

# **THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED**

## **BY SLOVENIA**

### **ARTICLE 6 UNCAC**

#### **PREVENTIVE ANTI-CORRUPTION BODY OR BODIES**

##### **SLOVENIA (FIFTH MEETING)**

###### **UNCAC Article 6 – Preventive anti-corruption body or bodies**

###### **TOPIC I UNDER CONSIDERATION: Mandates of anti-corruption body or bodies in respect of prevention (art. 6 of the United Nations Convention against Corruption)**

The only specialized corruption prevention body in Slovenia is the Commission for the Prevention of Corruption.

###### ***The Commission and its history***

The Commission for the Prevention of Corruption of the Republic of Slovenia (hereinafter: CPC)<sup>1</sup> is an independent state body with a mandate in the field of preventing and investigating corruption, breaches of ethics and integrity of public office.

The current CPC has been established with the adoption of the Integrity and Prevention of Corruption Act (hereinafter: IPCA) of 2010 (with later amendments) and fulfils the requirement of an independent anti-corruption body as required by the UN Convention against Corruption (UNCAC) which Slovenia ratified.

The predecessor of the CPC was Government's Office for the Prevention of Corruption, established in 2002 on the recommendation of the Council of Europe's GRECO (Group of States against Corruption). With the adoption of the Prevention of Corruption Act in 2004 the Office was replaced with the Commission for the Prevention of Corruption as an independent state body (appointed by and accountable to the Parliament) with a number of corruption-preventive tasks.

On 5th of June 2010, the Integrity and Corruption Prevention Act was adopted. The Act has retained the name of the CPC, but significantly expanded its mandate, functions and powers. It also strengthened its independence and introduced additional safeguards and objectivity in the procedure for appointment and dismissal of its leadership (Chief Commissioner and two Deputy Commissioners). Most importantly, it expanded some of the investigative and sanctioning powers of the CPC and made it not only the national focal point for prevention of corruption, but also for lobbying oversight, whistleblower protection, integrity of public sector and expanded its reach beyond the public into the private and business sector. The amendments to the Act adopted in June 2011 further

strengthened the powers of the CPC to subpoena financial documents from the public and private sector and to hold accountable magistrates, officials, public servants, management and boards of public enterprises for corruption, conflict of interest or breach of ethics.

### ***Jurisdiction / field of work***

The CPC is not part of the law enforcement or prosecution system of Slovenia and its employees do not have typical police powers. Criminal investigations of cases of corruption are the prerogative of the Criminal Police / National Investigation Bureau and the Prosecutors Office - institutions with which the CPC closely cooperates. The CPC, however, has broad legal powers to access and subpoena financial and other documents (notwithstanding the confidentiality level), question public servants and officials, conduct administrative investigations and proceedings and instruct different law enforcement bodies (e.g. Anti-money laundering Office, Tax Administration...) to gather additional information and evidence within the limits of their authority. The CPC can also issue fines for different violations under its jurisdiction to natural and legal persons in public and private sector.

The CPC has a wide mandate in the field of preventing and investigating corruption, breaches of ethics and integrity of public office. Its tasks, among others, include:

- conducting administrative investigations into allegations of corruption, conflict of interest and illegal lobbying;
- protection of whistleblowers;
- monitoring the financial status of high level public officials in the executive, legislature and judiciary through the assets declaration and monitoring system;
- maintaining the central register of lobbyists;
- adopting and coordinating the implementation of the National Anti-corruption Action Plan;
- assisting public and private institutions in development of integrity plans (tools and internal control mechanisms aimed at identification and curbing of corruption risks within the given organisation) and monitoring their implementation;
- designing and implementing different anti-corruption preventive measures (awareness raising, training, education, ...);
- serving as a national focal point for international anti-corruption cooperation on systemic level (GRECO, OECD, UN, EU, ...).

### ***Independence***

Although part of the public sector, the CPC is not subordinate to any other state institution or ministry, and does not receive direct instructions from the executive or the legislature. In legal terms its independence and autonomy in relation to other state institutions and branches of state powers is similar to that of the Court of Audit, the Ombudsman or the Information (Data Protection) Commissioner.

To strengthen its independence, the Act of 2010 provides a special procedure for appointment and dismissal of the leadership of the CPC. Chief Commissioner and two deputies are appointed by the President of the Republic of Slovenia following an open

recruitment procedure and nomination by a special selection board. Candidates which must meet high professional and integrity standards are interviewed and screened by a selection board comprising a representative of the Government, the National Assembly, non-governmental organisations, the Independent Judicial Council and the Independent Council of Officials. The Chief Commissioners' term of office is six years, the deputies' five. They can serve up to two terms in office. Prior to the expiration of the mandate, they can only be dismissed from office by the President (on his/her own motion or on the motion of the Parliament), if they act in breach of the Constitution or the law.

