In the Municipality and all existing LGUs, the Municipality Mayor and LGU Mayor are the authorizing officers for asset management, while executing officer is Head of Finance.
- Also, the LGU Mayors have not adopted any rules or procedures on how to manage the assets, but their management, since 2015 is conducted on the basis of the provisions of Instruction No. 30, dated 27.12.2011 "On Asset management in the public sector ", as amended.
- LGU Bërzhitë and Shëngjergj do not keep an Accounting Record of assets. LGU Bërzhitë is developing the Register since 2014. In all other LGUs held an Accounting Record of assets is being held.
- In all the existing LGUs, the Mayor issued at the end of each year, leases a special order for the inventory of assets, followed by the inventory of assets implemented in the beginning of the following year.
- The special committees for the disposal of assets are created in all existing LGUs.
- Consolidated information regarding compliance with the requirements for the Asset Management is presented in Table 12 - List of consolidated control applications for Assets Management below.

Table 12: List of consolidated control applications for Assets Management

ASSET MANAGEMENT	Municipality Tiranë	LGU No.1	LGU No.2	LGU No.3	LGU No.4	LGU No.5	LGU No.6	LGU No.7	LGU No.8	LGU No.9	LGU No.10	LGU No.11
Adopted rules and procedures on asset management	No	Yes	Yes	Yes	No	Yes	Yes	No	No	No	No	Yes
Authorizing Officer	Municipality Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor	Municipality Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor
Executing Officer	Director of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance	Director of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance
Adopted plan, objectives and control mechanisms related Risk	No	Yes	No	Yes	No	No	Yes	Yes	No	No	No	Yes
Asset Accounting Register	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Leased Properties Register	Yes	No	No	No	Yes	No	No	No	No	No	No	No
Owned Companies Register	Yes	No	No	No	No	No	No	No	No	No	No	No
Annual Assets Inventory	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Assets Inventory Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Assets Evaluation Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Assets Disposal Committee	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes
Committee of disposal of assets	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes

Table 12: List of consolidated control applications for Assets Management (continued)

ASSET MANAGEMENT	Dajt	Farkë	Petrelë	Kashar	Pezë	Bërzhit	Zallherr	Zallbatar	Baldushk	Ndroq	Krrabë	Shëngjergj	Vaqarr
Adopted rules and procedures on asset management	Yes	Jo	Yes	No	Yes	Yes	No	No	Yes	No	Yes	No	No
Authorizing Officer	Municipality Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor	Municipality Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor	LGU Mayor
Executing Officer	Director of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance	Director of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance	Head of Finance
Adopted plan, objectives and control mechanisms related Risk	No	No	No	No	Yes	No	No	No	Yes	No	No	No	No
Asset Accounting Register	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes
Leased Properties Register	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes
Owned Companies Register	No	No	No	No	No	No	No	No	No	No	No	No	No
Annual Assets Inventory	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Assets Inventory Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Assets Evaluation Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Assets Disposal Committee	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	No	Yes
Committee of disposal of assets	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes

Observations and Recommendations

Asset Management

Observations	Recommendations
Asset management – lack of registers:	
<ul style="list-style-type: none"> No special records are kept regarding the companies owned by the Municipality and LGUs and regarding the eased properties. 	<ul style="list-style-type: none"> Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.
The absence of Assets evaluation:	
<ul style="list-style-type: none"> There are no special records regarding owned companies, granted by the Municipality and LGUs. Their absence does not provide for the New Municipality an accurate disclosure regarding the assets information on the Municipality and the existing LGUs. Therefore, the proper management of assets, in accordance with the applicable legal framework is missing. 	<ul style="list-style-type: none"> Conducting the assets evaluation, in accordance with procedures laid down by Instruction No. 30, dated 27.12.2011 " On the management of assets in the public sector ", is performed before the effective date of the merger, in accordance with the legal legislation in force.

Appendix 7 – Investment Projects

Based on the inventory of investment projects for each municipality / administrative unit it is prepared a consolidated table on which appear all investment projects that will be transferred to the Municipality as a result of the merger. Please refer to Table 13 investment projects below.

Investment Projects

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
Suspended objects until 31.07.2015				
LGU Tiranë	Road reconstruction "Ali Shefqeti"	Implementation has not commenced	-	ALL 50,573,937
LGU Tiranë	Road and sidewalks reconstruction "Ali Demi"	Implementation has not commenced	-	ALL 74,986,582
LGU Tiranë	Road reconstruction / building "Disha", "Thoma Nasi" and "Fransua Pukvil"	Implementation has not commenced	-	ALL 42,236,084
LGU Tiranë	Road reconstruction / building "Faik Konica",	Implementation has not commenced	-	ALL 95,199,166
LGU Tiranë	Road reconstruction / building "Marko Bocari"	Implementation has not commenced	-	ALL 6,390,939
LGU Tiranë	Road reconstruction / building "Piro Goda"	Implementation has not commenced	-	ALL 31,606,728
LGU Tiranë	"Don Bosko" Street, sidewalks	Implementation has not commenced	-	ALL 19,461,373
LGU Tiranë	Road reconstruction "Irfan Tomini"	Implementation has not commenced	-	ALL 41,431,851
LGU Tiranë	Urban Redevelopment, Dibra – Njazi Meka – Niko Avrami – Grigor Percelev Road	In process	ALL 24,356,029	ALL 127,169,998
LGU Tiranë	Urban Redevelopment Shina, LGU No. 11, Phase I	In process	ALL 84,367,284	ALL 208,799,073
LGU Tiranë	Urban Redevelopment at Dogana, LGU No. 7	In process	ALL 41,800,680	ALL 192,585,645

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Rehabilitation and expansion of the public cemetery, Tufine	In process	ALL 75,459,510	ALL 152,677,400
LGU Tiranë	Urban requalification, limited between Dervish Hima Road, Bazaar Place and Qemal Stafa Stadium	In process	-	ALL 47,232,082
LGU Tiranë	Limited urban furniture, Memo Meto and Ferit Xhajko, LGU No. 8	In process	ALL 8,532,574	ALL 22,624,761
LGU Tiranë	Urban requalification 40, 41 and 42 (Phase 1) LGU No. 2	In process	ALL 1,005,115	ALL 22,059,522
LGU Tiranë	Road reconstruction, Shefqet Musaraj and requalification of the boulevard no. 22, LGU No.7	In process	-	ALL 22,552,680
LGU Tiranë	Urban requalification, area located between Sami Frasheri road – Unazes (Gjergj Fishta boulevard) LGU No. 10	In process	-	ALL 24,496,983
LGU Tiranë	The urban requalification limited from the "Ibrahim Rugova" road, "Pjeter Bogdani", "Gjin Bue Shpata" and boulevard "Bajram Curri" LGU No. 5	In process	-	ALL 47,714,705
LGU Tiranë	The urban requalification limited from the Sulejman Delvina road, Medar Shtylla, Skender Luarasi, Grigor Heba, Gjik Kuqali, LGU No. 5	In process	-	ALL 62,251,479
LGU Tiranë	2 urban requalification and rehabilitation of Kamarda Demetrio road, LGU No. 1	In process	-	ALL 34,871,566
LGU Tiranë	Kindergarten Rehabilitation no.24	In process	ALL 1,468,279	ALL 17,194,232
LGU Tiranë	Reconstruction of the additional environments of the Middle School "Qemal Stafa"	In process	ALL 5,210,598	ALL 152,297,454

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Partial rehabilitation and installation of heating system in the 9-year-old " Mustafa Greblleshi "	In process	-	ALL 8,489,029
LGU Tiranë	Rehabilitation of Tirana river and relevant civil works	In process	ALL 725,552,546	ALL 2,506,813,246
LGU Tiranë	Construction of North Boulevard and relevant civil works	In process	ALL 624,101,289	ALL 3,676,707,258
LGU Tiranë	Management System and Urban Traffic Control T-UTC in Tirane	In process	ALL 309,816,455	ALL 317,475,446
LGU Tiranë	3G GPRS internet service for the "Center of Urban Traffic Control in City of Tirana"	In process	ALL 3,783,511	ALL 3,899,800
LGU Tiranë	Support Project Manager for Consultancy Service T-UTC	In process	ALL 7,050,000	ALL 9,923,580
LGU Tiranë	Technical Assistance and Supervision of the Project of Northern Boulevard and Regeneration of Tirana river	In process	ALL 147,518,499	ALL 219,276,150
LGU Tiranë	Construction of the road Kosovareve, about 600ml - (share of financing from Tirana)	Disabled	ALL 34,242,225	ALL 87,385,277
LGU Tiranë	"Isuf Balta" Street	Disabled	ALL 16,732,433	ALL 26,821,065
LGU Tiranë	Construction of the intersection segment "Josif Pashko" - former "ish Uzina Dinamo"	Disabled	ALL 31,995,112	ALL 69,110,321
LGU Tiranë	Reconstruction of "Shyqri Berxolli" and "Reshit Collaku" roads	Disabled	-	ALL 32,232,430
LGU Tiranë	Transport Project, dedicated to increase road safety, Phase II	Disabled	ALL 26,285,306	ALL 75,614,560

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	The Urban redevelopment bordering Dritan Hoxha road, Teodor Keko, Anesti Lobonja and former Aviation Pista	Disabled	-	ALL 96,139,323
LGU Tiranë	Construction of 9-year school "Textile Combine" (Phase 1)	Disabled	-	ALL 231,893,319
LGU Tiranë	Hasan Tahsim high school building (Phase 1)	Disabled	-	ALL 187,247,262
LGU Tiranë	Reconstruction of the garden and hill in Kamza, Municipal No. 11	Disabled	-	ALL 23,237,757
LGU Tiranë	Rehabilitation of 9-year school "Fan Noli"	Disabled	-	ALL 30,413,382
LGU Tiranë	Rehabilitation and installation of heating system (second floor) in the 9-year school "Emin Duraku"	Disabled	-	ALL 27,288,436
LGU Tiranë	Partial rehabilitation and installation of heating system in the high school " Sinan Tafaj "	Disabled	-	ALL 31,352,527
LGU Tiranë	Partial rehabilitation and installation of heating system in the 9-year-old "4 Deshmoret"	Disabled	-	ALL 15,761,932
LGU Tiranë	Revitalization of Mother Teresa Square, Phase 2	Disabled	-	ALL 247,294,889
LGU Tiranë				
LGU Tiranë	Extra Contract reconstruction of infrastructure in boulevard no. 45	Finished	ALL 31,665,192	ALL 31,665,192
LGU Tiranë	Reconstruction of infrastructure of boulevard no. 45 (Limited from Tirana River - Train rail - Kamez river - Josif Pashko, combine)	Finished	ALL 156,165,288	ALL 156,165,288

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Reconstruction of infrastructure in Kavaje - No. 22 - M. Gjollesha - Zhan D`Ark - Irfan Tomini	Finished	ALL 176,056,200	ALL 176,056,200
LGU Tiranë	Reconstruction of boulevard No. 63 (limited by I.Tomini road, V.Eftimi, K.Parisit, S.Delvina, B.Curri	Finished	ALL 185,631,449	ALL 185,631,449
LGU Tiranë	Extra contract reconstruction of ithe infrastructure in I.Tomini No.63, V.Eftimi, K.Parisit, S.Delvina, B.Curri	Finished	ALL 37,126,290	ALL 37,126,290
LGU Tiranë	Reconstruction of boulevard No. 79 (limited by I.Tomini, New Ring, Kavaja, B.Curri roads)	Finished	ALL 324,211,137	ALL 324,211,137
LGU Tiranë	Extra contract and digitalization project counting the buildings (entrances and apartments) system to address the city of Tirana	Finished	ALL 9,538,800	ALL 9,538,800
LGU Tiranë	Project names of streets, squares and buildings count in the first phase. Tables of naming streets, boulevards, squares	Finished	ALL 13,583,976	ALL 13,583,976
LGU Tiranë	Project names of streets, squares and buildings count in the first phase. Tables of naming streets, boulevards, squares	Finished	ALL 2,620,200	ALL 2,620,200
LGU Tiranë	Transport project / dedicated to solutions in order to increase the road safety	Finished	ALL 97,058,183	ALL 97,058,183

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Implementation of the maintenance service regarding the horizontal signals in Tirana	Finished	ALL 23,118,191	ALL 23,118,191
LGU Tiranë	Reconstruction of Niko Avrami road	Finished	ALL 45,345,284	ALL 45,345,284
LGU Tiranë	The second phase	Finished	ALL 29,506,685	ALL 29,506,685
LGU Tiranë	"Qemal Stafa" (segment Barrikadave - Ring)	Finished	ALL 69,880,918	ALL 69,880,918
LGU Tiranë	Horizontal signs (Demarcation with plastic material and ink, on the fifth stage)	Finished	ALL 9,806,605	ALL 9,806,605
LGU Tiranë	Reconstruction of "Budi" road (near the water storage)	Finished	ALL 27,959,188	ALL 27,959,188
LGU Tiranë	Reconstruction of infrastructure in the block No. 17 (limited by Durres - Mine Peza - Ring)	Finished	ALL 87,306,244	ALL 87,306,244
LGU Tiranë	Reconstruction of Besim Imami road	Finished	ALL 6,449,076	ALL 6,449,076
LGU Tiranë	Contract Information Unit 4, 3, 8 - Asphaltting	Finished	ALL 11,914,813	ALL 11,914,813
LGU Tiranë	Contract Information Unit 7, 6, 5, 10 - Asphaltting	Finished	ALL 10,025,064	ALL 10,025,064
LGU Tiranë	Construction of the canal road, Serani Hazbi	Finished	ALL 47,531,579	ALL 47,531,579
LGU Tiranë	Building additional contract, Hazbi and Serani road	Finished	ALL 7,921,584	ALL 7,921,584
LGU Tiranë	Unit 1 - Asphaltting	Finished	ALL 43,562,333	ALL 43,562,333
LGU Tiranë	Reconstruction information contract, boulevard No.51 (Jordan Misia, Ring and Don Bosco)	Finished	ALL 48,918,943	ALL 48,918,943
LGU Tiranë	Reconstruction of Hamdi Pepa road	Finished	ALL 43,244,050	ALL 43,244,050
LGU Tiranë	Reconstruction of Hamdi Pepa road	Finished	ALL 8,598,025	ALL 8,598,025

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Requalification of the Great Park (Phase I)	Finished	ALL 148,794,232	ALL 148,794,232
LGU Tiranë	Urban requalification to former aviation	Finished	ALL 289,890,780	ALL 289,890,780
LGU Tiranë	Urban requalification of former aviation (Phase II)	Finished	ALL 272,761,218	ALL 272,761,218
LGU Tiranë	Kombinat	Finished	ALL 14,719,320	ALL 14,719,320
LGU Tiranë	Cemetery improvement, Tufinë, with an area of 0.7 ha.	Finished	ALL 7,090,368	ALL 7,090,368
LGU Tiranë	Construction and urban surface area 61/1	Finished	ALL 18,590,833	ALL 18,590,833
LGU Tiranë	Tufinë Cemetery	Finished	ALL 20,221,596	ALL 20,221,596
LGU Tiranë	Urban redevelopment boulevard, no. 53	Finished	ALL 18,479,076	ALL 18,479,076
LGU Tiranë	Urban redevelopment boulevard No.34 / 1	Finished	ALL 36,227,875	ALL 36,227,875
LGU Tiranë	Reconstruction of "Qemal Butka" road	Finished	ALL 59,824,120	ALL 59,824,120
LGU Tiranë	Reconstruction of "Qemal Butka" road (additions)	Finished	ALL 9,002,074	ALL 9,002,074
LGU Tiranë	Relocation of electrical and telephone lines in the reconstructed roads	Finished	ALL 6,157,059	ALL 6,157,059
LGU Tiranë	Urban redevelopment, Sadik Petrela, boulevard, LGU no. 3	Finished	ALL 57,823,421	ALL 57,823,421
LGU Tiranë	Urban redevelopment, Qemal Stafa boulevard and reconstruction of the sewerage network	Finished	ALL 46,728,076	ALL 46,728,076
LGU Tiranë	Urban retraining of boulevard, 92/1, LGU no.4	Finished	ALL 137,724,867	ALL 137,724,867
LGU Tiranë	Additional agreement regarding the boulevard 92/1, urban redevelopment LGU no.4	Finished	ALL 13,664,145	ALL 13,664,145
LGU Tiranë	Urban center requalification	Finished	ALL 173,599,678	ALL 173,599,678

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Urban center requalification (additional contracts)	Finished	ALL 34,681,460	ALL 34,681,460
LGU Tiranë	Mother Teresa Square, Phase I	Finished	ALL 75,027,296	ALL 75,027,296
LGU Tiranë	Agush Gjergjevica (Hornbeam)	Finished	ALL 96,173,871	ALL 96,173,871
LGU Tiranë	Agush Gjergjevica - Additional contract	Finished	ALL 19,060,261	ALL 19,060,261
LGU Tiranë	Reconstruction of "Pasho Hysa" road	Finished	ALL 67,745,138	ALL 67,745,138
LGU Tiranë	Paving and municipal roads No.1 Unit	Finished	ALL 17,246,076	ALL 17,246,076
LGU Tiranë	Construction of the boulevard P.N.Luarasi	Finished	ALL 63,051,688	ALL 63,051,688
LGU Tiranë	Construction of "Pashko Gramos" road	Finished	ALL 84,461,029	ALL 84,461,029
LGU Tiranë	Construction of "Pashko Gramos" road - Additional contract	Finished	ALL 16,411,790	ALL 16,411,790
LGU Tiranë	Road construction "Bajram Allaraj"	Finished	ALL 21,796,356	ALL 21,796,356
LGU Tiranë	Reconstruction of "28 November" road	Finished	ALL 26,686,756	ALL 26,686,756
LGU Tiranë	Construction of "Dajti" road	Finished	ALL 22,310,882	ALL 22,310,882
LGU Tiranë	Paving and municipal roads No.2 Unit	Finished	ALL 28,871,436	ALL 28,871,436
LGU Tiranë	Reconstruction of "Odysseus Grillo" road	Finished	ALL 26,811,511	ALL 26,811,511
LGU Tiranë	Reconstruction of "Endri Keko" road	Finished	ALL 41,945,781	ALL 41,945,781
LGU Tiranë	Reconstruction of St. "Bajram Cela"	Finished	ALL 6,182,377	ALL 6,182,377
LGU Tiranë	Construction of the canal and the road from "Dalip Topi" to "Marije Kraja" ("Kokonozëve") Unit 3	Finished	ALL 67,830,541	ALL 67,830,541

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Construction of the canal and the road from "Dalip Topi" to "Marije Kraja" ("Kokonozëve") Unit 3 - Additional contract	Finished	ALL 12,944,893	ALL 12,944,893
LGU Tiranë	Paving and municipal roads No.3 Unit	Finished	ALL 15,805,574	ALL 15,805,574
LGU Tiranë	Construction of the road connecting "5 Maji" and "Zorba Selaudin" road	Finished	ALL 75,959,739	ALL 75,959,739
LGU Tiranë	Reconstruction of "Teki Selenica" road	Finished	ALL 40,819,397	ALL 40,819,397
LGU Tiranë	Paving and municipal roads No.4 Unit	Finished	ALL 12,634,756	ALL 12,634,756
LGU Tiranë	Construction of "Robert Schwartz" road	Finished	ALL 24,761,162	ALL 24,761,162
LGU Tiranë	Reconstruction of "Dilo Ilia Sheperit" road	Finished	ALL 41,069,036	ALL 41,069,036
LGU Tiranë	Reconstruction of "Qemal Butka" road	Finished	ALL 60,762,736	ALL 60,762,736
LGU Tiranë	Reconstruction of "Qemal Butka" road - Additional contract	Finished	ALL 9,204,770	ALL 9,204,770
LGU Tiranë	Reconstruction of "Brigada VIII" road	Finished	ALL 29,498,329	ALL 29,498,329
LGU Tiranë	Reconstruction of "Peter Bogdani" road	Finished	ALL 34,875,435	ALL 34,875,435
LGU Tiranë	Paving and municipal, unit no.5	Finished	ALL 10,998,472	ALL 10,998,472
LGU Tiranë	Reconstruction of "Llambi Ziçishti" road	Finished	ALL 16,929,846	ALL 16,929,846
LGU Tiranë	Reconstruction of Glass Factory	Finished	ALL 69,079,464	ALL 69,079,464
LGU Tiranë	Reconstruction of Glass Factory - Additional contract	Finished	ALL 7,793,868	ALL 7,793,868
LGU Tiranë	Reconstruction of "Hamdi Cenojmeri" road	Finished	ALL 39,618,912	ALL 39,618,912
LGU Tiranë	Reconstruction of "Hamdi Cenojmeri" road - Additional contract	Finished	ALL 3,613,657	ALL 3,613,657

