



AUDIT
OFFICE



REPUBLIC
OF CYPRUS

AUDIT OF PRESS AND INFORMATION OFFICE Executive Summary



**AUDIT OFFICE OF THE REPUBLIC OF CYPRUS
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AUDIT OF PRESS AND INFORMATION OFFICE

Executive Summary

AUDITED ENTITIES

Press and Information Office

1. Executive Summary

Within the framework of the provisions of article 116 of the Constitution of the Republic of Cyprus, the Audit Office carried out a financial audit for the year 2018, a performance audit and a compliance audit.

The most significant findings from the audit are the following:

- ◆ The De Minimis Aid Payment Plan for the support of the Press (Newspapers), within the framework of which, grants for the sum of €544.500 were paid in 2017 and 2018, does not comply with the internationally accepted practices for the support of mass media, it does not serve the existence of the true freedom of the press, but in the way the grants are provided, as an act of grace by the Government, it creates conditions which undermine the freedom of the press and creates a dependence of the mass media on the Government. We noted that a grant for the amount of €80.000 to a specific press distribution agency does not seem to serve any purpose related to the freedom of the press.

Our recommendation is that for grants to the media, a scheme should be drafted, which will be based on one of the four methods of state grants or a combination of these, according to the Guide “Official Development Assistance for Media: Figures and Findings”, which was issued by the Organization for Economic Cooperation and Development (OECD) and the Center for International Media Assistance (CIMA) or alternatively to provide tax relief to the mass media. In each case, we consider it important that the House of Representatives should exercise substantial control, regarding the approval of both the Scheme and the total amount that will be distributed as grants to the mass media.

- ◆ Disengagement of the Press Information Office (PIO) from the procedure for providing certified translations.

We suggested that the eleven persons employed in the Translations Section be utilized appropriately.

- ◆ Non-utilization of the amount of €268.579 (a percentage of 37.1%) from the “Enlightenment” section of the approved 2018 Budget.

We indicated that the preparation of the Budget should be made on a more rationalistic basis and that there should be a re-evaluation and modernization of the methods of promoting the national positions and enlightenment with regard to the Cyprus problem, by utilizing, among other things, the potential provided by modern means of communication and the internet.

- ◆ Invitation to tender for two competitions with summary procedures regarding the creation of a website for the Press Information Office and design of an information campaign and production of promoting material for street safety and forwarding of documents to a number of economic agents without written justification for their choice, in violation of Law 73(I)/2016.

We highlighted that there should be written justification for the choice of economic agents, according to the provisions of the relevant legislation.

- ◆ Assignment of extra work to company B Ltd, without extra cost. According to the Ministry of Interior, the assignment of extra work, even with no extra cost to the Republic of Cyprus, may be considered to provide a benefit to the specific contractor, compared to others. **We have agreed with the suggestions of the Ministry of Interior, which must be adopted.**
- ◆ According to the statement exported by the computerized library system, on 16.9.2019, 5.217 books were listed, while in the handwritten register, 19.002 books were listed. Also, it was highlighted that there has been no manual counting of the library books and thus, no annual certificate of manual counting was submitted at the end of the year to the Accountant General and Auditor General, according to Warehouse Regulation no. 110.

We suggested that a physical count of the books be carried out as soon as possible together with a reconciliation of those results with the number of books that have been manually entered in the hand-written registers as well as in the computerized system and that the provisions of the above Regulation on Warehouses be observed.

- ◆ Out of the eight officers of the Press Information Office that were transferred to other Ministries, two do not clock-in at their workplaces nor do they record their arrival/departure time at/from work.

We highlighted that the provisions governing the monitoring of the working hours of the Public Service must be universally and immediately implemented.