#### ***Financial and human resources***

The budget of the CPC is determined yearly by the Parliament and the CPC is autonomous in allocating and organising its financial and human resources and priorities within the budget.

While the legal framework safeguarding the independence of the CPC and the material conditions for its work (facilities, information technology, etc.) are generally satisfactorily, the CPC – due to fiscal restraints - remains understaffed, in particular given the broad new mandate under the Act of 2010. As a result, it has been facing a problem of backlogs of cases.

#### ***Accountability***

Substantive decisions of the CPC (rulings on corruption, conflict of interest, violations of lobbying regulations etc.) are subject to judicial review of the High Administrative Court. Under the Act, the CPC must be the subject to periodic external audit the reports of which are submitted to the Parliament and the President and publicly available. The CPC is also required to present yearly reports to the Parliament for elaboration. In addition, by law decisions (with few exceptions) of the CPC must be published on the internet and various provisions require the CPC to publicize its work and findings

#### ***Organisation and Staff***

The decision making panel of the CPC consists of three members – Chief Commissioner and two deputies. They decide on substantial matters (ruling on corruption, conflict of interest, breach of ethics, adopting recommendations, etc.) as a collegial body with majority of votes. They are supported by a number of professional staff with different expertise (in the field of law, economics, audit, social sciences, information technology, conducting investigations etc.) working in three main Units: the Secretariat, the Investigation and Oversight Bureau and the Centre for Prevention and Integrity of Public Service. Employees of the CPC are recruited directly by the CPC in an open and competitive recruitment procedure or seconded from other state institutions; they are public servants and as such bound by salary scheme and regulations governing the public service.

## **2. Please provide information demonstrating the impact of the work conducted by national bodies with mandates in respect of the prevention of corruption.**

Some main preventive measures and tools recently developed by the CPC and widely used by the media, the public and state institutions when exercising their powers:

**Supervizor – online application for monitoring expenses of public bodies launched by the CPC in 2011**

Supervizor is an online application that provides information to users on business transactions of the public sector bodies – direct and indirect budget users (bodies of the legislative, judicial and executive branch, autonomous and independent state bodies, local communities and their parts with legal personality, public institutes, public funds, public agencies etc.). The Supervizor is a project, conceptually designed and prepared by the Commission for the Prevention of Corruption of the Republic of Slovenia in cooperation with an independent expert and assistance of other bodies which provided the relevant data and cooperated in its presentation and interpretation (the Slovenian Ministry of finance, the Public Payments Administration of the Republic of Slovenia - UJP, the Agency of the Republic of Slovenia for Public Legal Records and Related Services - AJPES).

The application indicates contracting parties, the largest recipients of funds, related legal entities, date and amount of transactions and also purpose of money transfers. It also enables presentation of data using graphs as well as printouts for specified periods of time and other. The Supervizor represents an important step towards more transparent state operations and will be further upgraded and improved by the Commission in cooperation with other bodies. The application enables insight in financial flows among the public and the private sector not only to the public, the media and the profession, but also to other regulatory and supervisory bodies. At the same time it implements the primary purpose of the Commission's mission: strengthening the rule of law, integrity and transparency and mitigation of corruption risks and conflicts of interest.

Transparency of financial flows among the public and the private sector achieved through this application increases the level of responsibilities of public office holders for effective and efficient use of public finance, facilitates debate on adopted and planned investments and projects as well as decreases risks for illicit management, abuse of functions, and above all, limits systemic corruption, unfair competitiveness and clientage in public procurement procedures.

In 2014 the Supervizor has been upgraded in order to present purpose of a particular transaction made – this enables to identify the structure of spending of public money. Furthermore, in order to give access to the public and especially researchers, the CPC have given access to the database itself that allows further use when processing data and when transferring data for future usage.

In 2012 the CPC was awarded by the Chamber of Commerce and Industry of Slovenia – Association for information and telecommunications with Netko award in a category “Digital performance of the state and public administration” for developing the Supervizor. Netko is awarded since 1999 by the Chamber to companies, institutes, offices, associations and individuals that exceed with their achievements in the field of quality of internet digital projects.

Apart from offering an insight into public transactions and public spending which is often used by different investigators at the CPC, the Police, other supervisory bodies, the media etc., the CPC effectively uses data from the Supervizor when supervising implementation of the IPCA provisions on restrictions on business activities (articles 35 – 36) which prohibit a public sector bodies or organisations to order goods, services or construction

works, enter into public-private partnerships or grant special and exclusive rights to entities in which the official who holds office in the body or organisation concerned or in cases where the official's family member has a one of the roles listed in the IPCA (manager, management member, legal representative etc.). After launching the Supervizor several reports were received by the Commission with regard to violations of provisions in question that helped the CPC to identify violations, especially at the local level. Therefore in 2011 the CPC launched a project to establish a system for the automatic identification of transactions (violation of provisions on restriction of business activities) through the online application Supervizor.