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Paving and municipal, No.6 unit	Finished	ALL 22,342,498	ALL 22,342,498
LGU Tiranë	Reconstruction of "Mic Sokoli" road	Finished	ALL 14,712,738	ALL 14,712,738
LGU Tiranë	Reconstruction of "Preng Jakova" road	Finished	ALL 10,654,406	ALL 10,654,406
LGU Tiranë	Reconstruction of "Victor Hugo" road	Finished	ALL 5,152,104	ALL 5,152,104
LGU Tiranë	Reconstruction of the road "Milo Duci"	Finished	ALL 9,720,480	ALL 9,720,480
LGU Tiranë	Paving and municipal, No.7 unit	Finished	ALL 19,230,880	ALL 19,230,880
LGU Tiranë	"Dibra" Street	Finished	ALL 99,477,006	ALL 99,477,006
LGU Tiranë	Dibra Street - Additional contract	Finished	ALL 19,970,820	ALL 19,970,820
LGU Tiranë	"John Buzuku" Street	Finished	ALL 18,860,978	ALL 18,860,978
LGU Tiranë	"Jamal Tafaj" Street	Finished	ALL 23,144,934	ALL 23,144,934
LGU Tiranë	"Pandi Stillu" Street	Finished	ALL 35,751,149	ALL 35,751,149
LGU Tiranë	"Pandi Stillu" Street - Additional contract	Finished	ALL 7,167,698	ALL 7,167,698
LGU Tiranë	Paving of internal roads from "Dibra" - "Baedhyl" - "4 Deshmoret"	Finished	ALL 5,904,818	ALL 5,904,818
LGU Tiranë	Jointing the "5 Maji" road	Finished	ALL 1,085,869	ALL 1,085,869
LGU Tiranë	Branches of the road "Ibrahim Buzhiqi"	Finished	ALL 9,265,935	ALL 9,265,935
LGU Tiranë	Paving and roads of the municipal unit no.8	Finished	ALL 15,488,503	ALL 15,488,503
LGU Tiranë	Reconstruction of "Mahmut Fortuzi" road	Finished	ALL 10,764,764	ALL 10,764,764
LGU Tiranë	Construction of roads	Finished	ALL 13,987,076	ALL 13,987,076
LGU Tiranë	"Lazarus Shapatini" Street	Finished	ALL 52,639,033	ALL 52,639,033
LGU Tiranë	"Siri Kodra" road and sidewalks	Finished	ALL 8,446,753	ALL 8,446,753

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Construction of road connecting the road "Jordan Misja" and road "Don Bosco".	Finished	ALL 55,785,960	ALL 55,785,960
LGU Tiranë	Paving and municipal roads No.9 unit	Finished	ALL 12,948,184	ALL 12,948,184
LGU Tiranë	Reconstruction of Bogdani road	Finished	ALL 21,279,322	ALL 21,279,322
LGU Tiranë	Reconstruction of "Islam Alla" road	Finished	ALL 9,511,487	ALL 9,511,487
LGU Tiranë	Reconstruction of "Mujo Ulqinaku" road	Finished	ALL 18,032,489	ALL 18,032,489
LGU Tiranë	Reconstruction of "Him Kolli" road	Finished	ALL 9,977,975	ALL 9,977,975
LGU Tiranë	Reconstruction of "John Muzaka" road	Finished	ALL 9,509,072	ALL 9,509,072
LGU Tiranë	Reconstruction of "Mine Peza" road	Finished	ALL 3,824,564	ALL 3,824,564
LGU Tiranë	Reconstruction of "Mihal Duri" road	Finished	ALL 4,712,489	ALL 4,712,489
LGU Tiranë	Reconstruction of "Hajdar Hidi" road	Finished	ALL 10,566,060	ALL 10,566,060
LGU Tiranë	Paving, municipal No.10 unit	Finished	ALL 5,423,497	ALL 5,423,497
LGU Tiranë	Construction of the road connecting "Elez Isufi" and "Ali Gjuzi"	Finished	ALL 22,496,859	ALL 22,496,859
LGU Tiranë	Reconstruction of the ring-shaped road that starts from the national road Tirana - Fushe Kruje, continues the former brick factory, Military Unit 3030 and comes before 9 - year School "Boletini" (Ring 1300 ml Kamza Koder)	Finished	ALL 31,609,541	ALL 31,609,541
LGU Tiranë	Construction of the road linking "Don Bosco" and "Egnatia"	Finished	ALL 20,458,337	ALL 20,458,337
LGU Tiranë	Paving and roads, municipal unit No. 11	Finished	ALL 22,719,979	ALL 22,719,979
LGU Tiranë	Rehabilitation of the escarpment to the river Lana (parts damaged)	Finished	ALL 12,000,000	ALL 12,000,000

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Horizontal signaling project Tirana	Finished	ALL 20,666,703	ALL 20,666,703
LGU Tiranë	Vertical signaling project in Tirana	Finished	ALL 14,860,937	ALL 14,860,937
LGU Tiranë	Reconstruction of the kindergarten No. 30	Finished	ALL 21,486,605	ALL 21,486,605
LGU Tiranë	Reconstruction of the kindergarten No. 50	Finished	ALL 15,619,445	ALL 15,619,445
LGU Tiranë	Reconstruction of the kindergarten No. 15 (Phase I)	Finished	ALL 10,473,341	ALL 10,473,341
LGU Tiranë	Reconstruction of the kindergarten No. 15 (Phase II)	Finished	ALL 8,188,660	ALL 8,188,660
LGU Tiranë	Reconstruction of the kindergarten No.35	Finished	ALL 11,638,135	ALL 11,638,135
LGU Tiranë	Reconstruction of the kindergarten No. 47, Phase 1	Finished	ALL 3,539,144	ALL 3,539,144
LGU Tiranë	Reconstruction of the kindergarten No. 47, Phase 2	Finished	ALL 19,447,767	ALL 19,447,767
LGU Tiranë	Building 9-year-school Ahmet Gashi (Phase 1)	Finished	ALL 224,502,843	ALL 224,502,843
LGU Tiranë	Building 9-year-school Ahmet Gashi (Phase2)	Finished	ALL 65,172,980	ALL 65,172,980
LGU Tiranë	Reconstruction and new addition of Eqerem Çabej Secondary Schools (Phase I)	Finished	ALL 126,607,883	ALL 126,607,883
LGU Tiranë	Additional information agreement regarding the reconstruction and new addition of Eqerem Çabej Secondary Schools (Phase I)	Finished	ALL 4,235,284	ALL 4,235,284
LGU Tiranë	Reconstruction of the 9-year-school Ibrahim Brahja	Finished	ALL 34,136,878	ALL 34,136,878
LGU Tiranë	Reconstruction of the 9-year- school Ibrahim Brahja (Phase2)	Finished	ALL 13,648,194	ALL 13,648,194
LGU Tiranë	Reconstruction of kindergarten no. 35	Finished	ALL 14,590,357	ALL 14,590,357
LGU Tiranë	Reconstruction of kindergarten no. 40	Finished	ALL 19,018,539	ALL 19,018,539
LGU Tiranë	Reconstruction of kindergarten no. 29	Finished	ALL 39,273,109	ALL 39,273,109

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Reconstruction of kindergarten no. 29 (Phase2)	Finished	ALL 10,827,345	ALL 10,827,345
LGU Tiranë	Heat Installation in the kindergarten at River Coast	Finished	ALL 1,306,320	ALL 1,306,320
LGU Tiranë	Installing heating equipment in kindergarten 2/6/20 / 38K / 39	Finished	ALL 29,509,754	ALL 29,509,754
LGU Tiranë	Reconstruction of the 9-year-school Niket Dardani	Finished	ALL 94,323,497	ALL 94,323,497
LGU Tiranë	New kindergarten Building no. 14	Finished	ALL 39,072,007	ALL 39,072,007
LGU Tiranë	Reconstruction of kindergarten no. 41, Pjeter Budi street	Finished	ALL 28,809,378	ALL 28,809,378
LGU Tiranë	Reconstruction of kindergarten no. 1, Sadik Petreka street	Finished	ALL 20,171,500	ALL 20,171,500
LGU Tiranë	Extra contract regarding the reconstruction of kindergarten no. 1, Sadik Petreka street	Finished	ALL 3,916,761	ALL 3,916,761
LGU Tiranë	Reconstruction of the "Murat Toptani"	Finished	ALL 1,783,640	ALL 1,783,640
LGU Tiranë	Construction of kindergarten no. 21, Hamdi Cenoimeri	Finished	ALL 39,054,070	ALL 39,054,070
LGU Tiranë	Reconstruction of kindergarten no. 3, Haji Dalliu street	Finished	ALL 16,597,338	ALL 16,597,338
LGU Tiranë	Supply of furniture and equipment, kitchen equipment in kindergarten and nurseries	Finished	ALL 52,229,160	ALL 52,229,160
LGU Tiranë	School furnitures	Finished	ALL 101,824,620	ALL 101,824,620
LGU Tiranë	3 playgrounds in 9-year-schools in Tirana ("7 Marsi" School "Red School" and "Servete Maci")	Finished	ALL 10,261,658	ALL 10,261,658
LGU Tiranë	3 more extra playgrounds in 9-year-schools in Tirana ("7 Marsi" School "Red School" and "Servete Maci")	Finished	ALL 2,036,400	ALL 2,036,400

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Partial rehabilitation and installation of heating system in the 9-year-old John Buzuku	Finished	ALL 16,954,188	ALL 16,954,188
LGU Tiranë	Reconstruction of the kindergarten no.48	Finished	ALL 15,850,384	ALL 15,850,384
LGU Tiranë	Reconstruction of nursery, Shkoze	Finished	ALL 16,435,583	ALL 16,435,583
LGU Tiranë	The garden rehabilitation no.42	Finished	ALL 19,417,292	ALL 19,417,292
LGU Tiranë	Reconstruction of the "Petro Nini LUARASI"	Finished	ALL 61,972,887	ALL 61,972,887
LGU Tiranë	Additional contract - Reconstruction of the "Petro Nini LUARASI"	Finished	ALL 12,376,940	ALL 12,376,940
LGU Tiranë	Reconstruction of the gym in the 9-year-school "4 Dëshmorët"	Finished	ALL 11,871,766	ALL 11,871,766
LGU Tiranë	Additional contract - Reconstruction of the gym in the 9-year-school "4 Dëshmorët"	Finished	ALL 2,327,381	ALL 2,327,381
LGU Tiranë	9-year-school building in "Ali Demi", Unit 1	Finished	ALL 280,000,000	ALL 280,000,000
LGU Tiranë	Garden Building, No. 22, on "Monastery Congress"	Finished	ALL 53,015,471	ALL 53,015,471
LGU Tiranë	Reconstruction of kindergarten "Bregu i Lumit"	Finished	ALL 15,101,728	ALL 15,101,728
LGU Tiranë	Extra contract regarding the construction of kindergarten "Bregu i Lumit"	Finished	ALL 780,000	ALL 780,000
LGU Tiranë	Additional contract - Reconstruction of Old Sauk neighborhood	Finished	ALL 1,575,900	ALL 1,575,900
LGU Tiranë	"Skenderbej Square" (Phase I)	Finished	ALL 606,300,000	ALL 606,300,000
LGU Tiranë	"Skenderbej Square" (Phase II)	Finished	ALL 275,399,776	ALL 275,399,776

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Tiranë	Detailed documents, design and tender documents regarding the project of North Boulevard and River Rehabilitation of Tirana	Finished	ALL 219,960,000	ALL 219,960,000
LGU Tiranë	Supervision of the works regarding the rehabilitation and construction of schools in Tirana	Finished	ALL 78,895,140	ALL 78,895,140
LGU Tiranë	Detailed design, procurement and supervision for Kavaja Street and the Ring of Tirana Center	Finished	ALL 69,090,000	ALL 69,090,000
LGU Tiranë	Preparation of the detailed project regarding the Social Houses, CW 01	Finished	ALL 362,320,932	ALL 362,320,932
LGU Tiranë	Building social houses, boulevard III" CW-02	Finished	ALL 373,502,556	ALL 373,502,556
LGU Tiranë	Building social houses, boulevard II" CW-03	Finished	ALL 309,514,878	ALL 309,514,878
LGU Tiranë	Public transport and terminal in Tirana	Finished	ALL 69,795,000	ALL 69,795,000
LGU Tiranë	Supervision of works "Skenderbej Square" - IC consulente - Phase II	Finished	ALL 3,746,250	ALL 3,746,250
LGU Tiranë	Supervision of the works regarding the rehabilitation and construction of schools in Tirana - D & C Partners	Finished	ALL 2,308,833	ALL 2,308,833
LGU No. 1	Reconstruction of "Shote Galica" road	The development of the work has been finished and has been pending for expropriation	ALL 46,737,213	ALL 47,181,697
LGU No. 1	Supervision of "Shote Galica" road	The development of the work has been finished and has been pending for expropriation around to 70 ml	ALL 168,960	ALL 307,200
LGU No. 1	Performing the additional works on the reconstruction of "Shote Galica" road	Finished	ALL 3,511,990	ALL 3,526,849

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU No. 2	Reconstruction of the toilets, Economic School of Tirana	Completed in the period of warranty	ALL 842,960	ALL 900,000
LGU No. 2	Reconstruction of the "Todi Shkurti" road	Completed in the period of warranty	ALL 2.946.960	ALL 3.026.513
LGU No. 4	Project: Construction - Fitting the return of "St. Hysen Fife" road, connecting "Xhanfize Keko" with "Kahreman Ylli"	It has not started yet. The contract is signed with the service provider.	-	ALL 11,699,632
LGU No. 4	Road reconstruction and supervision in Municipal Unit No. 4	It has not started yet. The contract is signed with the service provider.	-	ALL 4,969,380
LGU No. 6	Partial reconstruction of "Llambi Bonata" road, Kombinat, Tirana	The project has not yet begun. Contract unrelated to the economic operator awarded. The current-status is under review after it was sent to the Municipality of Tirana.	-	ALL 4,765,829
LGU No. 11	Reconstruction of the Tirane - Fushe – Kruje roads, continues the former Brick Factory, "Reparti Ushtarak" in 3030 and the reconstruction outside the Boletini School	Completed, there is not much a monetary value repay	83,570,531	ALL 88,130,353
LGU No. 11	Sewage eater system, Allaman Dervishi road	Completed in the period of warranty has run out 5% of the value of the guarantee	ALL 675,648	ALL 675,648
LGU No. 11	Reconstruction of "Laprake Food Market" Segment A	Completed in the period of warranty has run out 5% of the value of the guarantee	ALL 5,036,400	ALL 4.919.177

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU No. 11	Reconstruction of “Laprake Food Market” Segment B (additional contract)	Completed in the period of warranty has run out 5% of the value of the guarantee	ALL 806,122	ALL 802
LGU Dajt	Tirana associated road construction, Dajt, Qesarak Neighborhood, upper Qesarake Neighborhood K.D.	Finished, but not liquidated	ALL 35,900,215	ALL 37,400,215
LGU Dajt	Improvement - Street paving contract, Dajt, Qesarak, 2 additions	Finished, but not liquidated	-	ALL 18,926,594
LGU Dajt	Road accommodation “2 Lions Resaturant”, Qesarake	In process	ALL 10,023,162	ALL 73,849,003
LGU Farkë	Road paving, Qesarake Neighborhood	In process	ALL 7,462,481	ALL 22,961,358
LGU Farkë	Road paving, TEG –Vilat e Turkut – Lunder Road	In process	-	ALL 14,691,791
LGU Farkë	Building “Dalle” bridge	In process	-	ALL 12.122.688
LGU Farkë	The New Village road construction	In process	ALL 4,285,632	ALL 17,567,662
LGU Farkë	Repair of the roads in the Farka Municipality	In process	-	ALL 4,285,632
LGU Petrelë	Improvement of the roads at Petrele Village	In process	ALL 18,531,092	ALL 19,809,616
LGU Petrelë	KUZ Petrele	In process	ALL 15,176,704	ALL 17,053,261
LGU Kashar	Building football pitches, a high school near the New Village.	The building has been completed, it is in the warranty period	ALL 4,819,414	ALL 5,079,667
LGU Kashar	Infrastructure, upgrading the Kashar Commune cemetery	The building has been completed, it is in the warranty period	ALL 4,844,728	ALL 5,099,714
LGU Kashar	Building gyms, installing the heat at the New Village	The building has been completed, it is in the warranty period	ALL 25,815,984	ALL 27,174,721

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Kashar	“Lami” road reconstruction, Mazrek village, Phase II	The building has been completed, it is in the warranty period	ALL 12,990,534	ALL 13,675,050
LGU Kashar	Building Kashar boulevard, axis 1-1 and 20-20 in the area of 240 ha (Phase I)	The building has been completed, it is in the warranty period	ALL 55,730,976	ALL 58,666,666
LGU Kashar	Building Kashar boulevard, axis 1-1 and 20-20 in the area of 240 ha (Phase II)	The building has been completed, it is in the warranty period	ALL 53,859,357	ALL 56,694,310
LGU Kashar	The territory addresses system	The building has been completed, it is in the warranty period	ALL 7,507,128	ALL 7,902,000
LGU Kashar	Extra works: The territory addresses system	The building has been completed, it is in the warranty period	ALL 1,501,380	ALL 1,580,400
LGU Kashar	“Gravel” road reconstruction, continuing to the cemetery of the Kashar villages	The building has been completed, it is in the warranty period	ALL 23,948,409	ALL 25,210,791
LGU Kashar	Domje neighborhood - road rehabilitation - Autostrade	The building has been completed, it is in the warranty period	ALL 3,629,830	ALL 3,820,914
LGU Kashar	Ongoing works: Domje neighborhood - road rehabilitation - Autostrade	The building has been completed, it is in the warranty period	ALL 725,965	ALL 764,174
LGU Kashar	“Kasem” road rehabilitation, Caushi’s neighborhood – at Mezezi Hill	The building has been completed, it is in the warranty period	ALL 12,726,498	ALL 13,396,417
LGU Berzhitë	School building, Mihajas	In process	ALL 2,587,440	ALL 32,286,508
LGU Berzhitë	Economic Society "JUNIK" sh.p.k	In process	ALL 4,665,000	ALL 51,964,353
LGU Berzhitë	Track reconstruction of “Shalqize” road, (Phase I)	It has not started yet. The contract is signed with the service provider.	-	ALL 12,251,022

	Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
LGU Zall-Her	Building of the bridge coast, Circassian village, Tekurze river	Completed, 5% not yet liquidated	ALL 4,224,279	ALL 4,446,609
LGU Krrabë	Construction of the water supply, Mushqeta	Completed, 5% not yet liquidated	ALL 11,342,740	ALL 11,342,744
LGU Krrabë	Reconstruction + 1 Extra floor at the Krrabë Health Center	Completed, 5% not yet liquidated	ALL 5,594,860	ALL 5,697,473
LGU Krrabë	Greening the square outside the Krrabë Health Center	Completed, 5% not yet liquidated	ALL 1,014,900	ALL 1,057,583
LGU Krrabë	Construction of the water supply, Skutere	Completed, 5% not yet liquidated	ALL 14,446,900	ALL 14,856,098
LGU Baldushk	"Feti Vogli" road in the village of the Administrative Unit	The work has started	ALL 1,870,000	ALL 5,204,071
LGU Baldushk	Koçaj Ring Center (road)	The work has started	ALL 25,967,900	ALL 54,841,028
LGU Vaqarr	Improvement of the I.E.V.P road – (prison) Vaqarr Neighborhood	Has started. The contract is signed with the service provider.	-	ALL 29,280,399
LGU Vaqarr	Improvement of the road, Lalm neighborhood	It has not started yet. The contract is signed with the service provider.	-	ALL 4,999,999

Appendix 8 – Legal Issues

Public Service Arrangements

Consolidated information for public service contracts that will be transferred to the Municipality in the context of the merge, is presented in Appendix 3 - Contracts public services, in a secure CD based on an inventory of public service contracts for every ex-municipality / administrative unit.

Legal Proceedings

Consolidated information on litigations that will be transferred to the Municipality in the context of the merge, is presented in Annex 4 - Litigation, on a CD provided, and based on the inventory of litigation of any ex-municipality / administrative unit.

Third party contracts

Consolidated information on third party contracts that will be transferred to the Municipality in the context of the merge, is presented in Annex 5 -Third party contracts in a secure CD based on the inventory of third party contracts of any ex-municipality / administrative unit.

Appendix 9 – Consolidated Financial Statements Template

Template 1: Balance Sheet-Statement of assets

Statement of assets has been prepared on accrual basis and includes short and long term assets; cash balances on hand and amounts to be collected.

