



riigikontroll
National Audit Office of Estonia

Management and supervision of the organisations of Narva City

Has Narva City made use of the opportunities granted by law to direct and control the activities of the associations belonging to the city?

Report of the National Audit Office to
the Riigikogu
Tallinn, 6 June 2025

Has Narva City made use of the opportunities granted by law to direct and control the activities of the associations belonging to the city?

The members of the supervisory boards of the associations controlled by Narva City are almost exclusively members of the city council, and frequent changes in the city's ruling coalition also bring changes to the composition of the supervisory boards.

The coalition in power in Narva is already the 6th after the local elections held in 2021 and changes in the supervisory boards of most associations have been made 4–5 times in this period. **The relatively short duration of the supervisory board compositions reduces the meaning of the supervisory board as the association's managing body according to law.** In many associations of Narva, the supervisory board has been a kind of an extended management board, dealing more with the day-to-day running of the association than with strategic management.

Narva City has made little use of the possibilities to control its associations. Following the 2019 corruption case in AS Narva Vesi, the city has not critically reviewed the control system of the associations and the Audit Committee of the City Council has not given attention to most of the associations during the period of government of the current council. The direct statutory obligations for the management of associations are generally fulfilled, but there are no clear expectations and objectives against which to assess whether participation in associations is necessary for the tasks of the local government.

Main
recommendations of
the National Audit
Office

The National Audit Office recommended that the Narva City Government should initiate activities that would result in the establishment of the terms and conditions of participation in private legal entities either as part of the city's statute or as a separate legal act. This procedure should include, *inter alia*, guidelines on the organisation of the work of the supervisory board and the management board and on the internal control system of the association. The National Audit Office also recommended that appropriate and measurable performance targets be set on a uniform basis for associations under the control of Narva City.

Response of the
Narva City
Government

In its response to the audit report, Narva City Government promised to follow the recommendations.