



AUDIT
OFFICE



REPUBLIC
OF CYPRUS

AUDIT OF THE CYPRUS OLYMPIC COMMITTEE FOR THE YEAR ENDED 31.12.2018

Executive Summary



**AUDIT OFFICE OF THE REPUBLIC
SPECIAL REPORT no. KOE/01/2021**

11 October 2021

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AUDITED ENTITY
Cyprus Olympic Committee

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Based on the Law for the Provision of Evidence and Information to the Auditor General (Law 113(I)/2002), the Audit Office performed a compliance audit for the years 2016-2018, in order to establish whether the amount of the Government Grant given to the Cyprus Olympic Committee (COC) is used effectively. The most significant findings of the audit are the following:

- ◆ Certain expenses were in our opinion excessive and/or unnecessary, e.g. the procurement of services for the improvement of the organizational structure of the COC and for the preparation of a reply to the management letter of the previous audit, hospitality expenses for various functions, etc.
- ◆ The minutes of the Executive Council's meetings do not include all the necessary supporting information on which the decisions are based.

We recommended that all necessary information is included in the minutes of the Executive Council's meetings for transparency purposes and to facilitate the audit.

- ◆ The COC has not implemented a reduction on the emoluments of staff on the basis of the Law concerning the Reduction in Emoluments and Pensions of Officials, Employees and Pensioners of the Public Service and of the Broader Public Sector (Law 168(I)/2012). Moreover, on 19.11.2014, the Council of Ministers decided to exempt the COC from Law. This decision is ultra vires as the Council of Ministers does not have the authority to set aside provisions of the law.

We recommended that, to the extent that this is legally feasible, the COC implements reductions in staff emoluments retrospectively, in accordance with the provisions of the abovementioned law.

- ◆ Staff benefits regarding sick leave, maternity leave, interest free loans, etc, are in excess of the corresponding benefits in the Public Sector.

We recommended that staff benefits are in line with those in the Public Sector.

- ◆ The COC recruited an Associate without justifying the need for the recruitment, and his remuneration was quadrupled within two years.

We recommended that the procurement of services is done through an open competition, for the purposes of transparency and equal treatment.

- ◆ The previous Executive Council approved the secondment of a former athlete to the COC, without specifying his duties.
- ◆ Certain purchases of materials/services were made without following a competitive procedure.

We recommended that a competitive procedure is followed in all cases.



- ◆ The COC's reply to the management letter of our previous audit dated 15.2.2017, does not give satisfactory explanations/comments and does not list the corrective measures taken/that will be taken regarding weaknesses in the internal control procedures, which included, among others, the organization of the Games of Small States of Europe and the recruitment of staff with irregular procedures.