(Amount in ALL '000, Unless otherwise stated)

					In ALL '000		
No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014	
1	12	Brought forward results		-	-	-	
2	A	Non Current Assets		52,397,094	52,409,471	51,456,914	
3		I. Intangible Assets		678,851	678,851	673,313	
4	201	Amounts to be remitted and loan reimbursements		-	-	-	
5	202	Studies and research	F6, Sh1	429,120	429,120	415,962	
6	203	Concessions, license, other similar licenses		333	333	333	
7	209	Amortization of current intangible assets (-)	F7, Sh1	(4,579)	(4,579)	(4,285)	
8	230	Expenses for increase of current intangible assets		253,978	253,978	261,303	
9		II. Tangible Assets		43,334,532	43,346,910	42,413,641	
10	210	Land		5,929,534	5,929,534	421,594	
11	211	Forests, Pasture, Plantation	F6, Sh1	462,352	462,352	6,136,912	
12	212	Building and Constructions	F6, Sh1	5,485,044	5,494,251	5,938,422	
13	213	Roads, networks, water facilities	F6, Sh1	22,003,629	22,003,629	21,412,136	
14	214	Technical installment, machinery, equipment, working tools	F6, Sh1	1,202,913	1,202,913	1,214,789	
15	215	Transport vehicles	F6, Sh1	823,632	823,632	821,640	
16	216	Government reserve		-	-	-	
17	217	Working and production animals		1,157	1,157	1,994	
18	218	Economic Inventory	F6, Sh1	1,143,883	1,147,426	1,073,156	
19	219	Depreciation of tangible assets	F7, Sh1	(3,897,126)	(3,897,499)	(3,447,065)	
20	231	Expenses in process for increase of current tangible assets	F4	8,484,141	8,484,141	7,680,713	
21	232	Expenses in process for capital transfers		1,159,305	1,159,305	1,149,348	
22	24	Damaged current tangible assets		536,069	536,069	9,938	
23	28	Assignments		-	-	65	

In ALL '000

No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
24	25	III. Financial Assets		8,383,710	8,383,710	8,369,960
25	25	Loan and sub-loans		-	-	-
26	26	Participation with own capital		8,383,710	8,383,710	8,369,960
27	B	CURRENT ASSETS		16,430,789	16,324,514	15,738,182
28	Class 3	I. Inventory Status		557,474	557,489	559,697
29	31	Materials	Sh2	122,743	122,743	113,480
30	32	Inventory Objects	Sh2	418,035	418,050	427,306
31	33	Production, work and services in process		12,721	12,721	14,131
32	34	Products		-	-	-
33	35	Goods		3,973	3,973	5,068
34	36	Animals fattening		-	-	-
35	37	Undelivered items or close to third party		-	-	-
36	38	Differences from warehouse prices		-	-	-
37	39	Forecasted amounts for inventory depreciation (-)		3	3	(288)
38	Class 4	II. Request for receivables		14,345,720	14,239,441	14,289,071
39	409	Suppliers, prepayments or partial payment		58,723	58,702	64,910
40	411-418	Similar clients or accounts		2,961	2,961	2,733
41	423	Employees, prepayment, deficits and penalties	Sh3	14,700	14,700	17,885
42	431	Rights and taxes to deposit to government		41	41	40
43	432	Taxes collected from central government for the Local Government		46	-	-
44	433	Expenses for natural disaster covered from the government		-	-	-
45	4342	Other operations with the government (debtor)		3,297,335	3,194,111	3,360,865
46	435	Social Insurance		224	224	215
47	436	Health Insurance		31	31	30
48	437	Other social organizations		402	402	-
49	44	Other public institutions		-	-	-
50	45	Relationships with institutions in and outside the system		6,539	6,539	6,539
51	465	Receivables from selling of bonds		-	-	-
52	468	Different Debtors	Sh4	10,964,719	10,961,730	10,835,853
53	49	Forecasted amounts for depreciation (-)		-	-	-
54	51	III. Financial accounts		1,527,594	1,527,584	889,414

In ALL '000

No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
55	50	Securities		-	-	-
56	511	Amounts to receive		81,204	81,204	81,204
57	512	Bank		19,557	19,557	18,063
58	520	Treasury funds	Sh5	1,406,628	1,406,628	769,771
59	531	Petty-cash		1,081	1,081	631
60	532	Other amounts		14,530	14,520	13,657
61	54	Recognized and prepayments		-	-	-
62	56	Accounts in Lending Institutions		4,594	4,594	6,087
63	59	Devaluation provisions on securities (-)		-	-	-
64	C	Other Assets		1,564	6,124	6,124
65	477	Assets conversion differences		1,564	1,564	1,564
66	481	Expenses to distribute in several exercises		-	-	-
67	486	Expenses in the future		-	4,560	4,560
68	85	EXERCISE RESULTS (saldo debitore)		-	-	0
69	X	ASSETS TOTAL		68,829,446	68,740,109	67,201,220
70	81	ACCOUNTS OUT OF BALANCE SHEET		-	-	-
71	80,81	Active evidences		-	-	-

Template 2: Bilanci – Balance Sheet - Statement of fund and liabilities

Funds and Liability Statement has been prepared on accrual basis and presents its own funds and obligations of Municipality.

(Amount in ALL '000, unless otherwise stated)

			In ALL '000			
No.	Account Number	Liabilities	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	A	OWN FUNDS		51,136,657	51,159,743	50,287,624
2	10	I. Own funds		45,542,264	45,565,350	45,453,539
3	101	Base funds	F8	34,031,547	34,054,633	33,985,578
4	105	Capital internal grants		10,327,039	10,327,039	10,284,283
5	106	Capital foreigner grants		1,173,116	1,173,116	1,173,116
6	107	Current assets in use		10,562	10,562	10,562
7	109	Reserves from revaluation of current assets		-	-	-
8	11	II. Other own funds		5,594,393	5,594,393	4,834,086
9	111	Reserve funds		-	-	-
10	115	Assignments from the year results for investments		5,594,393	5,594,393	4,834,086
11	116	Revenues from selling of current assets		-	-	-
12	12	III. Carried result		-	-	-
13	13	IV. Exceptional subsidiaries (-)		-	-	-
14	14	V. Participation of the institution in investing for third parties		-	-	-
15	15	VI. Forecasted amounts for disasters and expenses		-	-	-
16	B	LIABILITIES		16,324,147	16,222,417	16,166,754
17		I. Long-term debts		1,387,751	1,387,751	817,023
18	16	Internal borrowing and similar		5,333	5,333	6,792
19	17	Borrowing out of the country		1,382,417	1,382,417	810,231
20	Class 4	II. Short term liabilities		14,936,396	14,834,666	15,349,732
21	419	Clients (Creditors), partial prepayment		134,687	134,687	93,028
22	401-408	Suppliers and related accounts	Sh6	2,846,647	2,799,609	2,608,740
23	42	Employees and related accounts		166,837	157,036	153,064
24	431	Liabilities to government for taxes		11,038	10,449	8,133
25	432	Taxes collected from government for the local government		-	-	-
26	433	Government natural disaster		-	-	-
27	4341	Other operations with Government		10,931,591	10,901,174	10,798,717

In ALL '000

No.	Account Number	Liabilities	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
28	435	Social Insurance		40,028	37,990	40,378
29	436	Health Insurance		6,291	6,196	6,649
30	437	Other social organizations		585	585	308
31	44	Other public institutions		427	1,112	27
32	45	Relationships with institutions in and outside the system		-	-	-
33	460	Borrower		-	-	-
34	464	Liabilities for bond purchasing		4,586	4,586	919
35	466	Creditors for assets under guard	Sh5	78,547	73,042	72,591
36	467	Other creditors		715,131	708,199	1,567,176
37	C	OTHER ACCOUNTS		35,121	56,758	53,284
38	475	Incomes to register in the coming years		35,121	56,758	39,489
39	478	Passive converting differences		-	-	9,054
40	480	Incomes to classify or adjust		-	-	4,740
41	487	Incomes received before title exposure		-	-	-
42	85	Result (credit amount)		1,333,522	1,301,191	693,557
43	X	TOTAL LIABILITY		68,829,446	68,740,109	67,201,219
44	81	ACCOUNTS OUT OF BALANCE SHEET		-	-	-
45	80,81	Passive evidences		-	-	-

Template 3-1: Statement of expenses

Statement of expenditure was prepared on accrual basis, as required by law no. 9936 on the "Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, Unless otherwise stated)

				In ALL '000		
No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 6	A. Expenses for exploitation/usage		4,600,863	4,499,243	7,921,723
2	60	I. Current expenses		4,621,689	4,520,069	7,889,361
3	600	Salaries, bonuses		1,273,208	1,264,986	2,117,249
4	6001	Salaries		1,234,115	1,225,893	2,074,905
5	6002	Temporary salaries		29,293	29,293	40,095
6	6003	Bonuses		3,291	3,291	903
7	6009	Other personal expenses		6,509	6,509	1,347
8	601	Health and social insurance contributions		208,235	206,041	347,903
9	6010	Insurance contributions		190,085	187,985	314,479
10	6011	Health insurance		18,151	18,056	33,424
11	602	Other goods and services		1,601,899	1,554,449	2,759,965
12	6020	Stationary		72,415	54,661	69,417
13	6021	Special services		174,164	174,164	309,154
14	6022	Services from third party		820,030	815,670	1,456,755
15	6023	Transport expenses		76,828	76,828	180,215
16	6024	Travel expense		1,782	1,782	4,757
17	6025	Ordinary maintenance expenses		179,032	152,456	196,507
18	6026	Rent expenses		7,083	7,083	16,105
19	6027	Expenses for legal liability for compensation		102,846	102,846	262,849
20	6028	Borrowing costs related to loans		2,204	2,204	5,124
21	6029	Other operating expenses		165,514	166,753	259,082
22	603	Subsidies		-	-	3,896
23	6030	Subsidies for price differences		-	-	-
24	6031	Subsidies to promote employment		-	-	-

In ALL '000

No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
25	6032	Subsidies to cover loss		-	-	-
26	6033	Subsidies for entrepreneurship		-	-	-
27	6039	Other subsidies		-	-	3,896
28	604	Current internal transfers		107,462	119,092	181,981
29	6040	Current transfers to other government levels		50,984	62,614	107,057
30	6041	Current transfers to various government institutions		45,609	45,609	25,978
31	6042	Current transfers for social and health insurance		1,875	1,875	255
32	6044	Current transfers for not for profit organizations		8,994	8,994	48,691
33	605	Current transfers with outsiders		-	-	-
34	6051	Transfers for IOS		-	-	-
35	6052	Transfers for foreign governments		-	-	-
36	6053	Transfers for non not-for profit organizations		-	-	-
37	6059	Other current transfers with foreign governments		-	-	-
38	606	Transfers family budges and other individuals		1,430,884	1,375,501	2,478,367
39	6060	Transfers paid from ISS and HII		346,004	344,524	529,079
40	6061	Transfers paid from other institutions and Local government		1,084,880	1,030,977	1,949,287
41	63	II. Change in inventory balances	F1	(20,825)	(20,825)	32,361
42	68	III. Depreciation rates and expected balances		-	-	-
43	681	Amortization rates on exploitation		-	-	-
44	682	Residual value on fixed assets, damaged or disposed		-	-	-
45	683	Amounts provided for exploitations		-	-	-
46	686	Amounts provided for finance assets		-	-	-
47	65, 66	B. Finance expenses		-	-	12
48	65	I. Internal finance expenses		-	-	12
49	650	Bond interest rates and direct loans		-	-	-
50	651	Borrowing costs related to loans		-	-	-
51	652	Other interest on government securities		-	-	-
52	656	Foreign exchange expenses		-	-	12
53	66	II. External finance expenses		-	-	-
54	660	Interest on loans from Foreign Governments		-	-	-
55	661	Interest on financing from international organizations		-	-	-

					In ALL '000		
No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014	
56	662	Interest on other foreign loans		-	-	-	
57	67	C. Extraordinary Expenses		-	-	-	
58	677	Losses from allowed errors from previous years		-	-	-	
59	678	Other Extraordinary expenses		-	-	-	
60	Class 6	TOTAL EXPENSES		4,600,863	4,499,243	7,921,735	
61		D. RESULT CORRECTIONS ACTIVITES		3,660,632	3,656,279	8,138,465	
62	828	Names of cancelled revenues		-	-	5,455	
63	831	Determination of revenues for investments		1,149,447	1,149,447	3,128,245	
64	8420	Revenues deposited in the budget		111,101	111,101	180,278	
65	8421	Deposit in the budget of unused revenues		48,340	47,998	323,794	
66	8422	Transfers of revenues within the system		2,317,163	2,317,163	4,476,382	
67	8423	Transfers for changes in situation		24,259	24,259	17,293	
68	8424	Transfers for identified debtors and similar items		10,321	6,310	7,016	
69	Class 6 & 8	TOTAL FROM OPERATIONS		8,261,495	8,155,522	16,060,199	
70	85	RESULTS FROM FUNCTIONING		1,315,459	1,319,470	710,664	
71	X	TOTAL		9,576,954	9,474,992	16,770,864	

Template 3-2: Statement of revenues

Income Statement is prepared on cash basis, as required from Law no. 9936 on 'Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, unless otherwise stated)

No.	Account Number	Description of Revenues	In ALL '000		
			As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 7	A. REVENUES	9,565,599	9,452,753	16,410,600
2	70	I. TAX INCOMES	2,642,353	2,642,302	4,741,085
3	700	a) On revenues, profit, and equity revenue	392,714	392,714	662,730
4	7000	Personal income tax	13	13	-
5	7001	Income tax	9,443	9,443	1,736
6	7002	Small business tax	379,075	379,075	650,724
7	7009	Other tax	4,183	4,183	10,269
8	702	b) Property tax	1,126,211	1,126,211	1,422,431
9	7020	On immovable property	847,311	847,311	965,775
10	7021	Sales of immovable property	8,450	8,450	34,597
11	7029	Other on property	270,451	270,451	422,058
12	703	c) Tax upon goods and services in the country	1,073,414	1,073,414	2,608,540
13	7030	VAT	-	-	-
14	7031	Special taxes	-	-	-
15	7032	Tax upon specific services	1,728	1,728	5,909
16	7033	Tax upon goods usage and activity permission	48,704	48,704	422,491
17	7035	Local tax on goods usage and activity permission	1,022,982	1,022,982	2,180,140
18	704	d) Tax upon commercial and international transactions	-	-	127
19	7040	Duties on import goods	-	-	-
20	7041	Duties on export goods	-	-	-
21	7042	Custom tariff and post service	-	-	-
22	7049	Other tax upon international commercial transport	-	-	127
23	705	e) Road tax	50	-	-
24	708	f) Other national tax	49,797	49,797	46,935
25	709	g) Penalty interest	165	165	323
26	75	II. SOCIAL AND HEALTH INSURANCE	-	-	-
27	750	From employee's	-	-	-

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
28	751	From employer	-	-	-
29	752	From self-employees	-	-	-
30	753	From farmers	-	-	-
31	754	From volunteer insurance	-	-	-
32	755	Budget contribution for Social Insurance	-	-	-
33	756	Budget contribution for Health Insurance	-	-	-
34	71	III. NON TAX REVENUES	799,355	799,355	1,129,561
35	710	a) From enterprise and ownership	20,814	20,814	29,839
36	7100	From public non financial enterprise	-	-	-
37	7101	From public financial enterprise	3,709	3,709	318
38	7109	Others from enterprise and ownership	17,105	17,105	29,521
39	711	b) Administrative service and secondary revenues	775,174	775,174	1,095,963
40	7110	Administrative tariffs and regulations	432,702	432,702	518,121
41	7111	Secondary revenues and payments of services	130,889	130,889	213,772
42	7112	Tax for legal actions and notary	3,450	3,450	-
43	7113	From goods and services sales	143,670	143,670	204,443
44	7114	Revenues from tickets	6,612	6,612	9,927
45	7115	Fines and late-fees, sequestration and compensation	55,044	55,044	136,274
		Revenues from ownership transfer, legalization of buildings			
46	7116	without permits	2,807	2,807	13,425
47	719	c) Other non tax revenues	3,367	3,367	3,759
48	72	IV. ACTUAL GRANTS (a+b)	5,791,496	5,689,534	10,204,350
49	720	a) Internal actual grant	5,791,496	5,689,534	10,204,350
50	7200	From same Government level	2,476,980	2,484,575	5,468,236
51	7201	From other Government levels	1,166,813	1,166,471	2,058,284
52	7202	From budget for special payments to Social Institute	-	-	-
		From budget to cover the deficit of Social Institute and			
53	7203	Healthcare Institute	-	-	-
54	7204	Participation of institution in national taxes	-	-	-
55	7205	Additional finances created within the system	3,249	3,249	23,193
56	7206	Expected financing from budget	1,853,196	1,743,981	2,627,487
57	7207	Third party sponsorship	-	-	155

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
58	7209	Other internal grants	291,258	291,258	26,997
59	721	b) External actual grants	-	-	-
60	7210	From foreigner Governments	-	-	-
61	7211	From international organizations	-	-	-
62	73	V. CHANGES IN PRODCUTS BALANCE	1,334	1,334	-
63	78	VI. WORK INVESTMENTS AND RETAKINGS	331,062	320,228	335,604
64	781	Works, investments in economy	17,468	17,468	7,790
65	782	Forecasted retakings for liquid assets	91,155	91,155	199,184
66	783	Forecasted retakings for fixed assets	64,784	64,784	176
67	784	Prepayment of expenses in the years to come	-	-	-
68	785	Use of funds of the year to come	1,641	-	6,894
69	787	Withdraw from investments	156,014	146,821	121,560
70	76	B. FINANCIAL INCOMES	-	-	201
71	760	From internal borrowing interests	-	-	-
72	761	From external borrowing interests	-	-	-
73	765	Incomes from deposits interests	-	-	201
74	766	Revenues from exchange rates	-	-	-
75	77	C. EXTRAORDINARY REVENUES	-	-	14,331
76	773	From closed activities and changes in strategy	-	-	-
77	777	From mistakes allowed in previous exercise	-	-	-
78	778	Correction from previous year	-	-	30
79	779	Other revenues	-	-	14,301
80	Class 7	TOTAL INCOMES	9,565,599	9,452,753	16,425,132
81	83	D. RESULT CORRECTIONS ACTIVITES	11,405	11,405	52,026
82	829	Canceled or under written expense order	-	-	13,775
83	841	Status change transfer	11,405	11,405	38,251
84	Class 7 & 8	TOTAL FROM OPERATIONS	9,577,004	9,464,158	16,477,158
85	85	RESULTS FROM FUNCTIONING	-	10,834	296,479
86	X	TOTAL	9,577,004	9,474,992	16,773,637

Template 4: Funds and expenses related to investments

Financing costs associated with the investments represents all capital assets under construction that are not yet completed and not yet transferred to fixed assets.

(Amount in ALL '000, Unless otherwise stated)

In ALL '000						
No.	Account Number	Description	Opening Balance, 1	Transactions during the Year		Closing Balance,
			January 2015	Debit	Credit	31 July 2015
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
1	I	SOURCE OF FUNDS	15,010,205	5,355,204	6,218,317	15,873,317
2	105	Internal capital grants	10,191,358	5,198,269	5,305,402	10,298,492
3	1050	From the same government level	3,477,819	564,173	576,401	3,490,047
4	1051	From other Government levels	52,944	51,075	69,200	71,070
5	1052	Third parties contribution for investments	-	4,909	5,140	231
6	1059	Internal grants in nature	6,660,595	4,578,112	4,654,660	6,737,144
7	106	Foreigner Capital grants	-	-	-	-
8	1060	From foreigner governments	-	-	-	-
9	1061	From international institutions	-	-	-	-
10	1069	Foreigner grants in nature	-	-	-	-
11	14	Capital grants for investments to third parties	9,823	-	-	9,823
		Internal grants, participation capital in				
12	145	investments for third parties	9,823	-	-	9,823
		Foreigner grants, participation capital in				
13	146	investments for third parties	-	-	-	-
14	11	Other own funds	4,805,538	153,449	912,914	5,565,002
15	111	Reserve funds	-	-	-	-
		Fund allocation for investments from result of the				
16	115	year	4,805,538	153,449	912,914	5,565,002
17	116	Revenues from tangible assets sales	-	-	-	-
18	12	Carried result	3,486	3,486	-	-
19	16	Internal borrowing and similar	-	-	-	-
20	160	Bonds and direct credit (entry)	-	-	-	-

In ALL '000

No.	Account Number	Description	Opening Balance, 1	Transactions during the Year		Closing Balance, 31 July 2015
			January 2015	Debit	Credit	
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
21	161	Other internal borrowing (entry)	-	-	-	-
22	162	Borrowing through securities (entry)	-	-	-	-
23	165	Bonds and direct credit (outing)	-	-	-	-
24	166	Other internal borrowing (outing)	-	-	-	-
25	167	Borrowing through securities (outing)	-	-	-	-
26	17	Borrowing from foreigner Governments	-	-	-	-
27	170	Borrowing from foreigner governments (entry)	-	-	-	-
28	171	Borrowing from international institutions (entry)	-	-	-	-
29	172	Other borrowings (entry)	-	-	-	-
30	175	Borrowing from foreigner Governments (outing)	-	-	-	-
31	176	Borrowing from international institutions (outing)	-	-	-	-
32	177	Other borrowings (outing)	-	-	-	-
33	II	EXPENSES FOR INVESTMENTS	9,085,592	2,374,698	1,571,938	9,888,352
34	230	Expenses for increase of Intangible Assets	255,531	29,022	39,647	244,906
35	231	Expenses for increase of Tangible Assets	7,680,713	2,334,216	1,530,788	8,484,141
36	2310	Land	153,685	3,363	-	157,048
37	2311	Forests, Pasture, Plantation	7,369	-	-	7,369
38	2312	Building and Constructions	621,869	1,198,280	566,017	1,254,132
39	2313	Roads, networks, water facilities	6,511,692	1,015,197	810,484	6,716,405
40	2314	Technical installment, machinery, equipment, working tools	349,760	11,381	12,693	348,448
41	2315	Transport vehicles	35,396	2,592	37,988	-
42	2316	Government reserve	-	-	-	-
43	2317	Working and production animals	-	-	-	-
44	2318	Economic Inventory	942	103,402	103,606	738
45	232	Capital transfers	1,149,348	11,461	1,503	1,159,305
46	25	Lending	-	-	-	-
47	255	Outing for internal lending	-	-	-	-
48	256	Outing for transactions of foreigner lending	-	-	-	-

In ALL '000

No.	Account Number	Description	Opening Balance, 1 January 2015	Transactions during the Year		Closing Balance, 31 July 2015
			<i>c</i>	<i>Debit</i> <i>d</i>	<i>Credit</i> <i>e</i>	<i>f</i>
<i>a</i>						
49	250	Entry from internal lending principal	-	-	-	-
50	251	Entry from foreigner lending's principal transaction	-	-	-	-
51	26	Participation with own equity	-	-	-	-
52	265	Outing for own equity in non profit public enterprise	-	-	-	-
53	266	Outing for own equity in financial institutions	-	-	-	-
54	267	Outing for own equity in joint venture	-	-	-	-
55	269	Outing for own equity other	-	-	-	-
56		Total (I + II)	24,095,797	7,729,903	7,790,255	25,761,669

Template 5: Statement of cash flows

Cash Flow Statement presents the cash movements during the year, including the opening balance brought forward from the previous year and the cash balance at the end of the year carried forward to next year.

