



AUDIT  
OFFICE



REPUBLIC  
OF CYPRUS

## **AUDIT OF THE YOUTH BOARD OF CYPRUS**

### **Executive Summary**



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

27 January 2021

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## **Executive Summary**

### **AUDITED ENTITY**

**Youth Board of Cyprus**

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## Executive Summary

The Youth Board of Cyprus was established as a Public Law Legal Entity in 1994, pursuant to the Youth Board of Cyprus Law (Law 33(I)/94). It has mainly advisory responsibilities, while at the same time it undertakes the implementation/ coordination of programs for young people, after receiving the approval of the Council of Ministers.

This audit concerns the audit of the financial statements of the Youth Board for the year ended 31.12.2018.

The most important findings of the audit are summarized below:

- a. The Budget of the Board for 2018 was prepared and approved of with a delay, resulting in the fact that any expenses being incurred from 1.3.2018 until the date of its publication (5.4.2018) are not legally covered.
  - b. On 31.12.2019, an amount of €994,048, which concerns the European Union program "Youth in Action", which was completed, remained deposited in a bank account and should be utilized through the Budgets of the coming years.
  - c. We have identified cases of grants paid under the "Youth Initiatives" and "Student Entrepreneurship and Innovation" programs, where the provisions of the relevant Guides issued by the Board were not fully implemented, resulting in doubts as to their regularity. To satisfy the principles of legality, equal treatment and good administration, we stressed once again the importance of applying the relevant provisions of the Guide to all cases. We pointed out that sponsorships should not be paid in cases where doubts arise regarding the implementation of the subsidized activities.
  - d. Regarding the provision of cleaning services for the infrastructure projects and offices of the Youth Board of Cyprus, the Contractor did not provide the required supporting documents specified in the contract, resulting in the Board not making any payments for the period 3.7.2017 -17.10.2019. We pointed out the importance of the timely and correct implementation of the terms of the new contract on the provision of cleaning services.
  - e. There is insufficient monitoring of the contract on the provision of Internal Audit services, since specific terms of reference do not seem to have been implemented by the Contractor. We pointed out that the reports of the Internal Auditor must be of due importance and be submitted directly to the Board of Directors, for information and corrective measures.
  - f. We identified non-compliance with the provisions of the Regulations on the statutory working hours concerning the staff working in Limassol, while as far as an officer of another district is concerned, the deficit of 158 working hours remains pending for many years.
  - g. The Board granted various sponsorships to support programs or activities of organizations/associations, for which it was a co-organizer, without following the appropriate procedures.
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- h.** No action has yet been taken by the Board to prepare an actuarial study to determine whether the contributions to the employees' Pension Plan are sufficient to cover its future obligations.

The findings of the audit, together with our suggestions, were communicated by letter to the Chairman of the Board of the Youth Board of Cyprus , the Permanent Secretary of the Ministry of Finance, the Permanent Secretary of the Ministry of Education, Culture, Sports and Youth, the Accountant General of the Republic, the Executive Director of the Youth Board of Cyprus and to the Director of the Department of Public Administration and Personnel for comments and opinions on issues that concern each one of them, as well as to take the necessary corrective measures.

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