(Amount in ALL '000, Unless otherwise stated)

		In ALL '000			
No.	Account Number	Treasury Balance		Bank Liquidity	
		Debit c	Credit d	Debit e	Credit f
<i>a</i>					
1	I. OPENING BALANCE	769,771	-	-	-
2	II. RECEIVABLES "CASH"	8,972,896	-	-	-
3	1. Funds from budget	5,505,645	-	-	-
4	Actual budget funds (Budget with changes)	4,165,289	-	-	-
5	Capital budget funds (Budget with changes)	1,340,356	-	-	-
6	2. Incomes and revenues during the year in "Cash"	3,467,251	-	-	-
7	Tax revenues in "Cash"	3,075,906	-	-	-
8	Social and health insurance in "Cash"	-	-	-	-
9	Non tax revenues "Cash"	355,700	-	-	-
10	Interact incomes "Cash"	-	-	-	-
11	Sponsorships, grants and other revenues "cash"	14,000	-	-	-
12	Loans and different lending	-	-	-	-
13	Entry from storage "Cash"	21,645	-	-	-
14	III. PAYMENTS OF THE YEAR "CASH"	-	5,757,057	-	-
15	1. Payment from the budget for actual expenses	-	3,761,713	-	-
16	2. Payments from the budget for capital expenses	-	1,086,312	-	-
17	3. Payments from revenues for actual expenses	-	467,040	-	-
18	4. Payments from revenues from capital expenses	-	413,716	-	-
19	5. Payments from storage	-	21,792	-	-
20	6. Other payments	-	6,485	-	-
21	IV. TRANSFERS	-	2,578,982	-	-
22	1. Deposit of revenues in the budget	-	11,622	-	-
23	2. Unused budget (actual and capital)	-	151,420	-	-
24	3. Internal movements and transfers	-	2,415,940	-	-
25	V. MOVEMENTS TOTAL (I UP TO IV)	9,742,667	8,336,039	-	-
26	VI. CLOSING BALANCE	1,406,628	-	-	-

Template 6: Statement of Fixed Assets' Balance and Changes during the year

Statement of changes in asset balances and stable during all the changes presents tangible and intangible assets during the year, measured at cost.

In ALL '000.

No.	Description	Opening	Additions during the Year					Decreases during the Year			Closing	
		Balances		Transf.			Total	Sales	Write Off	Other Decr.	Total	Balances
A	b	1	2	3	4	5	6	7	8	9	10	11
1	I. INTAGIBLE	677,598	20,032	-	7,607	8,990	36,629	-	-	30,796	30,796	683,431
2	201	-	-	-	-	-	-	-	-	-	-	-
3	202	415,962	13,158	-	7,607	-	20,765	-	-	7,607	7,607	429,120
4	203	333	-	-	-	-	-	-	-	-	-	333
4/1	230	261,303	6,874	-	-	8,990	15,864	-	-	23,189	23,189	253,978
5	II. TANGIBLE	37,030,645	649,731	6,802	5,211,044	6,236,608	12,104,184	4,298	73,838	11,455,730	11,533,866	37,600,963
6	210	421,594	-	-	109,868	5,548,221	5,658,090	-	-	150,150	150,150	5,929,534
7	211	6,136,912	-	947	-	-	947	-	-	5,675,506	5,675,506	462,352
8	212	5,938,422	83,127	-	838,149	1,515	922,792	-	-	1,366,963	1,366,963	5,494,251
9	213	21,412,136	451,039	-	4,113,093	160,890	4,725,022	-	41,530	4,091,999	4,133,529	22,003,629
10	214	1,214,789	9,018	1,386	40,009	20	50,433	-	186	62,122	62,308	1,202,913
11	215	821,640	2,592	2,940	-	-	5,532	-	-	3,540	3,540	823,632
12	216	-	-	-	-	-	-	-	-	-	-	-
13	217	1,994	-	-	2	-	2	-	839	-	839	1,157
14	218	1,073,156	103,954	1,529	109,080	-	214,563	4,298	31,282	104,713	140,293	1,147,426
17	24	9,938	-	-	842	525,961	526,803	-	-	672	672	536,069
18	28	65	-	-	-	-	-	-	-	65	65	-
19	T O T A L (I + II)	37,708,243	669,763	6,802	5,218,650	6,245,598	12,140,813	4,298	73,838	11,486,526	11,564,662	38,284,394

Template 7: Statement of Fixed Assets' depreciation

The statement below presents the movements in accumulated amortization of tangible and nontangible assets, including the amortization of the year for the respective additions and disposals.

(Amount in ALL '000, Unless otherwise stated)

In ALL '000											
No.	Account Number	Description	Opening Accumulated Depreciation 1 January 2015	Additions during the Year			Decreases during the Year			Closing Accumulated Depreciation 31 July 2015	
				Dep. Charge for the year	Other Admit.	Total	Sales	Write off	Other Depr.	Total	
<i>a</i>	<i>b</i>		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>
1	209	I. INTAGIBLE	157,123	16,044	-	16,044	-	-	-	-	173,167
2	219	II. TANGIBLE	3,294,226	448,159	-	448,159	-	-	16,615	16,615	3,725,770
		TOTAL (I + II)	3,451,349	464,203	-	464,203	-	-	16,615	16,615	3,898,938

Template 8: Statement of changes in fund

Statement of Changes in Fund presents all additions and reductions of fixed assets, amortization charge for the year and other changes affecting the fund.

(Amount in ALL '000, Unless otherwise stated)

No.	Acc. No.	Description	Restated									
			Opening Balance	Movements			Closing Balances	Opening Balance	Movements			Closing Balances
			1 Jan. 2015	Debit	Credit	31 July 2015	1 Jan. 2015	Debit	Credit	31 July 2015		
<i>a</i>	<i>b</i>		Credit	Debit	Credit	Credit	Credit	Debit	Credit	Credit		
			1	2	3	4=1+3-2	1	2	3	4=1+3-2		
1	101	BASE FUND	33,985,577	14,704,907	14,685,684	33,966,355	33,985,578	14,714,549	14,783,604	34,054,633		
2	1010	Status of base fund	33,407,461	6,723,446	2,090,370	28,774,385	33,407,461	6,735,201	2,120,693	28,792,954		
3	1011	Additions base fund	2,048,996	2,072,839	5,778,170	5,754,327	2,048,996	2,119,610	5,831,304	5,760,691		
4	1012	Decrease base fund	(1,148,785)	102,117	1,165,252	(85,650)	(1,148,785)	80,975	1,171,546	(58,214)		
5	1013	Decrease from tangible assets consume	(47,863)	420,559	61,788	(406,633)	(47,863)	396,361	69,957	(374,267)		
6	1014	Decrease from selling tangible assets	-	(10,969)	-	10,969	-	(10,969)	-	10,969		
7	1015	Decrease from	(274,232)	159,536	398,554	(35,214)	(274,232)	155,992	398,554	(31,670)		
8	1016	Decrease from transferring tangible assets	-	5,237,378	5,191,550	(45,828)	-	5,237,378	5,191,550	(45,828)		
9	109,	DIFFERENCE IN TANGIBLE ASSETS REVALUATION	-	-	-	-	-	-	-	-		
10	105,107,11,12, 13,145,15,85	INTERNAL FUND	15,822,488	1,677,021	3,160,467	17,305,934	15,822,488	1,785,813	3,200,521	17,237,196		
11	105	Capital internal grants	10,284,283	632,248	740,196	10,392,231	10,284,283	632,248	675,004	10,327,039		
12	107	Current assets in use	10,562	-	-	10,562	10,562	-	-	10,562		
13	11	Other own funds	4,834,086	15,452	775,759	5,594,393	4,834,086	15,452	775,759	5,594,393		
14	12	Carried result	87,881	41,749	13,627	59,759	0	13,627	13,627	0		
15	13	Exceptional subsidiaries	-	-	-	-	-	-	-	-		
16	145	Participation of the institution in investing for third parties	-	-	-	-	-	-	-	-		

No.	Acc. No.	Description	Restated									
			Opening Balance	Movements			Closing Balances	Opening Balance	Movements			Closing Balances
			1 Jan. 2015	Debit	Credit	Credit	1 Jan. 2015	Debit	Credit	Credit		
<i>a</i>	<i>b</i>		<i>1</i>	<i>2</i>	<i>3</i>	<i>4=1+3-2</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4=1+3-2</i>		
		Forecasted amounts for disasters and expenses	-	-	-	-	-	-	-	-	-	
17	15											
18	85	Result	605,676	987,572	1,630,886	1,248,989	693,557	1,124,487	1,736,132	1,305,202		
19	106	EXTERNAL FUND	1,173,116	230	25,004	1,197,890	1,173,116	-	-	1,173,116		
20	106	Capital foreigner grants	1,173,116	-	-	1,173,116	1,173,116	-	-	1,173,116		
21	146	Capital foreigner grants investing for third parties	-	-	-	-	-	-	-	-		
22		CONSOLIDATED FUND (1 up to 4)	50,981,181	16,382,158	17,871,156	52,470,179	50,981,181	16,500,362	17,984,126	52,464,945		

Template 9: Statement of number of employees and personnel expenses

The statement below presents information about the number of employees for various positions, with appropriate salaries and other expenses.

(Amount in ALL '000, Unless otherwise stated)

In ALL '000

No.	Categories	Annual Average No. of Employees	Turnover of the Employ. During the year		No. of Employ. At the end of the year	Salaries and Contributions					
			New Employ.	Leaved		Total Salaries	Admit. Rewards	Immed. Social Assistance	Social and Health Insurance	Other Rewards	Income Tax
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<i>a</i>	Total number of employees (1+2+3+4+5+6)	4,114	435	195	4,354	1,255,185,929	584,834	3,393,540	255,578,900	1,835,273	49,511,826
<i>1</i>	Directors	190	43	27	206	110,821,663	20,556	210,188	26,004,037	120,600	7,730,121
<i>2</i>	High level education specialist	1,508	100	82	1,526	578,214,711	159,945	1,412,153	132,165,913	3,500	32,006,842
<i>3</i>	Technical	774	41	67	748	210,841,187	-	30,000	35,968,759	6,923	5,445,593
<i>4</i>	Ordinary officers	228	9	5	232	55,511,659	12,234	711,761	12,082,194	-	1,085,949
<i>5</i>	Employees	1,330	240	14	1,556	275,315,239	392,099	754,438	45,893,940	-	2,820,497
<i>6</i>	Temporary employees	84	2	-	86	24,481,470	-	275,000	3,464,057	1,704,250	422,824

Template 10: Summary Consolidated Statement of financial position

Consolidated statements of financial position represent the consolidated financial position of the Municipality.

			In ALL '000		
No.	Account Number	Description	2015 Period Restated	2015 Period	2014 Period
1	A	Assets	68,829,446	68,740,109	67,201,220
2	I	Current Assets	16,430,789	16,324,514	15,738,182
		1. Petty- Cash, Banks, and Funds			
3	Class 5	Availability	1,527,594	1,527,584	889,414
13	Class 4	2. Receivables	14,345,720	14,239,441	14,289,071
29	Class 3	3. Current Inventory accounts	557,474	557,489	559,697
39	II	Non-current Assets	52,397,094	52,409,471	51,456,914
40	23	1. Investments	9,897,424	9,897,424	9,091,364
44	25,26	2. Finance assets	8,383,710	8,383,710	8,369,960
47	21,24,28	3. Tangible assets	33,691,086	33,703,464	33,583,580
60	20	4. Intangible assets	424,873	424,873	412,010
65	III	Other assets	1,564	6,124	6,124
69	B	Liabilities	16,359,267	16,279,175	16,220,038
70	I	Current liabilities	14,936,396	14,834,666	15,349,732
71	Class	1. Accounts payable	14,936,396	14,834,666	15,349,732
88	16	2. Non-current liabilities	-	-	-
89	II	Non liquid liabilities	1,387,751	1,387,751	817,023
90	17	1. Foreign loans	1,387,751	1,387,751	817,023
91	III	Other liabilities	35,121	56,758	53,284
96		Net assets (A - B)	52,470,179	52,460,934	50,981,182
97		Presented: Consolidated budget	51,136,657	51,159,743	50,287,624
98		Carried forward results	1,333,522	1,301,191	693,557

Template 11: Consolidated statement of comprehensive income and operating expenses

Consolidated statement of comprehensive income and expenses represents the consolidated statement of the comprehensive income of the Municipality.

			In ALL '000		
No.	Account Number	Description	2015 Period Restated	2015 Period	2014 Period
<i>1</i>	<i>2</i>	<i>3</i>	<i>5</i>	<i>6</i>	<i>7</i>
1	A	TOTAL REVENUES	9,577,004	9,464,158	16,477,158
2	70,750,71	I. REVENUES AND CONTRIBUTES	3,441,707	3,441,657	5,870,646
3	70	1. Tax revenues upon	2,642,353	2,642,302	4,741,085
11	75	2. Contributions and social and health insurance	-	-	-
19	71	3. Non tax revenues	799,355	799,355	1,129,561
23	72	II. GENERAL ACTUAL GRANTS	5,791,496	5,689,534	10,204,350
26		III. FINANCIAL REVENUES	-	-	201
31	78	IV. WORKS FOR INVESTMENTS	331,062	320,228	335,604
32	77, 83	V. OTHER REVENUES	12,739	12,739	66,358
33	B	TOTAL EXPENSES	8,261,495	8,155,522	16,060,199
34		I. ACTUAL EXPENSES	4,621,689	4,520,069	7,889,361
35	600 601	1. Salaries and employees contribution	1,481,444	1,471,027	2,465,152
38	602	2. Goods and Services	1,601,899	1,554,449	2,759,965
49	603	3. Subsidies	-	-	3,896
50	604	4. Internal actual transfers	107,462	119,092	181,981
51	605	5. External actual transfers	-	-	-
52	606	6. Budget transfers for families and individuals	1,430,884	1,375,501	2,478,367
53	68	II. AMORTIZATION QUOTES AND FORECASTED AMOUNT	-	-	-
54	66	III. FINANCIAL EXPENSES	-	-	12
57	67	IV. OTHER EXPENSES	3,639,806	3,635,454	8,170,826
58	C	DETERMINED NET INCOME	1,315,509	1,308,636	416,959
59		From this: Functioning results	1,315,459	1,319,470	710,664
60		Functioning observed grants	50	(10,834)	(293,705)

STAR Project

**Municipality Vore
Consolidated Due Diligence report**

Glossary

ACP	Agency of Consumer Protection
Agency	Agency of Itocktaking of Public Property at the Ministry of Internal Affairs
ALL	Albanian Lek
APP	Public Procurement Agency
CD	Compact Disc
CDL	Council Decision of LGU
CHUIA	Central Unit of Coordination of Internal Audit
DCM	Decision of the Council of Ministers of Republic of Albania
Cr	Credit
Dr	Debit
F	Form
FID	Fiscal Identification Number
FS	Financial Statement
FY	Financial year
GA	Government of Albania
HR	Human Resources

IT	Information Technology
KKRT	National Council on Territory Regulation
LGU	Local Government Administrative Unit
MF	Ministry of Finance of Republic of Albania
n/a	Not Applicable
NBV	Net Book Value
No	Number
PM	Policy Modification
RE	Reclassifications
T	Template
TAR	Territorial and administrative reform
VAT	Value Added Tax
WIP	Work In Progress

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Operational due diligence

Summary of observations and recommendations

- A summary of observations and recommendations, in the context of their merger process is comprised as follows:

Observations	Recommendations
Roles – Mayor	
<ul style="list-style-type: none"> • Under the law in force for the local government, the Municipality mayor is responsible for the approval of the new organizational structure of the municipality and the regulation for its organization functioning. Currently we observed a conservative approach, almost formal, to the organizational structure, which makes it a document that does not add much value in practice. 	<ul style="list-style-type: none"> • The new municipality may consider an innovative approach to the new organization structure. The new structure may have a functional approach; which means to have agility, accountability, efficiency and effectiveness in delivering services to the community. As such it may be suggested that the Mayor, in adopting it, take into account not only the general principles that should normally lead organization and functioning of the municipality, but also take into consideration all the specific circumstances characterizing the specific municipality; which means the types of services offered, how to provide these services, geographical condition which affect the decision-making and above all, human resources and the type of work required in fulfilling these functions.
Roles – Deputy Mayor	
<ul style="list-style-type: none"> • In most of ex - municipalities and ex- administrative units in question, the deputy mayor was conceived more as an onorifik position. 	<ul style="list-style-type: none"> • The new municipality may consider a more active role of the deputy mayor, who can take care of meeting the targets by certain parts of the municipal administration. It is suggested that the Deputy Mayor take an active role in the management of the municipality. Because this position under the direct authority of the mayor who appoints and dismisses it is assumed that among these there is also a steady relationship of trust. Setting the deputy mayor in active positions and fulfillment of policy objectives on the other side of the Mayor's cabinet delivers such functions leaving cabinet members focused on their original role; holder that counseling for various technical issues.
Rolet – Municipality Council	

Observations	Recommendations
<ul style="list-style-type: none"> In the law of organization and functioning of local government it is stipulated that the Municipality Council will be responsible for approving the budget, the maximum number of employees of the New Municipality and budgetary institutions and the maximum bonus level. It has been noted that the municipality council does not have sufficient time available for a detailed analysis of the budget. 	<ul style="list-style-type: none"> The new municipality may consider to prepare the budget and the new structure and to submit it to the council in a timely manner in order that the Municipality Council takes sufficient time for analysis and detailed examination of the structure of the budget and presented structure.
<p>Roles – Administrator</p> <ul style="list-style-type: none"> The Administrator is a new role stipulated in the amendments to the law of local government before the election of 2015. The administrator is appointed and dismissed by the Mayor who directs the Administrative Unit and oversees its operation. The administrator is supposed to assist the mayor in fulfillment of municipal functions in the territory of the administrative unit and be responsible for the quality of services provided to the public. It is noted insufficient clearance about the administrator's role in relation to the services provided and hierarchical dependence of agencies expected to provide services to citizens. 	<ul style="list-style-type: none"> The new municipality may consider that the regulation of its organization and operation to clearly define the role of the administrator in relation to the services provided and hierarchical dependence agencies that will offer these services to citizens.
<p>Roles – Administrative Unit</p> <ul style="list-style-type: none"> The ex-municipality is not considered an administrative unit and has not appointed an administrator. 	<ul style="list-style-type: none"> The mayor should consider the fact that under the law on territorial reform, the ex-municipality itself is an administrative unit like all other LGUs and therefore the appointment of an administrator would facilitate his work in the management of the territory of the ex-municipality and help improve the monitoring of the quality of services provided to the community in that territory.
<p>Functions - order and civil protection</p> <ul style="list-style-type: none"> The maximum number of police forces of LGU's for every existing LGU is determined by the Council of Ministers ("DCM") No.313, dated 01.07.2002, on "Determining the structure, number of employees, and costs for municipal police. 	<ul style="list-style-type: none"> This DCM appear to undermine the organizational autonomy granted to the municipality by the Constitution of the Republic of Albania and the law on the organization and functioning of local government as it limits the number of police forces and do not allow the municipality to determine it by themselves as needed. In these conditions it is suggested that the municipality or forms of organization that protects the interests of local governments to require the change of this decision.
<p>Orientation – Mixed orientation of administrative structures</p> <ul style="list-style-type: none"> Organizational units have a mixed orientation and exercise sectoral and 	<ul style="list-style-type: none"> The municipality may consider that the positions of the same field or closely related fields are grouped within the same organizational unit and organization sectors, directory or general directory is carried out in case of fulfillment of numerical

Observations	Recommendations
horizontal functions.	standards for each of them.
<p>Organization - diverse label of organizational units</p> <ul style="list-style-type: none"> Organizational unit in the actual structures are not named and organized in an orderly manner, there are offices, sectors, companies, brigades, etc. 	<ul style="list-style-type: none"> The new municipality may consider re-organization and name them in an orderly and hirerchal manner. For this purpose it is suggested that organizational units should be divided into sectors, directory and general directory depending on the fulfillment of numerical standards.
<p>Orientation - horizontal functions</p> <ul style="list-style-type: none"> Support functions are performed by many sub-units, whether in the municipality, or in the administrative unit. 	<ul style="list-style-type: none"> The new municipality should consider the concentration of some of the horizontal functions / support in order to increase efficiency and accountability in their exercise. Public procurement should be centralized and be part of the main section of the structure. Internal audit of the local government unit should directly report to the mayor (functional reporting) without being dependent from any other organ of the municipality in addition to the General Secretary from whom should depend on terms of organization in accordance with the legislation in force. The Internal Audit Report to the Head of the institution should be presented simultaneously also to the municipal council and the decision-making resulting from it are a collegial decision between the institution and the relevant municipal council. The finance service, budget and procurement should also be centralized and carried on center. Information technology service should also be centralized and monitored from the center of the municipality through the creation and implementation of the electronic systems of internal communication. The service of human resource management and revenue management should also be centralized and carried on the municipality.
<p>The organization and structure - digital standard</p> <ul style="list-style-type: none"> Offices, sectors, brigades, directories, etc do not have in their composition a sufficient number of employees to be qualified as such, pursuant to Decision no. 893, dated 12.02.2014. 	<ul style="list-style-type: none"> The new municipality may consider that a sector must have at least 5 employees, including the head of the sector, except in special cases where it is impossible for specialists of various fields be grouped in a single sector; Directoris should have at least 2-3 sectors or at least by 10-15 employees and the general directories should consist of at least 2 directors per each. This standard can be applied regardless of the typology of employees serving in these structures.

Observations	Recommendations
<p>The organization and structure - Policy-making in the provision of services and horizontal functions.</p> <ul style="list-style-type: none"> • There is a lack of clear division within the administrative units which perform multi functions, service delivery, policy-making and horizontal functions. 	<ul style="list-style-type: none"> • The new municipality may consider adopting an organizational structure that has a clear separation between the functions of policy-making and monitoring the quality of services, horizontal functions and service delivery. For this purpose, it is suggested that the main top management of the organizational units should be responsible for the design and monitoring of policies and horizontal functions / support to these policies. The majority of the policy-makers should be composed of civil servants under the existing laws in force.
<p>The organization and structure - Delivery of services to the community</p> <ul style="list-style-type: none"> • There is a lack of clear division within organizative administrations which perform multi functions, service provider and horizontal functions. 	<ul style="list-style-type: none"> • In terms of services offered to the public it is suggested that these should be organized and provided by institutions that might be designated as enterprise or agency and would be positive if kept homogeneity of their name in the whole territory of the Republic of Albania in order to avoid confusion about their status or powers. It is suggested that these should be named "Agency" by adding the respective field of action. All employees of these agencies will be time administrative staff as well as their activities are simply services offer on the basis of the objectives and policies of the organizational units of the main block. Their activity will also be under the control and monitor of these organizational units are the main block. At the technical level these agencies are run by directors or general managers depending on the fulfillment of digital standard. How long they are typically service agency, it is assumed that their working relationship, regardless of the name of internal organization units, to be based in the Labour Code.
<p>The organization and structure – relation with voters community</p> <ul style="list-style-type: none"> • Absence of a specialized designanted structure for relations with the voters community and other institutions or entities, public or private, domestic or foreign. 	<ul style="list-style-type: none"> • The municipality may consider creating an organizational unit responsible for relations with the voters community and eventually with other institutions. This unit can be arranged as a sector or the directory depending on the fulfillment of numeric standard. This unit have also suggested to have archive and protocol workers for how long that it will be the focal point of cooperation and interaction with the public and the municipality responsible for relations with other institutions. Also, given the recent initiatives undertaken in connection with the establishment of service offices with a stop (one stop shop or front office) suggested that part of this unit can be linked or de-localized in the local units existing supervised by administrators. Last but not least, these units should be composed of the archive and protocol workers, either at central or de-localized level.

Observations	Recommendations
Personnel matters – The transfer of the staff	
<ul style="list-style-type: none"> • As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 of labor relations existing between the merged entity (LGU's) and their employees will be transferred to the Municipality of Vore. It is worth mentioning that, also the ex-municipality, before the amalgamation process, it is considered as one of the units that is merged. • An employee has fixed-term employment contract (1 year term). However, the employee, according to the report, has begun the work relationship on 01.01.2006. 	<ul style="list-style-type: none"> • In accordance with the provisions of the Labour Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, it is recommended that the case be seen whether the provisions for the settlement of an employment contract with indefinite term can be applied. • Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. • Related to civil servants who are on probation, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. • The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources • It is recommended that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.
Personnel matters – Termination of working relationship	
The reorganization may bring the necessity of termination of the employment relationship of some employees of the Municipality. Problems may arise if the labor relations with employees, who leave, do not terminate in accordance with the status that they have. In the event that the relevant provisions do not apply for the termination	<ul style="list-style-type: none"> • It is recommended to keep in mind that the legal basis for the termination of working relationships is different depending on the category of employees and respectively: <i>Political functionaries.</i> Political functionaries of a Municipality are the deputy

Observations	Recommendations
<p>of labor relations, it has financial consequences for the Municipality.</p>	<p>mayors, administrators and the employees of the mayor's cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations.</p> <p><i>Employees with working contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority.</p> <p><i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer.</p>
<p>Information Technology – Lack of security rules and softwares</p> <ul style="list-style-type: none"> Computers are not managed through a centralized and standardized system that automates the network management of user account data and security requirements. Therefore, the implementation of safety rules and access management is not implemented. 	<ul style="list-style-type: none"> The municipality may consider adopting clear regulations on information security and implement the necessary softwares for managing and storing information.
<p>Information Technology – Lack of hardware devices</p> <ul style="list-style-type: none"> The level of availability of hardware equipment is at the minimum level. Not all employees have access to a personal computer and the existing devices are from a wide variety of brands and models. There is lack of servers and back-up mechanisms for information. 	<ul style="list-style-type: none"> The municipality may consider unifying the types of hardware devices that are currently being used. This would also help in ensuring their maintenance by specialized companies.
<p>Communication – Lack of electronic means of communication</p> <ul style="list-style-type: none"> Despite that the administrative units have internet access, none of them has an 	<ul style="list-style-type: none"> The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by

Observations	Recommendations
internal electronic communication system.	setting clear rules on the type of information that can be charged or circulate on these platforms.
<p>Communication – Lack of telephone service</p> <ul style="list-style-type: none"> Administrative units do not have telephone service. 	<ul style="list-style-type: none"> The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.
<p>Archive - Centralization of archive</p> <ul style="list-style-type: none"> The archive volume of the new municipality is expected to increase from the documents received from the previous local government units. Consequently reorganization of the new Municipality archive and its maintenance can be difficult. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.
<p>Archive - Lack of technical requirements in the management of the archive</p> <ul style="list-style-type: none"> In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, missing security doors and windows, missing duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours. 	<ul style="list-style-type: none"> The new municipality may consider taking necessary measures to guarantee the physical safety and security of preserving the archive from possible damages.
<p>Asset Management – lack of registers</p> <ul style="list-style-type: none"> Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties. 	<ul style="list-style-type: none"> Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

The structure and organization

Organizational Model

Analysis of the organization and structure for the Municipality Vore and two existing LGUs of Prezë and Bërxullë, is performed based on organizational model developed on "Guidelines for the Control of the Local Government Units" and its annexes.

- The aim is to facilitate the analysis of segregation of the roles and responsibilities in administrative structures, and to provide consistency in the process of amalgamation.

Table 1: Roles in the municipaloty/administrative units

Roles	Municipality Vore	LGU Prezë	LGU Bërxullë
LGU Council	✓	✓	✓
Mayor	✓	✓	✓
Deputy Mayor	✓	✓	
Secretary of the LGU Council	✓	✓	✓

Their respective responsibilities include:

- LGU Council: The adoption of the Statute of the LGU and internal rules of operation of the local council; approval of the organizational structure and administration of the LGU budget and its institutions, the number of their personnel, the criteria for qualifications, salaries and criteria for their reward.
- Mayor: The mayor is responsible for carrying out all functions of the Municipality, except those powers that are attributed to the Council. The Mayor shall exercise all the rights and ensures the fulfillment of all obligations of local government based on his status as a legal entity.

- The results of four elements of the organizational model: roles, functions, service delivery and orientation, are summarized below.

Roles

Performed roles are shown in table 1, below:

- Deputy Mayor: Assist the Mayor in the supervision of the operation of LGU.
- Secretary of the LGU Council: Storage of the official documents of the council; sending notifications for the Council meetings; Publication of notices and decisions taken by the Council; Preparation of public hearings with LGU's Council.

After the merger, 3 units are transformed in 1 Municipality with 2 administrative units, as presented in the table 2 below.

Table 2: Roles in the Municipality

Role		
New Municipality	Vorë	
Municipality Council	✓	
Mayor	✓	
Deputy Mayor	✓	
Secretary of Municipality Council	✓	
Administrative Unit	Prezë	Bërxullë
Administrator	✓	✓

- Municipality Council will continue to exercise the same powers. To help in the improvement of the efficiency of the Municipality, The Municipality Council will undertake the amended responsibilities, as follows:
 - Approval of salary and bonuses for employees and others elected or appointed according to the law.
 - By approving the budget and its changes, the Council will also approve the maximum number of employees of the Municipality and budgetary institutions depending on the Municipality.
- The Mayor shall continue to exercise the same powers. To assist with improving the effectiveness of the Municipality, the Mayor will take on new responsibilities, as follows:
 - Approval of the Municipality organizational structure and basic regulations of the Municipality administration and its budgetary institutions depending on the Municipality.
 - Appoints and dismisses managers of administrative units.
- Deputy Mayor/s shall continue to exercise the same powers. The Municipality Mayor shall appoint them.
- Secretary of Municipality Council shall continue to exercise the same powers. The Municipality Mayor shall appoint him.
- The Administrator is a new role. He / she shall be appointed and dismissed by the Mayor and shall undertake the following responsibilities:
 - Runs the administrative unit and reports to the Mayor about the functioning of the administrative unit;
 - Observes and examines administrative offenses;
 - It has the right to delegate its powers in connection with the conclusion and review of administrative offenses, to other employees of the administrative unit;

Functions

- Information on public services, with the number of people who carry out these functions, is shown in Table 3 on the following page.

When people exercise more than one function, they are split proportionally according to the time spent, resulting in the equivalent of full-time workers. As a result, the number of people qualifying for some functions may not result rounded.

The total number of people performing public services is 117.

- The information can also present functions for which there is no allocation of human resources to execute them, and are set with 'n/a' (not applicable).
- Horizontal functions together with the number of people who carry out these functions are presented in table 4 below:

The total number of people that execute horizontal functions is 194..

Table 3: Public Services Functions and number of people associated with these functions

Public Services	Vorë	Bërxullë	Prezë	Merged
Infrastructure and public services				
Water Supply Company	Contracted	8	5	Contracted /13
Functioning of the sewerage system	Contracted	0	2	Contracted /2
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	Contracted	0	Contracted	Contracted
Construction of roads, pavements and public squares	Contracted	Contracted	Contracted	Contracted
Rehabilitation and maintenance of local roads, sidewalks and public squares	Contracted	3	Contracted	Contracted /3
Public lighting	Contracted	0	Contracted	Contracted
The operation of urban public transport	1	0	1	2
Cemeteries administration and guarantee of funeral services	0	1	0	1
Decorations Service in town / village	Contracted	0	0	Contracted
Administration of parks, gardens and public spaces	Contracted	0	Contracted	Contracted
Collection, disposal and recovery of waste	Contracted	10	Contracted	Contracted /10
Urban planning	6	4	3	13
Land management	3	2	3	8
Shelter	0	0	0	0
Social,cultural and sports Services				
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	10	0	0	10
Organization of sporting, recreational and entertainment activities and management of relevant institutions	5	0	0	5
Social services of kindergardens	0	1	0	1
Social services - orphanages, shelters	0	0	0	0
Local economic development				
Preparation of local economic development programs	1	0	0	1
Establishment and function of public markets and trade network	1	0	0	1

Public Services	Vorë	Bërxullë	Prezë	Merged
Small business development, and the development of promotional activities such as fairs and advertisements in public places	2	0	0	2
Organization of services within the local economic development support and information structures and infrastructure necessary	3	0	3	3
Veterinary services	3	1	1	5
Conservation and development of forests and natural resources of local character	1	0	1	2
The order and civil protection				
Preservation of public order to prevent administrative violations	4	0	1	5
Civil protection	1	0	1	2
Educational institutions				
Maintenance of facilities in preliminary education	12	1	5	18
Medicine				
Health care system and the protection of public health	0	0	0	0
Social care				
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	0.33	0.33	0.33	0.99
Social Care on domestic violence	0.33	0.33	0.33	0.99
Social care for the protection of children's Rights	0.34	0.34	0.34	1.02
Environmental Protection				
Environmental Protection	0	0	0	0
Register Office				
Register Office	2	1	1	4
Business Registration				
National Registration Center	0	0	0	0
Total	56	33	28	117

Table 4: Horizontal functions and number of people associated with these functions

Horizontal Functions	Vorë	Bërxullë	Preze	Merged
Finance	5	3	3	11
Local taxes and Tariffs	7	2	3	12
Legal Issues	1.5	1	0.5	3
Procurement	1.5	1	0.5	3
Institutional Relations	2	0	1	3
Human Resources	2	0.5	1	3.5
Protocol	1	0.25	0.5	1.75
Archiving	1	0.25	0.5	1.75
Information Technology	1	0	0	1
Supporting services	90	35	26	151
Internal Audit	3	0	0	3
Total	115	42,5	36	193,5

Orientation

- Two types of guidance used in the current organizational model are:

Breakdown by sector for the Public Services, and,

Functional orientation to horizontal functions,

- Analysis show these exceptions:

Vora

- The Office of Public Service at the same time the licensing of transport services as well as various services of cleaning and greening the city;
- Powers of the legal sector in the preparation of responses to the public, may overlap with the competencies of the sector of information and communication with the public.

Prezë

- Office of public services and performs forest belonging typically different fields.
- The process of unification brings a new dimension to the organizational model orientation, which is split by geography. Therefore, it is necessary to develop an organizational structure that serves the fulfillment of the functions of the local government unit.

- The organizational structure will require the construction of multiple reporting lines, dakordësim objectives between sectoral divisions and functions, combining the planning and use of resources, decision-making, coordination and communication.

- Responsibilities of the following positions of leadership that existed in LGU's, will vary:

Vora:

- Office of Agriculture
- The Office of Public Service
- Water Sector

Bërxullë:

- Finance Office
- Office of Planning and Territorial Development Control
- The tax office
- Legal Sector
- Sector of economic assistance and social services
- Sector construction inspection
- Office of protection and land management
- Department of Veterinary Service
- The Public Service Sector

Prezë:

- Finance Office
- Office for protection and management of land
- Tax Office
- Office services and forests
- Office of territorial planning
- INUV
- Legal Sector
- Human Resources Sector
- Water Sector
- Municipal police

Service Providing

- In the below tables 5 and 6 there are the detailed ways of providing public services and execution of Horizontal Functions.
- Majority of the functions are provided with its own resources.
- The below services are contracted:
 - Construction of roads, pavements and public squares to three units;
 - Lighting of public areas;
 - Service décor is contracted to Vora, while in two other units not offered as a service;

- Collection and disposal of waste is contracted to Vora and Prezë;
- To Prezë and Bërxullë units, internal audit contract.
- Licensed Services:
 - Public transport for all three units.
- Decisions on changes in service delivery cannot be achieved during a short - term period and preparatory work is required in order to analyze processes, to assess the current human resource capacity and infrastructure, including the information - communication - current technology.
- To facilitate this analysis, we have compiled the following three questions to be used as development principles:
 - Does the fulfillment of work require physical presence?
 - Is there any reason (legal, strategic) to centralize the execution of function?
 - Is the work scalable by performing it in distance/ centralized processing?
- The information in tables 5 and 6, on the following pages demonstrates the application of these development principles. It is noticed that the answers given reflect the meaning, without considering future strategic decisions to be taken by the Municipality of changing service delivery (principle developer 2)
- Based on these responses, the execution of some horizontal functions can be subject to changes in the future. More specifically, the following functions can be subject to a physical relocation, centralization in performing the function and performance remote / centralized processing:

Finance (Assuming that the Administrative Units will not be designated as dependant budgetary institutions of the Municipality)

- Legal Issues
- Procurement
- Institutional Relations
- Human Resources
- Archive
- Internal Audit
- By applying the above principles of development for each function, alternative developments of organizational structure will be encouraged. These structural formations then should be refined and that organizational structure which is more feasible should be selected.

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Infrastructure and public services			
Water Supply Company	Yes	No	No
Functioning of the sewerage system	Yes	No	No
Functioning of the sewerage system of drinking water and protective channels of inhabited areas	Yes	No	No
Construction of roads, pavements and public squares	Yes	No	No
Rehabilitation and maintenance of local roads, sidewalks and public squares	Yes	No	No
Public lighting	Yes	No	No
The operation of urban public transport	No	No	No
Cemeteries administration and guarantee of funeral services	Yes	No	No
Decorations Service in town / village	Yes	No	No
Administration of parks, gardens and public spaces	Yes	No	No
Collection, disposal and recovery of waste	Yes	No	No
Urban planning	No	No	Yes
Land management	Yes	No	No
Shelter	No	No	Yes
Social, cultural and sports Services			
Preservation and development of local cultural and historic values, organization of activities and management of relevant institutions	Yes	No	No
Organization of sporting, recreational and entertainment activities and management of relevant institutions	Yes	No	No
Social services of kindergartens	Yes	No	No
Social services - orphanages, shelters	Yes	No	No

Table 5: Public Services –Application of development principles

Services	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Local economic development			
Preparation of local economic development programs	No	No	Yes
Establishment and function of public markets and trade network	Yes	No	No
Small business development, and the development of promotional activities such as fairs and advertisements in public places.	Yes	No	No
Organization of services within the local economic development support and information structures and infrastructure necessary	Yes	No	No
Veterinary services	Yes	No	No
Conservation and development of forests and natural resources of local character.	Yes	No	No
The order and civil protection			
Preservation of public order to prevent administrative violations.	Yes	No	No
Civil protection	Yes	No	No
Educational institutions			
Maintenance of facilities in preliminary education	Yes	No	No
Medicine			
Health care system and the protection of public health	Yes	No	No
Social care			
Social care and the alleviation of poverty and guarantee the functioning of the respective institutions	Yes	No	No
Social Care on domestic violence	Yes	No	No
Social care for the protection of children's Rights	Yes	No	No
Environmental Protection			
Environmental Protection	Yes	No	No

Table 6: Horizontal Functions – Application of development principles

Function	Does the fulfillment of work require physical presence?	Is there any reason (legal, strategic) to centralize the execution of function?	Is the work scalable by performing it in distance/ centralized processing?
Finance (Note 1)	No	No	Yes
Local taxes and Tariffs	No	No	Yes
Legal Issues	No	No	Yes
Procurement	No	No	Yes
Institutional Relations	No	No	Yes
Human Resources	No	No	Yes
Protocol	Yes	No	No
Archiving	Yes	No	No
Information Technology	No	Yes	Yes
Supporting services	Yes	No	No
Internal Audit	No	Yes	Po

Organizational Structure

To develop a future organizational structure based on best practices, it may be taken into consideration that the future organizational structure includes the following features

- A matrix organizational structure that combines elements of the division by sector, geography and functional orientation;
- Administrative structures of public services by Administrative Units have a primary reporting line to the relevant administrative structures of the Municipality;
- At the same time they should also have a second line of reporting to administrators;
- Due to the complexity and larger scale there can be two / three deputy mayors of the following divisions of responsibilities:
 - Infrastructure and Public Services;
 - Social Functions, cultural and sportive, local economic development, and maintaining order;
 - Finance, Local Taxes and other horizontal functions;
- Internal audit function reports directly to the Mayor;
- A possible illustration of the future organizational structure, is presented in Annex 1;

In forming its organizational structure, the municipality may consider the following factors:

- Consistent with the strategic direction: to support the priorities of the vision and strategy of the Municipality;

- Form follows function: the organizational structure should ensure the provision of quality public services;
- Responsibility: there must be responsibility and clear and well-defined decision-making authorities;
- Extent of control – scope of control should be as wide as possible, without sacrificing efficiency. However, there is a limit to the number of positions that a person can effectively be responsible. The scope of control should ensure proper monitoring of performance and access to the staff opinion (a person generally must manage no more than 10 employees);
- Specialization: activities for which a single individual is responsible should be similar. Similar functions should be grouped appropriately around key competencies and reporting lines;
- Surveillance layers: the number of authority levels should be kept at the minimum (from top to bottom);
- Decision-making: organizational formation should facilitate timely and effective decision-making in support of daily work;
- Communication: Communication is effective and efficient in the reporting lines and outsourcing services;
- Coordination approach - Applicable especially for new administrators who will be responsible for running the regional units within the various departments of public and horizontal services. Clear rules and procedures must be developed to distinguish between sectoral responsibilities (functional) and administrative and reporting lines;

- Divisions - organizational formation of the Municipality should reflect the special status and interdependent regional administrative units (separate actions in separate locations);

(Vore):

Finance Office

- Office of Agriculture
- Tax Office
- Office of public services
- Legal Sector
- Human Resources Sector
- The sector of information and communication with the public
- Department of Education, Culture, Youth and Sports
- Department of Social Services
 - Public sector and forest properties

Bërxullë:

Finance Office

Office of Planning and Territorial Development Control

- The tax office
- Legal Sector

Sector of economic assistance and social services

- Growth and change in the future - the organizational structure should be flexible and adaptable to future growth and public service needs;
- A non-exhaustive list of positions, whose ways of reporting is likely to change is shown below:

Office of protection and land management

Department of Veterinary Service

- The Public Service Sector

Prezë:

- Finance Office
- Office for protection and management of land
- Tax Office
- Office services and forests
- Office of territorial planning
- Legal Sector

Financial due diligence

Summary of observations and recommendations

Observations	Recommendations
<p>Property, Plant and Equipment</p>	
<p>During the control of the Ex-Municipality and LGUs it was noticed that a significant number of fixed assets are not recorded in the respective balance sheets.</p> <p>Fixed assets, which are currently owned by the Ex -Municipality and LGUs are kept at historical cost. Depreciation is accumulated in based on categories of assets. Many other assets are kept out off balance sheet and they actually have a book value.</p>	<p>We suggest that the stocktaking of fixed assets at 31 December 2015 to be carried out as soon as possible. The stocktaking will serve as a basis for the preparation of fixed assets registers to be used for the preparation of the financial statements year ended December 31, 2015.</p> <p>The stocktaking will not just aim the verification of assets that are currently registered but also the identification of other assets owned by the Ex-Municipality or LGUs. It will also identify assets which could be damaged or do not exist. Also it is necessary a close cooperation with the Real Estate Office.</p> <p>All assets owned by Municipality or LGU should be revalued and to each asset, including those assets that are held off balance, must be assigned a value.</p> <p>Such revaluation can be carried out taking into account the source of reference prices and widely accepted methodology regarding the evaluation of these assets. Results of the evaluation report must then be reflected in the financial statements as well as in a full register of assets. All the subsequent</p>

	changes during the lifetime of each asset must be recorded in the assets register.
Investments	
<p>Ex-Municipality and LGUs perform most of their services using their own resources. However, they have also investments in other entities that perform public services on their behalf.</p> <p>There are no instructions from the Ministry of Finance regarding the treatment of investments and it is not clear if a value for these investments should be presented to the assets and how to measure their value.</p>	<p>These investments should be presented as financial assets. They are presented in individual audit report in Note No. 9, according to the % of ownership that the unit has in these subsidiaries using the cost method (% of subscribed share capital).</p> <p>These investments together with other assets owned by the municipality, which serve for the same purpose (ex. former municipal water supplies that are not privately owned public entities Sh.a) should be analyzed, and the analysis should be used for the review of the opportunity of the integration of management, ownership and operations into a separate entity.</p>
Liabilities	
<p>On July 31, 2015 total liabilities of the municipality are reported at a value of 143,959 thousand ALL. Overdue municipal obligations are reported at a value 64,966 thousand ALL.</p> <p>The information is often incomplete and does not give details on arrears and risks of delays in repaying them. Furthermore the liabilities are not even detailed to the same level of categories used</p>	<p>It is recommended a detailed analysis to identify the age and nature of their obligations. This analysis will provide a clearer picture of rotating repayment of Municipality obligations and sources of funds.</p>

<p>in the allocation of grants from central government.</p>	
<p>Receivables</p>	
<p>During 2015, tax and non-tax revenues were 57% of total revenues, due to the low rate of revenue collection</p> <p>During LGUs control it was noticed that some of the LGUs do not have a complete list and accurate receivables of taxes from individuals and businesses.</p>	<p>It is recommended that the municipality impose strict procedures for analysis and regular monitoring of actual financial performance against budget. Following the analysis will lead to increased levels of tax collections for the municipality and capacity for expenses.</p> <p>A complete and accurate list of receivables from individuals and business taxes should be established. These lists will make possible that the municipality can facilitate the tracing in detail of receivables and improve their collection rates. Also, they will allow a fair treatment of taxpayers and provide a documented basis for actions against those who do not pay.</p>
<p>Lack of unified accounting policies and practices</p>	
<p>It is noticed that the presentation of financial reporting has been relatively standard, this due to the uniformity of clear and descriptive financial formats used by Municipality and LGUs. All LGUs and Municipality has reported in accordance with the list of accounts prescribed by the Ministry of Finance. Accounts lists are well integrated with financial reporting formats prescribed by the Ministry of Finance. However, the accounting policies for the preparation of financial statements and the bookkeeping of LGUs and ex- Municipality are limited.</p>	<p>Ununiformed application of accounting policies and accounting practices and procedures from different LGUs could affect the completeness and accuracy of accounting data used in consolidation. Consequently, LGUs are exposed to the risk of data loss, which may adversely affect their daily activities and lead to financial losses.</p> <p>We recommend the government should include in the current legislation more rules for the application of uniform accounting policies and for maintaining an effective general ledger. Accounting records kept manually or electronically must follow a process of archiving in</p>

Lack of unified accounting policies and practices - continued

During our work we have identified different and non-uniform accounting policies and practices used by LGUs. In some LGUs expenses are recognized on accrual basis and in others on the basis of payment. Also, various differences, classifications and inconsistencies were identified when comparing the financial statements with supporting notes.

Just a few LGUs use accounting software that enables the construction of a full and steady verification balance. The rest keep written documents or documents in the computer files of "MS Office" package. In many cases we have identified absence of accounting documents of prior periods such as inventory details and details of debtors or creditors.

accordance with archiving policies. Using a uniform software solution for all LGUs could be useful in improving the accountancy and financial reporting.

Consolidated financial statements

Overview

To present and analyze the position and financial performance indicators of the newly formed Municipality Vore, we have prepared the consolidated financial statements, which are presented in formats 1 to 9, as defined in the guidelines of the Ministry of Finance

These statements have been prepared by summing line by line the restated statements of Municipality Vore, LGU Prezë LGU Bërxhullë

Afiliated units are consolidated at the level of municipality and have been part of individual due diligence report of Municipality Vore.

The restated statements reflect the adjustments that have been identified and presented in individual reports for each ex-Municipality and administrative unit. Adjustments are based upon the guidelines and rules of the Ministry of Finance to apply uniform accounting policies

These consolidated financial statements do not include any consolidation adjustment.

Key performance indicators

Key performance indicators	
<i>Amounts in 000 leke</i>	<i>For the period ended 31 july 2015</i>
Income from grants	145,652
Tax and non-tax revenue	197,746
Total Expenses	191,291
Total Assets	2,736,363
Liabilities	143,959

Table 1. Summary of consolidated statement of financial position.

Amounts in thousand ALL

		In ALL '000	
Account Number	Description	2015 Period Restated	2015 Period
A	Assets	2,736,363	2,723,848
I	Current Assets	255,845	255,845
	1. Petty - Cash, Banks, and Funds		
Class 5	Availability	99,137	99,137
Class 4	2. Receivables	129,188	129,188
Class 3	3. Current Inventory accounts	27,520	27,520
II	Non-current Assets	2,480,518	2,468,002
23	1. Investments	68,359	68,359
25,26	2. Finance assets	12,515	-
21,24,28	3. Tangible assets	2,376,123	2,376,123
20	4. Intangible assets	23,521	23,521
III	Other assets	-	-
B	Liabilities	143,959	143,959
I	Current liabilities	143,959	143,959
Class 4	1. Accounts payable	143,959	143,959
II	Non Current Liabilities	-	-
17	1. Non current Loans	-	-
III	Other liabilities	-	-
	Net assets (A - B)	2,592,403	2,579,888
	Presented: Consolidated budget	2,508,090	2,495,575
	Carried forward results	84,313	84,313

Overview of the consolidated statement of the financial position

- On July 31, 2015 total assets and liabilities of the new municipality were 2,736,363 thousand respectively. Total assets of the municipality on July 31, 2015 increased by 8% compared to December 31, 2014.

Current assets

Current assets which have 9% of total assets are increased by 68% during the period ended as of 31 July 2015 compared to the year ended as of 31 December 2014. Among the items of current assets it is noticed an increase of 73% of cash, which affects more in the total increase of accounts receivables and the increase of the inventory respectively 85% and 9%.

Accounts Receivable

Structure of total debtors of municipality Vore consists of 40.33% of debtors of LGU Vore, 50.56 % of debtors of LGU Bërxulle 9.11 % of LGU Prezë

Non-current assets

Non-current assets which occupy the largest share of assets of the municipality Vore 91% , have increased by 5% in total, where the biggest effect in this increase, was the addition of financial assets item during 2015, and the increase of tangible assets by 3% which compose 87% of total assets.

PPE

- 68,54 of PPEs of Municipality Vore are composed by the PPEs of LGU Vore, 20.03% PPEs by LGU Bërxullë, 11.43 % by LGU Prezë.

Accounts Payable

Accounts payable have increased by 5% during the period ended July 31, 2015 compared with the previous year 2014.

- 43,64 % of the total accounts payable is composed of accounts payable of LGU Vore, 47.37% by LGU Berxulle , 8,99% by LGU Preze,

Further details on the assets and liabilities are presented in formats 1 and 2 in the appendices of this report.

Tabela 2: Summary of Consolidated Statement of Financial Performance

Amounts in thousand ALL

		In ALL '000	
Account Number	Description	2015 Period Restated	2015 Period
2	TOTAL REVENUES	348,453	348,453
	I. REVENUES AND CONTRIBUTES		
A		197,746	197,746
70,750,71	1. Tax revenues	119,318	119,318
75	3. Non tax revenues	78,428	78,428
71	II. GENERAL ACTUAL GRANTS	145,652	145,652
	IV. WORKS FOR INVESTMENTS	5,000	5,000
78	V. OTHER REVENUES	55	55
	TOTAL EXPENSES	266,619	266,619
B	I. ACTUAL EXPENSES	193,456	193,456
	1. Salaries and employees contribution	66,476	66,476
600 601	2. Goods and Services	43,803	43,803
603	4. Internal actual transfers	9,235	9,235
	6. Budget transfers for families and individuals	73,942	73,942
66	IV. OTHER EXPENSES	73,163	73,163
67	DETERMINED NET INCOME	81,834	81,834
C	From this: Functioning results	84,313	84,313
	Functioning observed grants	(2,479)	(2,479)

Overview of consolidated statement of financial performance

Sources of funds (revenues)

- During the period ended July 31, 2015 total revenue recognized by the new municipality in the consolidated statement of financial performance were 348,453 thousand lek. 57 % of the total municipality income are composed of tax and non-tax revenues, 42 % of income is from grants and 1% from other income.

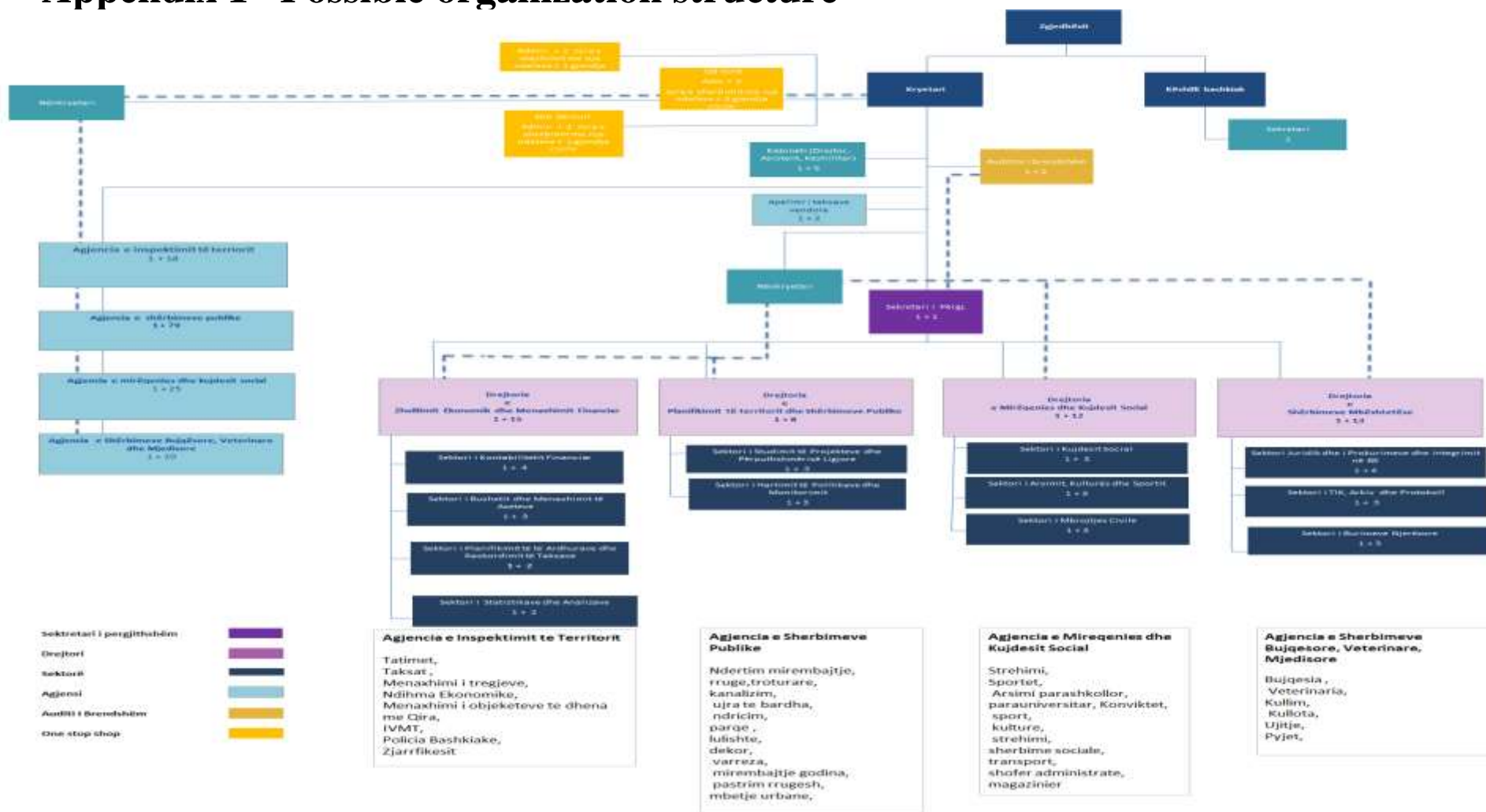
Structure of total revenues is comprised of 67,44% of the revenue generated from LGU Vore, 18,85 % by LGU Bërxullë, and 13.71% by LGU Prezë.

Uses of Funds (expenses)

- During the period ended July 31, 2015 the total expenditure recognized by the new municipality in the consolidated statement of income and expenses were 266,619 thousand Lek. 100% of the total municipal expenditure is composed of current expenditures.
- Structure of total expenditure is comprised by 59.56 % of the expenditures of LGU Vore, 20.10 % PPE by LGU Bërxulle, and 20.33 % by LGU Preze.

More details on the expenses and revenues are presented in formats 3/1 and 3/2 in the appendices of this report.

Appendix 1 –Possible organization structure



Appendix 2 – Personnel matters

Objectives of the analysis

The analysis of the personnel matters has the following objectives:

- Develop a register of the staff until the end of July 2015 containing information on the full name, place of work for each employee, function / the sector where each employee is assigned, the date of commencement of work in the LGU, type of employment, education and training.
- Presentation of a summarized description of the personnel data based on the appropriate legal framework as follows:
 - Labour Code Articles 105 a/2, 107, 140, 143, 144, 145, 147, 148
 - Law no.152/2013, dated 30.05.2013 “On Civil Servants” as amended, Articles 50/1/6 and 7
 - DCM No.118, dated 05.03.2014 “On the appointment, recruitment, management and termination of civil service relationship of civil servants in senior management and members of the TND”
 - DCM No.243, dated 18.03.2015 “On admission, lateral, probation period and appointing the executive category”
- Observations and recommendations on personnel transfer and training in the context of the merge and reorganization of the Municipality.

Summarized description of the information received

- According to the information received, until the date of constitution of the municipality, the total number of personnel, excluding Mayors and employees of the Register Office, is 1057 employees. More detailed: 105 persons working under employment contracts of one year, 849 persons working under labor contracts expired, (N/A) maternity leave. The latter under the Labour Code are considered a protected class.
- Personnel register is presented in Annex 2 – Personnel register.

Observations and recommendations

Personnel matters

Observations	Recommendations
<p>The transfer of the staff</p> <ul style="list-style-type: none"> As a result of the amalgamation process, in accordance with Decision no. 510, dated 06.10.2015 of labor relations existing between the merged entity (LGUs) and their employees will be transferred to the Municipality of Vore. It is worth mentioning that the Municipality Vore, before the amalgamation process, is considered as one of the merged units. An employee has a fixed-term employment contract (1 year term). However, the employee, according to the report, has begun the employment relationship on 01.01.2006. 	<ul style="list-style-type: none"> In accordance with the provisions of the Labour Code, the employment contract is signed for a fixed period is justified by objective reasons related to the temporary nature of the assignment, in which the employee will be hired. If the duration is not determined accurately by the parties entering into the contract, it is treated as a contract of indefinite period. Also, fixed-term contracts expire at the end of the prescribed period, without prior solution. However, after the expiration of contracts, it is silently extended beyond this limit, it is considered as a contract of indefinite duration, it is recommended that the case be seen whether the applicable provisions for the settlement of an employment contract with indefinite term. Civil servants whose position no longer exists, according to Law no. 152/2013, "On the civil servant", as amended, due to the closure or restructuring of the institution, will be transferred to another position in the civil service of the same category. The transfer must be carried out under the provisions of the law on civil servants. Related to civil servants who are on probation, the institution must take a decision for the confirmation, extension of the probationary period or non-confirmation of participation. The municipality must ensure the creation of personnel files for each of the transferred employees. Personnel files should be individual and include evidence of technical, professional character, disciplinary measures, data for the periodic assessment of individual results, and other data required for proper management of human resources It is recommended that the Municipality should take any necessary measure to enable decision making on time of the Municipality Council and the Mayor on the number, salaries and bonuses as well as the organizational structure of the new Municipality.

Observations	Recommendations
Termination of working relationship	
<ul style="list-style-type: none"> The reorganization may bring the necessity of termination of the employment relationship for some of the Municipality employees. 	<ul style="list-style-type: none"> It is recommended to keep in mind that the legale basis for the termination of working relationships is different depending on the category of employees and respectively: <ul style="list-style-type: none"> <i>Political functionaries.</i> Political functionaries of a Municipality are the deputy mayors, administrators and the employees of the mayor’s cabinet. This category does not benefit from any special protection by law and therefore no special procedures are implemented for the termination of the employment relations. <i>Employees with working contract.</i> Termination of employment for this category is performed by applying Articles 143 and following of the Labor Code. Especially by considering the compliance with procedures and terms of the termination of employment contract. It should be kept in mind that the employment relationship lasts and the employee should be charged with duties until the end of the notice period, which is different depending on seniority. <i>Civil Servants.</i> Exemption from civil service is performed only in cases provided by law for civil service. In case of transfer of civil servants should be aware that a civil servant may be exempted from service if unjustifiably refuses the transfer
Improvement of organizational structure	
<ul style="list-style-type: none"> Organizational structures of local government units do not stipulate the position of General Secretary. 	<ul style="list-style-type: none"> It is recommended that a new organizational structure should have a highest reporting line of civil servants, the position of the General Secretary. The General Secretary is responsible for the formulation and monitoring of policies and horizontal functions / support to these policies, and serves not only to guarantee the legality of the activity of civil servants but also serves as a filter to political pressure elected / nominated to the administration civil local government unit.

Appendix 3 –Information Technology

Objectives of the analysis

Assessing the status of information technology has the following objectives:

- The stocktaking of IT business systems, equipment, licenses and other agreements and contracts including IT services;
- Evaluation of IT equipment maintenance;
- Assessment of the actual information security practices, procedures for the recovery and storage of data in case of loss based on the information received until the end of 2015.

Summarized description of received information

Use of information technology is limited to the use of personal computers and printers. Available programs are mainly those of Microsoft Windows and Office package that does not exist despite regular license for their use. There are no internal networks or e-mail standard and the majority of employees who have access to use their e-mail private. There is no maintenance contract and just one employee is specializing in Information Technology in the three local government units.

- Consolidated information about the IT environment is presented in Table 9 – IT environment, below

Table 9: IT environment

Objective	Vorë	Bërxullë	Prezë
Installed Software	Microsoft Windows Microsoft Office	Microsoft Windows Microsoft Office	Microsoft Windows Microsoft Office Autocad
Contracts of licences	No	No	No
Hardware (in useage)	50	32	32
Computer (desktop)	12	11	10
Printers	5	3	9
Servers	0	0	0
IT staff in total	1	0	0
Hardware and Software maintenance	No maintenance contracts	No maintenance contracts	No maintenance contracts

Observations and Recommendations

IT environment

Observations	Recommendations
Lack of policies and systems	
<ul style="list-style-type: none"> Computers are not managed through a centralized and standardized system that automates network management of user account data and security requirements. As such, the implementation of safety policies and access management is not implemented. 	<ul style="list-style-type: none"> The municipality may consider adopting clear regulations on information security and implement the necessary systems for managing and storing information users.
Lack of hardware devices	
<ul style="list-style-type: none"> The level of availability of hardware equipment is the very minimum possible. Not all employees have access to a personal computer and further more existing devices provide a variety of brands and models. Lack servers and back-up mechanisms for information. 	<ul style="list-style-type: none"> The municipality may consider unifying the types of hardware devices currently used . This would also help in ensuring their maintenance by specialized companies.

Appendix 4 – Communication

Objectives of the analysis

Assessing the status of the communication system has the following objectives:

- Stocktaking of telephony and Internet deals
- Understand the methods of internal communication, verbal or written applied for circulating memos protocol, issuing regulations, orders the mayor and departameneteve and communication between different sectors;

Summarized description of the information received

- None of the local government units under consideration does not receive fixed telephone service regardless of the area where these units are not considered deep or isolated. All three units have Internet service by national and local operators and despite this fact, the primary means of internal communications remain either the information conveyed orally or circulation of memos or other written documents.
- Consolidated information about the communication systems is presented in Table 10 – Communication systems.

Communication	
Observations	Recommendations
Lack of electronic means of communication	
<ul style="list-style-type: none"> Despite that the administrative units have internet access, none of them has an internal electronic communication system. 	<ul style="list-style-type: none"> The municipality may consider creating and managing an internal structure of electronic mail by training for this purpose all employees that create, store and share information. Alternatively, since there is not lack of access to the internet there can be considered the use of existing electronic platforms, with or without payment, always by setting clear rules on the type of information that can be charged or circulate on these platforms.
Lack of telephone service <ul style="list-style-type: none"> Local government units under survey does not receive the fixed telephone service. 	<ul style="list-style-type: none"> The municipality may consider entering into a contract with a fixed telephony operator, national or local one. This opportunity will also allow that with a minimum investment another internal phone system could be built that can help to improve information flow and eventually reduce communication costs.

Observations and recommendations

Table 10: Communication System

Objectives	Vorë	Bërxullë	Prezë
Telephony service	Mobile	Mobile	Mobile
Telephony/service providers	N/A	N/A	N/A
Internet service	National service provider	Local service provider	National service provider
Assess coverage of the telephony service	N/A	N/A	N/A
Internal communication lines	Verbal/written	Verbal/written	Verbal/written

Appendix 5 – Archives

Objectives of the analysis

The analysis of the database has the following main objectives:

- The analysis of the actual archive practices until the end of 2014 based on the legal and technical requirements provided by the following legal framework applicable to archives:

Law nr.9154, dated 06.11.2003 "On Archives" and

Professional and technical rates and methodological archival service in the Republic of Albania (Archiving methodology);

- The preparation of a checklist for compliance with technical requirements for archive environments and requirements of methodology documentation;

- Provision of observations and recommendations regarding the archive within the union based on information received by the end of the year (year under review);

In all three former local government units there was a responsible employee for the archives. At LGU Vore he was part of human resources department, in LGU Prezë was part of the administration office while in LGU Bërshullë the employee responsible of the archive exercised the duties of secretary and storekeeper.

- It turns out that all former local government units, technical and methodological requirements of preservation, creation and management of archive were only partially fulfilled.

Consolidated information about the archive and compliance practices Methodology Archiving is presented in Table 11 - List of consolidated control technical requirements below.

Technical requirements for practices in the premises of archives and record-keeping methodology	LGU Vore	LGU Berxulle	LGU Preze
Fire protection, shells protection from sun, dust and any other physical and biological agents	Yes	Yes	Yes
Secured doors and windows with a metallic net and automatic door closure	No	No	No
Cardboard folders for putting the documents, placed in metalik shells and painted against rust	Yes	Yes	Yes
Vertically oriented shells to the windows with a distance 40-60 cm from the wall	Yes, but with no distance from the wall	Yes, but with no distance from the wall	Yes, but with no distance from the wall
Presence of heaters or any other item that can cause fire present in the archive premise	Lack of heaters in the archive environment	No	No
Records on physical control of the archive kept from the secretary of the archive	No	No	No
Archive keys in two copies	No	No	No
One copy of th e key closed in an envelope, preserved from the LGU Mayor or the Deputy in charge of the archive service. Other copy kept in accordance with the rules applicable for other keys of other sectors in LGU.	No	No	No
Safes, cup-boards, doors of the secretary and the archive ensured and stamped after the official working timetable.	No	No	No
Docunents structured as per organizational structure of the public institution (e.g when the public institution has a hierarchyof organizational structure).	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	LGU Vore	LGU Berxulle	LGU Preze
<p>According to this scheme, all the documents that are found in the archive:</p> <p>Firstly are classified (grouped) by year</p> <p>Then, are classified based on structures (i.e directorates, departments, branche, etc.)</p> <p>Note: When the organization has a two-tier structure (example: directorate and branches), documents are grouped under this approach with 2 levels, and then create folders. Creation of folders should consider documents containing information which refers to more than one department.</p>			
<p>Files containing information to be stored up to 10 years, have no need for internal restructuring, but the number of pages contained in documents written in their cap.</p>	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>
<p>Cover file (Module 6), clearly marked and grammar:</p> <ul style="list-style-type: none"> - Full name of the state entity - no state - Department or branch that operates - The level of classification (if the document is of this type) - The file contains an identification number, year - Full title of the file - The period that the document should save (protect) - Date of completion of conservation - The amount of documents that are stored in files - Inventory identification number on file - The period of use 	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>

Technical requirements for practices in the premises of archives and record-keeping methodology	LGU Vore	LGU Berxulle	LGU Preze
Based on a) "the list of models of documents on storage" and b) "the list of models on documents of histoREcal importance, national", which are published by the General Directorate, the State Commission and non-state experts, to be built a concrete list of their documents. This list should reflect those documents that are of histoREcal importance, national and documentation retention peREod. Also, the committee of experts should determine the peREod of preservation of these documents (by module 11).	Yes	Yes	Yes
The emblem of the Republic	Yes	Yes	Yes
At the head of the document should be written "Republic of Albania"	Yes	Yes	Yes
Title of the institution and structures belonging to the institution	Yes	Yes	Yes
Number of documents attached	Yes	Yes	Yes
The content of the document	Yes	Yes	Yes
Name, surname and signature of the person who signed the document and stamp	Yes	Yes	Yes
Signature of the director of the institution	Yes	Yes	Yes
Date and number of protocol	Yes	Yes	Yes
Mod 1 - Correspondence model	Yes	Yes	Yes
Mod 3 - Serial Number of Correspondence	Yes	Yes	Yes
Mod 4. -The Book Delivery	Yes	Yes	Yes
Mod 4/1. -The Book of shipments of documents from archives in sectors secretariat and vice versa	Yes	Yes	Yes

Technical requirements for practices in the premises of archives and record-keeping methodology	LGU Vore	LGU Berxulle	LGU Preze
Mod 5 - Table definitions of files for the year	Yes	Yes	Yes
Mod 6 - Elements of cover dossier	Yes	Yes	Yes
Mod 7 - Register of files	Yes	Yes	Yes
Mod 8 - Internal File register	Yes	Yes	Yes
Mod 9 - Decision of the Commission of Experts	Yes	Yes	Yes
Mod 10 - Compilation of the list of documents that set aside	Yes	Yes	Yes
Mod 11 - The period laid down for storage (protection)	Yes	Yes	Yes
Mod 12 - Destruction of documents containing any further value	Yes	Yes	Yes

Observations and Recommendations

Archive

Observations	Recommendations
Centralization of archive	
<ul style="list-style-type: none"> The archive volume is expected to increase from the documents received from the previous local government units. Consequently reorganization of the new Municipality archive and its maintenance can be difficult.. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.
Lack of technical requirements in the archive management	
<ul style="list-style-type: none"> In the previous administrative units there have been noticed technical deficiencies in the storage of archived documents, missing security doors and windows, missing duplicates of keys and the safes or even the archive doors itself are not secured and sealed after the end of working hours. 	<ul style="list-style-type: none"> The new municipality may consider taking measures to ensure new facilities or expand the existing ones.

Appendix 6 – Assets Management System

Objectives of the analysis

Analysis of asset management has the following main objectives:

- Analysing the status of assets management based on the legal and technical requirements provided by the following legal framework applicable to asset management:
 - Law nr.10296, dated 08.07.2010 "On Financial Management and Control" and
 - Decree of the Minister of Finance no. 30, dated 27.12.2011 "For the management of public sector assets" of change;
- Prepare a checklist related to compliance with the legal framework of asset management based on the information received until the end of 2014;
- Provision of observations and recommendations regarding the management of assets within the union based on information received by the end of the year (year under review);

Summarized description of the information received

- In all existing LGUs, The LGU Mayor is the authorizing officer for asset management, but it does not specify who was the principal enforcer, simply confirmed the existence of this clerk.
- Only former local government unit Vora, had approved plans, objectives and control mechanisms and risk management unit and again only keep a record of companies owned and a register of concessions and Contract.
- In all three former local government units inventory of assets and annual basis carried over and the three former local government units were set up committees to inventory valuation and disposal of assets.Consolidated information regarding compliance with the requirements for the Asset Management is presented in Table 12 - List of consolidated control applications for Assets Management below.

Table 12: List of consolidated control applications for Assets Management

ASSET MANAGEMENT	LGU Vore	LGU Berxulle	LGU Preze
Adopted rules and procedures on asset management	Yes	No	No
Authorizing Officer	Mayor	Mayor	Mayor
Executing Officer	Yes	Yes	Yes
Adopted plan, objectives and control mechanisms related Risk	Yes	No	No
Asset Accounting Register	Yes	Yes	Yes
Leased Properties Register	Yes	Yes	Yes
Owned Companies Register	Yes	Jo	Jo
Annual Assets Inventory	Yes	Jo	Jo
Assets Inventory Committee	Yes	Yes	Yes
Assets Evaluation Committee	Yes	Yes	Yes
Assets DisYessal Committee	Yes	Yes	Yes
Committee of disYessal of assets	Yes	Yes	Yes

Observations and Recommendations

Asset Management

Observations	Recommendations
Asset management – lack of registers	
<ul style="list-style-type: none">• Not all administrative units have kept records of leased properties, owned companies or concessions or enphyteosis contracts with third parties.	<ul style="list-style-type: none">• Such records must be kept in accordance with the requirements of Instruction No. 30, dated 27.12.2011, "On the management of assets in the public sector". In this way it will ensure the provision of accurate information, the New Municipality, on the assets of the existing LGU, and to enable proper management of assets and in accordance with the legal framework in force.

Appendix 7 – Investment Projects

Based on the inventory of investment projects for each municipality / administrative unit it is prepared a consolidated table on which appear all investment projects that will be transferred to the Municipality as a result of the merger. Please refer to Table 13 investment projects below.

Investment Projects

Project Title	Current status of project implementation	Actual cost in ALL	Approved total estimated funding required for the investment in ALL
Reconstruction, paving of village roads Gjokaj, Gjokajve Zalli road, forest road Balliut, Shehelerve Street, Street field.	The contract signed with the contractor and is implemented	29,226,073	29,226,073
Improvement - road pavement of Independence, the village Shargë, Vora municipality.	The contract signed with the contractor and is implemented	38,587,180	38,587,180
Improvement - Wattle Hill road pavement Vore, Vore Hall (opposite the municipal building Vore).	The contract signed with the contractor and is implemented	9,905,856	9,905,856
Improvement - Allcaushaj asphalt road, village Marikaj, Vore Municipality.	The contract signed with the contractor and is implemented	15,819,742	15,819,742
Improvement - Toptanëve asphalt road, village Marikaj, Vora municipality.	The contract signed with the contractor and is implemented	9,626,316	9,626,316
Improvement - Hill Xhirajve asphalt road, village Marqinet, Vora municipality.	The contract signed with the contractor and is implemented	10,620,618	10,620,618
Improvement - asphalt road Vora Union, Vora municipality. Relevance of the Beautiful Hill Road Sports Field Road.	The contract signed with the contractor and is implemented	9,358,725	9,358,725
Improvement - paving of two road segments Renaissance village Marqinet (2), section 1 and 2, Vora municipality.	The contract signed with the contractor and is implemented	10,968,955	10,968,955
There is no investment project			
There is no investment project			

Appendix 8 – Legal Issues

Public Service Arrangements

Consolidated information for public service contracts that will be transferred to the Municipality in the context of the merge, is presented in Appendix 3- contracts public services, in a secure CD based on an inventory of public service contracts for every ex-municipality / administrative unit.

Legal Proceedings

Consolidated information on litigations that will be transferred to the Municipality in the context of the merge, is presented in Annex 4- Litigation, on a CD provided, based on the inventory of litigation of any ex-municipality / administrative unit.

Third party contracts

Consolidated information on third party contracts that will be transferred to the Municipality in the context of the merge, is presented in Annex 5- third party contracts in a secure CD based on the inventory of third party contracts of any ex-municipality / administrative unit.

Appendix 9 – Consolidated Financial Statements Template

Template 1: Balance Sheet-Statement of assets

Statement of assets has been prepared on accrual basis and includes short and long term assets; cash balances on hand and amounts to be collected.
(Amount in ALL'000, Unless otherwise stated)

No.	Account Number	Assets	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	12	Brought forward results		-	-	-
2	A	Non Current Assets		2,480,518	2,468,002	2,373,681
3		I. Intangible Assets		25,255	25,255	22,491
4	201	Amounts to be remitted and loan reimbursements		-	-	-
5	202	Studies and research	F6, Sh1	23,521	23,521	20,757
6	203	Concessions, license, other similar licenses		-	-	-
7	209	Amortization of current intangible assets (-)	F7, Sh1	-	-	-
8	230	Expenses for increase of current intangible assets		1,734	1,734	1,734
9		II. Tangible Assets		2,442,748	2,442,748	2,351,190
10	210	Land		99,385	99,385	99,211
11	211	Forests, Pasture, Plantation	F6, Sh1	45,965	45,965	19,220
12	212	Building and Constructions	F6, Sh1	443,714	443,714	419,701
13	213	Roads, networks, water facilities	F6, Sh1	2,306,551	2,306,551	2,275,988
14	214	Technical installment, machinery, equipment, working tools	F6, Sh1	29,159	29,159	28,856
15	215	TransYesrt vehicles	F6, Sh1	32,532	32,532	32,532
16	216	Government reserve		-	-	-
17	217	Working and production animals		-	-	-
18	218	Economic Inventory	F6, Sh1	46,025	46,025	40,089
19	219	Depreciation of tangible assets	F7, Sh1	(627,209)	(627,209)	(603,876)
20	231	Expenses in process for increase of current tangible assets	F4	66,625	66,625	39,469
21	232	Expenses in process for capital transfers		-	-	-
22	24	Damaged current tangible assets		-	-	-
23	28	Assignments		-	-	-
24	25	III. Financial Assets		12,515	-	-
25	25	Loan and sub-loans		-	-	-

			In ALL '000			
No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
26	26	Participation with own capital		12,515	-	-
27	B	CURRENT ASSETS		255,845	255,845	152,298
28	Class 3	I. Inventory Status		27,520	27,520	25,355
29	31	Materials	Sh2	3,860	3,860	2,071
30	32	Inventory Objects	Sh2	23,660	23,660	23,285
31	33	Production, work and services in process		-	-	-
32	34	Products		-	-	-
33	35	Goods		-	-	-
34	36	Animals fattening		-	-	-
35	37	Undelivered items or close to third party		-	-	-
36	38	Differences from warehouse prices		-	-	-
37	39	Forecasted amounts for inventory depreciation (-)		-	-	-
38	Class 4	II. Request for receivables		129,188	129,188	69,693
39	409	Suppliers, prepayments or partial payment		-	-	-
40	411-418	Similar clients or accounts		-	-	-
41	423	Employees, prepayment, deficits and penalties	Sh3	684	684	918
42	431	Rights and taxes to deYessit to government		-	-	-
43	432	Taxes collected from central government for the Local Government		-	-	-
44	433	Expenses for natural disaster covered from the government		-	-	-
45	4342	Other operations with the government (debtor)		76,713	76,713	37,154
46	435	Social Insurance		-	-	-
47	436	Health Insurance		-	-	-
48	437	Other social organizations		-	-	-
49	44	Other public institutions		-	-	-
50	45	Relationships with institutions in and outside the system		-	-	-
51	465	Receivables from selling of bonds		-	-	-
52	468	Different Debtors	Sh4	51,792	51,792	31,621
53	49	Forecasted amounts for depreciation (-)		-	-	-
54	51	III. Financial accounts		99,137	99,137	57,249
55	50	Securities		-	-	-
56	511	Amounts to receive		18	18	-
57	512	Bank		-	-	-

			In ALL '000			
No.	Account Number	Assets	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
58	520	Treasury funds	Sh5	99,119	99,119	57,249
59	531	Petty-cash		-	-	-
60	532	Other amounts		-	-	-
61	54	Recognized and prepayments		-	-	-
62	56	Accounts in Lending Institutions		-	-	-
63	59	Devaluation provisions on securities (-)		-	-	-
64	C	Other Assets		-	-	-
65	477	Assets conversion differences		-	-	-
66	481	Expenses to distribute in several exercises		-	-	-
67	486	Expenses in the future		-	-	-
68	85	EXERCISE RESULTS (saldo debitore)		-	-	-
69	X	ASSETS TOTAL		2,736,363	2,723,848	2,525,979
70	81	ACCOUNTS OUT OF BALANCE SHEET		-	-	-
71	80,81	Active evidences		-	-	-

Template 2: Bilanci – Balance Sheet - Statement of fund and liabilities

Funds and Liability Statement has been prepared on accrual basis and presents its own funds and obligations of Municipality.

(Amount in ALL '000, unless otherwise stated)

No.	Account Number	Liabilities	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	A	OWN FUNDS		2,508,090	2,495,575	2,398,832
2	10	I. Own funds		2,506,638	2,494,122	2,398,832
3	101	Base funds	F8	2,440,013	2,427,498	2,359,363
4	105	Capital internal grants		66,625	66,625	39,469
5	106	Capital foreigner grants		-	-	-
6	107	Current assets in use		-	-	-
7	109	Reserves from revaluation of current assets		-	-	-
8	11	II. Other own funds		-	-	-
9	111	Reserve funds		-	-	-
10	115	Assignments from the year results for investments		-	-	-
11	116	Revenues from selling of current assets		-	-	-
12	12	III. Carried result		1,453	1,453	-
13	13	IV. Exceptional subsidiaries (-)		-	-	-
14	14	V. Participation of the institution in investing for third parties		-	-	-
15	15	VI. Forecasted amounts for disasters and expenses		-	-	-
16	B	LIABILITIES		143,959	143,959	79,501
17		I. Long-term debts		-	-	-
18	16	Internal borrowing and similar		-	-	-
19	17	Borrowing out of the country		-	-	-
20	Class 4	II. Short term liabilities		143,959	143,959	79,501
21	419	Clients (Creditors), partial prepayment		-	-	-
22	401-408	Suppliers and related accounts	Sh6	64,966	64,966	24,036
23	42	Employees and related accounts		10,817	10,817	9,873
24	431	Liabilities to government for taxes		200	200	467
25	432	Taxes collected from government for the local government		7	7	-
26	433	Government natural disaster		-	-	-
27	4341	Te tjera operacione me shtetin(kreditor)		52,475	52,475	32,539
28	435	Social Insurance		1,931	1,931	2,610

			In ALL '000			
No.	Account Number	Liabilities	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
29	436	Health Insurance		193	193	373
30	437	Other social organizations		-	-	-
31	44	Other public institutions		-	-	-
32	45	Relationships with institutions in and outside the system		-	-	-
33	460	Borrower		-	-	-
34	464	Liabilities for bond purchasing		18	18	-
35	466	Creditors for assets under guard	Sh5	13,353	13,353	9,603
36	467	Other creditors		-	-	-
37	C	OTHER ACCOUNTS		-	-	-
38	475	Incomes to register in the coming years		-	-	-
39	478	Passive converting differences		-	-	-
40	480	Incomes to classify or adjust		-	-	-
41	487	Incomes received before title exYessure		-	-	-
42	85	Result (credit amount)		84,313	84,313	47,646
43	X	TOTAL LIABILITY		2,736,363	2,723,848	2,525,979
44	81	ACCOUNTS OUT OF BALANCE SHEET		-	-	-
45	80,81	Passive evidences		-	-	-

Template 3-1: Statement of expenses

Statement of expenditure was prepared on accrual basis, as required by law no. 9936 on the "Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Expenses	Notes	In ALL '000		
				As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 6	A. Expenses for exploitation/usage		191,291	191,291	350,978
2	60	I. Current expenses		193,456	193,456	352,399
3	600	Salaries, bonuses		57,857	57,857	93,039
4	6001	Salaries		57,857	57,857	93,039
5	6002	TemYesrary salaries		-	-	-
6	6003	Bonuses		-	-	-
7	6009	Other personal expenses		-	-	-
8	601	Health and social insurance contributions		8,619	8,619	14,909
9	6010	Insurance contributions		8,266	8,266	14,210
10	6011	Health insurance		353	353	699
11	602	Other goods and services		43,803	43,803	101,928
12	6020	Stationary		8,723	8,723	21,513
13	6021	Special services		7,623	7,623	3,245
14	6022	Services from third party		16,657	16,657	17,688
15	6023	TransYesrt expenses		3,551	3,551	5,616
16	6024	Travel expense		-	-	-
17	6025	Ordinary maintenance expenses		368	368	25,494
18	6026	Rent expenses		1,810	1,810	1,323
19	6027	Expenses for legal liability for compensation		-	-	-
20	6028	Borrowing costs related to loans		-	-	-
21	6029	Other operating expenses		5,073	5,073	27,050
22	603	Subsidies		-	-	1,000
23	6030	Subsidies for price differences		-	-	-
24	6031	Subsidies to promote employment		-	-	-
25	6032	Subsidies to cover loss		-	-	-
26	6033	Subsidies for entrepreneurship		-	-	-

				In ALL '000		
No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
27	6039	Other subsidies		-	-	1,000
28	604	Current internal transfers		9,235	9,235	7,959
29	6040	Current transfers to other government levels		9,224	9,224	7,959
30	6041	Current transfers to various government institutions		10	10	-
31	6042	Current transfers for social and health insurance		-	-	-
32	6044	Current transfers for not for profit organizations		-	-	-
33	605	Current transfers with outsiders		-	-	-
34	6051	Transfers for IOS		-	-	-
35	6052	Transfers for foreign governments		-	-	-
36	6053	Transfers for non not-for profit organizations		-	-	-
37	6059	Other current transfers with foreign governments		-	-	-
38	606	Transfers family budges and other individuals		73,942	73,942	133,564
39	6060	Transfers paid from ISS and HII		14,312	14,312	22,051
40	6061	Transfers paid from other institutions and Local government		59,630	59,630	111,514
41	63	II. Change in inventory balances	F1	(2,165)	(2,165)	(1,421)
42	68	III. Depreciation rates and expected balances		-	-	-
43	681	Amortization rates on exploitation		-	-	-
44	682	Residual value on fixed assets, damaged or disYessed		-	-	-
45	683	Amounts provided for exploitations		-	-	-
46	686	Amounts provided for finance assets		-	-	-
47	65, 66	B. Finance expenses		-	-	-
48	65	I. Internal finance expenses		-	-	-
49	650	Bond interest rates and direct loans		-	-	-
50	651	Borrowing costs related to loans		-	-	-
51	652	Other interest on government securities		-	-	-
52	656	Foreign exchange expenses		-	-	-
53	66	II. External finance expenses		-	-	-
54	660	Interest on loans from Foreign Governments		-	-	-
55	661	Interest on financing from international organizations		-	-	-
56	662	Interest on other foreign loans		-	-	-
57	67	C. Extraordinary Expenses		-	-	-

				In ALL '000		
No.	Account Number	Description of Expenses	Notes	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
58	677	Losses from allowed errors from previous years		-	-	-
59	678	Other Extraordinary expenses		-	-	-
60	Class 6	TOTAL EXPENSES		191,291	191,291	350,978
61		D. RESULT CORRECTIONS ACTIVITES		75,328	75,328	125,467
62	828	Names of cancelled revenues		114	114	4,338
63	831	Determination of revenues for investments		36,935	36,935	119,835
64	8420	Revenues deYessited in the budget		-	-	78
65	8421	DeYessit in the budget of unused revenues		391	391	197
66	8422	Transfers of revenues within the system		13,440	13,440	-
67	8423	Transfers for changes in situation		2,468	2,468	8
68	8424	Transfers for identified debtors and similar items		21,982	21,982	1,011
69	Class 6 & 8	TOTAL FROM OPERATIONS		266,619	266,619	476,445
70	85	RESULTS FROM FUNCTIONING		84,313	84,313	47,646
71	X	TOTAL		350,932	350,932	524,091

Template 3-2: Statement of revenues

Income Statement is prepared on cash basis, as required tnga Law no. 9936 on 'Management of the budgetary system in the Republic of Albania.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description of Revenues	In ALL '000		
			As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
1	Class 7	A. REVENUES	348,398	348,398	522,678
2	70	I. TAX INCOMES	119,318	119,318	159,574
3	700	a) On revenues, profit, and equity revenue	3,695	3,695	8,825
4	7000	Personal income tax	-	-	-
5	7001	Income tax	1,026	1,026	449
6	7002	Small business tax	2,669	2,669	8,376
7	7009	Other tax	-	-	-
8	702	b) Property tax	66,303	66,303	80,458
9	7020	On immovable property	63,758	63,758	72,804
10	7021	Sales of immovable property	2,545	2,545	7,013
11	7029	Other on property	-	-	641
12	703	c) Tax uYesn goods and services in the country	49,321	49,321	67,486
13	7030	VAT	-	-	-
14	7031	Special taxes	-	-	-
15	7032	Tax uYesn specific services	-	-	-
16	7033	Tax uYesn goods usage and activity permission	-	-	-
17	7035	Local tax on goods usage and activity permission	49,321	49,321	67,486
18	704	d) Tax uYesn commercial and international transactions	-	-	2,806
19	7040	Duties on imYesrt goods	-	-	-
20	7041	Duties on exYesrt goods	-	-	-
21	7042	Custom tariff and Yesst service	-	-	-
22	7049	Other tax uYesn international commercial transYesrt	-	-	2,806
23	705	e) Road tax	-	-	-
24	708	f) Other national tax	-	-	-
25	709	g) Penalty interest	-	-	-
26	75	II. SOCIAL AND HEALTH INSURANCE	-	-	-
27	750	From employee's	-	-	-

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
28	751	From employer	-	-	-
29	752	From self employees	-	-	-
30	753	From farmers	-	-	-
31	754	From volunteer insurance	-	-	-
32	755	Budget contribution for Social Insurance	-	-	-
33	756	Budget contribution for Health Insurance	-	-	-
34	71	III. NON TAX REVENUES	78,428	78,428	97,183
35	710	a) From enterprise and ownership	1,744	1,744	1,648
36	7100	From public non financial enterprise	-	-	-
37	7101	From public financial enterprise	-	-	-
38	7109	Others from enterprise and ownership	1,744	1,744	1,648
39	711	b) Administrative service and secondary revenues	53,358	53,358	49,875
40	7110	Administrative tariffs and regulations	20,372	20,372	22,952
41	7111	Administrative tariffs and regulations	1,454	1,454	2,830
42	7112	Secondary revenues and payments of services	-	-	-
43	7113	Tax for legal actions and notary	7,045	7,045	20,591
44	7114	From goods and services sales	-	-	-
45	7115	Revenues from tickets	24,087	24,087	402
46	7116	Fines and late-fees, sequestration and compensation	400	400	3,100
47	719	Revenues from ownership transfer, legalization of buildings without permits	23,327	23,327	45,660
48	72	c) Other non tax revenues	145,652	145,652	252,302
49	720	IV. ACTUAL GRANTS (a+b)	145,652	145,652	252,302
50	7200	a) Internal actual grant	16,075	16,075	110,325
51	7200	From same Government level	79,037	79,037	70,859
52	7201	From other Government levels	15,997	15,997	30,758
53	7202	From budget for special payments to Social Institute	-	-	-
54	7203	From budget to cover the deficit of Social Institute and Healthcare Institute	-	-	-
55	7204	Participation of institution in national taxes	12,483	12,483	10,136
56	7205	Additional finances created within the system	21,979	21,979	29,614
56	7206	Expected financing from budget	-	-	-

			In ALL '000		
No.	Account Number	Description of Revenues	As at 31 July 2015, Restated	As at 31 July 2015	As at 31 Dec. 2014
57	7207	Third party sYesnsorship	81	81	610
58	7209	Other internal grants	-	-	-
59	721	b) External actual grants	-	-	-
60	7210	From foreigner Governments	-	-	-
61	7211	From international organizations	-	-	-
62	73	V. CHANGES IN PRODCUTS BALANCE	5,000	5,000	13,618
63	78	VI. WORK INVESTMENTS AND RETAKINGS	-	-	-
64	781	Works, investments in economy	-	-	-
65	782	Forecasted retakings for liquid assets	-	-	-
66	783	Forecasted retakings for fixed assets	-	-	-
67	784	Prepayment of expenses in the years to come	-	-	-
68	785	Use of funds of the year to come	5,000	5,000	13,618
69	787	Withdraw from investments	-	-	-
70	76	B. FINANCIAL INCOMES	-	-	-
71	760	From internal borrowing interests	-	-	-
72	761	From external borrowing interests	-	-	-
73	765	Incomes from deYessits interests	-	-	-
74	766	Revenues from exchange rates	-	-	-
75	77	C. EXTRAORDINARY REVENUES	-	-	-
76	773	From closed activities and changes in strategy	-	-	-
77	777	From mistakes allowed in previous exercise	-	-	-
78	778	Correction from previous year	-	-	-
79	779	Other revenues	348,398	348,398	522,678
80	Class 7	TOTAL INCOMES	55	55	1,413
81	83	D. RESULT CORRECTIONS ACTIVITES	-	-	-
82	829	Canceled or under written expense order	55	55	1,413
83	841	Status change transfer	348,453	348,453	524,091
84	Class 7 & 8	TOTAL FROM OPERATIONS	348,453	348,453	524,091
85	85	RESULTS FROM FUNCTIONING	-	-	-
86	X	TOTAL	348,453	348,453	524,091

Template 4: Funds and expenses related to investments

Financing costs associated with the investments represents all capital assets under construction that are not yet completed and not yet transferred to fixed assets.

(Amount in ALL '000, Unless otherwise stated)

No.	Account Number	Description	In ALL '000			
			Opening Balance, 1 January 2015	Transactions during the Year		Closing Balance, 31 July 2015
				Debit	Credit	
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
1	I	SOURCE OF FUNDS	39,469	43,819	79,293	74,943
2	105	Internal capital grants	39,469	11,949	47,423	74,943
3	1050	From the same government level	39,469	11,759	38,915	66,625
4	1051	From other Government levels	-	-	8,318	8,318
5	1052	Third parties contribution for investments	-	-	-	-
6	1059	Internal grants in nature	-	191	191	-
7	106	Foreigner Capital grants	-	-	-	-
8	1060	From foreigner governments	-	-	-	-
9	1061	From international institutions	-	-	-	-
10	1069	Foreigner grants in nature	-	-	-	-
11	14	Capital grants for investments to third parties	-	-	-	-
12	145	Internal grants, participation capital in investments for third parties	-	-	-	-
13	146	Foreigner grants, participation capital in investments for third parties	-	-	-	-
14	11	Other own funds	-	31,870	31,870	-
15	111	Reserve funds	-	-	-	-
16	115	Fund allocation for investments from result of the year	-	31,870	31,870	-
17	116	Revenues from tangible assets sales	-	-	-	-
18	12	Carried result	-	-	-	-
19	16	Internal borrowing and similar	-	-	-	-
20	160	Bonds and direct credit (entry)	-	-	-	-
21	161	Other internal borrowing (entry)	-	-	-	-
22	162	Borrowing through securities (entry)	-	-	-	-
23	165	Bonds and direct credit (outing)	-	-	-	-

No.	Account Number	Description	In ALL '000			
			Opening Balance, 1 January 2015	Transactions during the Year		Closing Balance, 31 July 2015
<i>a</i>			<i>c</i>	<i>Debit</i> <i>d</i>	<i>Credit</i> <i>e</i>	<i>f</i>
24	166	Other internal borrowing (outing)	-	-	-	-
25	167	Borrowing through securities (outing)	-	-	-	-
26	17	Borrowing from foreigner Governments	-	-	-	-
27	170	Borrowing from foreigner governments (entry)	-	-	-	-
28	171	Borrowing from international institutions (entry)	-	-	-	-
29	172	Other borrowings (entry)	-	-	-	-
30	175	Borrowing from foreigner Governments (outing)	-	-	-	-
31	176	Borrowing from international institutions (outing)	-	-	-	-
32	177	Other borrowings (outing)	-	-	-	-
33	II	EXPENSES FOR INVESTMENTS	39,469	57,405	30,249	66,625
34	230	Expenses for increase of Intangible Assets	-	-	-	-
35	231	Expenses for increase of Tangible Assets	39,469	57,405	30,249	66,625
36	2310	Land	-	-	-	-
37	2311	Forests, Pasture, Plantation	-	18,409	18,409	-
38	2312	Building and Constructions	6,694	8,035	6,694	8,035
39	2313	Roads, networks, water facilities	32,775	30,767	4,952	58,590
40	2314	Technical installment, machinery, equipment, working tools	-	194	194	-
41	2315	TransYesrt vehicles	-	-	-	-
42	2316	Government reserve	-	-	-	-
43	2317	Working and production animals	-	-	-	-
44	2318	Economic Inventory	-	-	-	-
45	232	Capital transfers	-	-	-	-
46	25	Lending	-	-	-	-
47	255	Outing for internal lending	-	-	-	-
48	256	Outing for transactions of foreigner lending	-	-	-	-
49	250	Entry from internal lending principal	-	-	-	-
50	251	Entry from foreigner lendings principal transaction	-	-	-	-
51	26	Participation with own equity	-	-	-	-
52	265	Outing for own equity in non profit public enterprise	-	-	-	-
53	266	Outing for own equity in financial institutions	-	-	-	-

				In ALL '000		
No.	Account Number	Description	Opening	Transactions during the Year		Closing
			Balance, 1 January 2015	Debit	Credit	Balance, 31 July 2015
<i>a</i>			<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
54	267	Outing for own equity in joint venture	-	-	-	-
55	269	Outing for own equity other	-	-	-	-
56		Total (I + II)	78,938	101,224	109,542	141,567

Template 5: Statement of cash flows

Cash Flow Statement presents the cash movements during the year, including the opening balance brought forward from the previous year and the cash balance at the end of the year carried forward to next year.

(Amount in ALL '000, Unless otherwise stated)

		In ALL '000			
No.	Account Number	Treasury Balance		Bank Liquidity	
		Debit c	Credit d	Debit e	Credit f
<i>a</i>					
1	I. OPENING BALANCE	57,249	-	-	-
2	II. RECEIVABLES "CASH"	348,128	-	-	-
3	1. Funds from budget	162,782	-	-	-
4	Actual budget funds (Budget with changes)	142,262	-	-	-
5	Capital budget funds (Budget with changes)	20,520	-	-	-
6	2. Incomes and revenues during the year in "Cash"	185,346	-	-	-
7	Tax revenues in "Cash"	22,266	-	-	-
8	Social and health insurance in "Cash"	-	-	-	-
9	Non tax revenues "Cash"	153,803	-	-	-
10	Interact incomes "Cash"	-	-	-	-
11	SYesnsorships, grants and other revenues "cash"	6,599	-	-	-
12	Loans and different lending	-	-	-	-
13	Entry from storage "Cash"	2,678	-	-	-
14	III. PAYMENTS OF THE YEAR "CASH"	-	279,716	-	-
15	1. Payment from the budget for actual expenses	-	104,590	-	-
16	2. Payments from the budget for capital expenses	-	20,416	-	-
17	3. Payments from revenues for actual expenses	-	70,473	-	-
18	4. Payments from revenues from capital expenses	-	83,908	-	-
19	5. Payments from storage	-	329	-	-
20	6. Other payments	-	-	-	-
21	IV. TRANSFERS	-	26,543	-	-
22	1. DeYessit of revenues in the budget	-	11,359	-	-
23	2. Unused budget (actual and capital)	-	14,994	-	-
24	3. Internal movements and transfers	-	189	-	-
25	V. MOVEMENTS TOTAL (I UP TO IV)	405,377	306,258	-	-
26	VI. CLOSING BALANCE	99,119	-	-	-

Template 6: Statement of Fixed Assets' Balance and Changes during the year

Statement of changes in asset balances and stable during all the changes presents tangible and intangible assets during the year, measured at cost.

In ALL '000.

No.	Description	Opening	Additions during the Year					Decreases during the Year			Closing	
		Balances		Transf.						Balances		
			Purch.	Out	In	Mov.	Total	Sales	Write Off	Other Decr.	Total	
<i>a</i>	<i>b</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
1	I. INTAGIBLE	22,491	2,764	-	-	-	2,764	-	-	-	-	25,255
	Amounts to be remitted and loan											
2	201 reimbursements	-	-	-	-	-	-	-	-	-	-	-
3	202 Studies and research	22,491	2,764	-	-	-	2,764	-	-	-	-	25,255
5	II. TANGIBLE	2,915,905	70,933	110	18,128	-	89,171	-	1,479	-	1,479	3,003,597
6	210 Land	99,211	174	-	-	-	174	-	-	-	-	99,385
7	211 Forests, Pasture, Plantation	19,220	26,745	-	-	-	26,745	-	-	-	-	45,965
8	212 Building and Constructions	419,701	6,250	-	17,763	-	24,013	-	-	-	-	443,714
9	213 Roads, networks, water facilities	2,275,988	30,280	-	283	-	30,563	-	-	-	-	2,306,551
	Technical installment, machinery,											
10	214 equipment, working tools	28,856	1,658	-	81	-	1,739	-	1,436	-	1,436	29,159
11	215 TransYesrt vehicles	32,532	-	-	-	-	-	-	-	-	-	32,532
12	216 Government reserve	-	-	-	-	-	-	-	-	-	-	-
14	218 Economic Inventory	40,089	5,826	110	-	-	5,936	-	-	-	-	46,025
17	24 Damaged current tangible assets	308	-	-	-	-	-	-	43	-	43	265
18	28 Assignments	-	-	-	-	-	-	-	-	-	-	-
19	T O T A L (I + II)	2,938,396	73,697	110	18,128	-	91,935	-	1,479	-	1,479	3,028,852

Template 7: Statement of Fixed Assets' depreciation

The statement below presents the movements in accumulated amortization of tangible and nontangible assets, including the amortization of the year for the respective additions and disYessals.

(Amount in ALL'000, Unless otherwise stated)

In ALL '000											
No.	Account Number	Description	Opening Accumulated Depreciation 1 January 2015	Additions during the Year			Decreases during the Year			Closing Accumulated Depreciation 31 July 2015	
<i>a</i>	<i>b</i>		<i>1</i>	Dep. Charge for the year	Other Addit.	Total	Sales	Write off	Other Depr.	Total	<i>9</i>
				<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	
1	209	I. INTAGIBLE	-	-	-	-	-	-	-	-	-
2	219	II. TANGIBLE	583,893	46,422	-	46,422	-	-	-	-	630,316
		TOTAL (I + II)	583,893	46,422	-	46,422	-	-	-	-	630,316

Template 8: Statement of changes in fund

Statement of Changes in Fund presents all additions and reductions of fixed assets, amortization charge for the year and other changes affecting the fund.

(Amount in ALL'000, Unless otherwise stated)

No.	Acc. No.	Description	Restated							
			Opening Balance 1 Jan. 2015	Period of Movements		Closing Balances 31 July 2015	Opening Balance 1 Jan. 2015	Period of Movements		Closing Balances 31 July 2015
			Credit <i>1</i>	Debit <i>2</i>	Credit <i>3</i>	Credit <i>4=1+3-2</i>	Credit <i>1</i>	Debit <i>2</i>	Credit <i>3</i>	Credit <i>4=1+3-2</i>
1	101	BASE FUND	2,359,362.83	48,216	115,402	2,426,549	2,359,363	26,606	81,277	2,414,034
2	1010	Status of base fund	2,359,363	-	35,397	2,394,759	2,359,363	-	-	2,359,363
3	1011	Additions base fund	-	-	78,471	78,471	-	-	79,743	79,743
4	1012	Decrease base fund	-	314	55	(259)	-	314	55	(259)
5	1013	Decrease from tangible assets consume	-	46,422	-	(46,422)	-	24,813	-	(24,813)
6	1014	Decrease from selling tangible assets	-	-	-	-	-	-	-	-
7	1015	Decrease from	-	1,479	1,479	-	-	1,479	1,479	-
8	1016	Decrease from transferring tangible assets	-	-	-	-	-	-	-	-
9	109,	DIFFERENCE IN TANGIBLE ASSETS REVALUATION	-	-	-	-	-	-	-	-
10	105,107,11,12,13,145,15,85	INTERNAL FUND	87,115	27,224	93,281	153,171	87,115	25,771	28,609	89,952
11	105	Capital internal grants	39,469	-	27,156	66,625	39,469	-	27,156	66,625
12	107	Current assets in use	-	-	-	-	-	-	-	-
13	11	Other own funds	-	-	-	-	-	-	-	-
14	12	Carried result	-	-	1,453	1,453	-	-	1,453	1,453
15	13	Exceptional subsidiaries	-	-	-	-	-	-	-	-
18	85	Result	47,646	27,224	64,672	85,093	47,646	25,771	-	21,874
19	106	EXTERNAL FUND	-	-	-	-	-	-	-	-
20	106	Capital foreigner grants	-	-	-	-	-	-	-	-
22		CONSOLIDATED FUND (1 up to 4)	2,446,477	75,440	208,683	2,579,720	2,446,477	52,378	109,886	2,503,986

Comments: The closing balance of the own funds statement of the amounts restated to Format 8 does not reconcile with the balance of own funds in the Format column restated with 12,683,376 1 ALL.

Template 9: Statement of number of employees and personnel expenses

The statement below presents information about the number of employees for various Yessitions, with appropriate salaries and other expenses.

(Amount in ALL '000, Unless otherwise stated)

		In ALL '000									
No.	Categories	Annual Average No. of Employees	Turnover of the Employ. During the year		No. of Employ. At the end of the year	Salaries and Contributions					
			New Employ.	Leaved		Total Salaries	Addit. Rewards	Immed. Social Assistance	Social and Health Insurance	Other Rewards	Income Tax
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<i>a</i>	Total number of employees (1+2+3+4+5+6)	55	-	-	55	59,396	-	-	15,635	-	331
<i>1</i>	Directors	1	-	-	1	48,052	-	-	12,443	-	45
	High level education										
<i>2</i>	specialist	16	-	-	16	5,169	-	-	1,469	-	215
<i>3</i>	Technical	9	-	-	9	1,342	-	-	374	-	71
<i>4</i>	Ordinary officers	21	-	-	21	3,432	-	-	958	-	-
<i>5</i>	Employees	8	-	-	8	1,400	-	-	391	-	-
	TemYesrary										
<i>6</i>	employees	-	-	-	-	-	-	-	-	-	-

Template 10: Summary Consolidated Statement of financial Yessionion

Consolidated statements of financial Yessionion represent the consolidated financial Yessionion of the Municipality.

			In ALL '000		
No.	Account Number	Description	2015 Period Restated	2015 Period	2014 Period
1	A	Assets	2,736,363	2,723,848	2,525,979
2	I	Current Assets	255,845	255,845	152,298
		1. Petty- Cash, Banks, and Funds			
3	Class 5	Availability	99,137	99,137	57,249
13	Class 4	2. Receivables	129,188	129,188	69,693
29	Class 3	3. Current Inventory accounts	27,520	27,520	25,355
39	II	Non-current Assets	2,480,518	2,468,002	2,373,681
40	23	1. Investments	68,359	68,359	41,203
44	25,26	2. Finance assets	12,515	-	-
47	21,24,28	3. Tangible assets	2,376,123	2,376,123	2,311,721
60	20	4. Intangible assets	23,521	23,521	20,757
65	III	Other assets	-	-	-
69	B	Liabilities	143,959	143,959	79,501
70	I	Current liabilities	143,959	143,959	79,501
71	Class	1. Accounts payable	143,959	143,959	79,501
89	II	Non liquid liabilities	-	-	-
90	17	1. Foreign loans	-	-	-
91	III	Other liabilities	-	-	-
96		Net assets (A - B)	2,592,403	2,579,888	2,446,477
97		Presented: Consolidated budget	2,508,090	2,495,575	2,398,832
98		Carried forward results	84,313	84,313	47,646

Template 11: Consolidated statement of comprehensive income and operating expenses

Consolidated statement of comprehensive income and expenses represents the consolidated statement of the comprehensive income of the Municipality.

			In ALL ‘000		
No.	Account Number	Description	2015 Period Restated	2015 Period	2014 Period
<i>1</i>	<i>2</i>	<i>3</i>	<i>5</i>	<i>6</i>	<i>7</i>
1	A	TOTAL REVENUES	348,453	348,453	524,091
2	70,750,71	I. REVENUES AND CONTRIBUTES	197,746	197,746	256,758
3	70	1. Tax revenues uYesn	119,318	119,318	159,574
19	71	3. Non tax revenues	78,428	78,428	97,183
23	72	II. GENERAL ACTUAL GRANTS	145,652	145,652	252,302
31	78	IV. WORKS FOR INVESTMENTS	5,000	5,000	13,618
32	77, 83	V. OTHER REVENUES	55	55	1,413
33	B	TOTAL EXPENSES	266,619	266,619	476,445
34		I. ACTUAL EXPENSES	193,456	193,456	352,399
35	600 601	1. Salaries and employees contribution	66,476	66,476	107,948
38	602	2. Goods and Services	43,803	43,803	101,928
50	604	4. Internal actual transfers	9,235	9,235	7,959
52	606	6. Budget transfers for families and individuals	73,942	73,942	133,564
57	67	IV. OTHER EXPENSES	73,163	73,163	124,046
58	C	DETERMINED NET INCOME	81,834	81,834	47,646
59		From this: Functioning results	84,313	84,313	47,646
60		Functioning observed grants	(2,479)	(2,479)	(0)