Link to the Supervizor:

<http://supervizor.kpk-rs.si/>

Some comments regarding the launch of the Supervizor are available at:

<http://techcrunch.com/2011/08/23/slovenia-launches-supervizor-an-official-public-web-app-for-monitoring-public-spending/>

<http://www.sloveniatimes.com/insight-in-public-expenditure-for-everyone>

### **Integrity plans – a tool for establishing and verifying the integrity of an organization**

According to the IPCA (Articles 47 to 50) government bodies, local authorities, public agencies, public institutes, commercial public institutions and public funds are obliged to develop and adopt integrity plans.

Integrity plan is a tool for establishing and verifying the integrity of the organization. It is a documented process for assessing the level of vulnerability of an organisation, its exposure to unethical and corruption practices. Moreover, is devoted to:

- identifying relevant corruption risks in different working fields of an individual organization;
- assessment, what kind of danger the corruption risks may pose to an individual organization;
- determining measures to reduce or eliminate corruption risks.

The integrity plan consists, in particular, of: assessment of corruption exposure of the institution; personal names and work posts of the persons responsible for the integrity plan; a description of organisational conditions, staff and typical work processes including a corruption risk exposure; assessment and proposed improvements regarding:

- the quality of regulations, management, administration, etc.;
- the integrity of staff and institution;
- transparency and efficiency of processes and
- measures for timely detection, prevention and elimination of corruption risks.

All institutions are obliged by the law to send their integrity plans to the CPC - after analysing and processing all the integrity plans, the CPC will determine (at the national level) an exposure of different institutions, their organizational conditions, processes and employees to corruption and other illegal and unethical behaviour. The main goal is to strengthen integrity and anti-corruption culture in a public sector by identifying risks, planning and implementation of adequate measures. With putting in place an overall

integrity plan system, causes of corruption will be eliminated, which will result in strengthening the rule of law and people's confidence in the institutions.

The Act has set an obligation to all the above mentioned to draw up integrity plans by June 5<sup>th</sup>, 2012 on the basis of guidelines produced by the CPC and submit them to the CPC. Through the integrity plan it will be possible to identify the level of exposure of an entity to corruption risks and risks of unethical and other unlawful behaviour. By identifying risks and risk factors it is possible to assess the existing control mechanisms, evaluate their likelihood to occur and the level of damage they may cause and finally propose measures to minimize or suppress risks.

The CPC has checked and will do that in the future on yearly basis how the entities plan to implement the integrity plans as they have to report that to the CPC. A fine may be imposed on the responsible person of the body or the organisation obliged to draw up and adopt the integrity plan if it fails to do so.

The CPC has recently developed an electronic registry which enables every subject to manage data from its integrity plan for its own use as well as to submit data to the CPC for further supervision.

More on the integrity plans:

<https://www.kpk-rs.si/en/prevention>

- **Key conclusions and recommendations from reports prepared by anti-corruption bodies and institutions;**

**Assets report:** In January 2013 the CPC issued a final report on supervision of assets of parliamentary party leaders<sup>1</sup> which brought to the (public) attention the purpose of supervision of assets in order to identify corruption. Declarations of assets of seven parliamentary party leaders were thoroughly checked in order to establish whether all the assets had been reported to the CPC and whether the assets owned correspond to the assets reported. In two cases, regarding the then Prime Minister and the Leader of the major opposition party it was established that they not only failed to report all assets, but also that some assets were either burdened with corruption risks, conflict of interests or unlawful lobbying or their source was not explained to the CPC in a satisfied manner.

The CPC's findings were later referred to the responsible bodies for further handling. As a result of a huge public outrage the Government of that particular Prime Minister fell and the Leader of the main opposition party resigned as the chair of that party, although he remained to hold his position as a mayor of Ljubljana which was controversial as some of the unexplained transactions made to his bank accounts derived from contracts of the Municipality of Ljubljana with private companies. However, just recently he was re-elected as a chair of the party.

**Systemic corruption in the Slovenian banking system report<sup>1</sup>:** The CPC published a report on Slovenian banking system, focusing on state-owned banks and the level of

transparency and accountability with regard to a number of contracts they concluded awarding big loans to companies and individuals. It was established by the CPC that the functioning of the banking system is mostly subjected to the influence of the state and that some actions of individuals and groups closely connected to the politics represent a factor that contributes to the following corruption risks: (i) inappropriate management of risks, (ii) decision-making process of bank management based on their political, business and personal relations, (iii) insufficient and inappropriate internal and external supervision of bank activities, (iv) lack of holding members of management and supervisory boards accountable for their economically unfounded and other inappropriate investments.

The report was sent to the Central bank of Slovenia, the Ministry of Finances etc. and was used to advocate for some improvements with regard to the “bad bank” project introduced by the Slovenian Government in order to help improve the bad situation of the Slovenian banking system which is mostly the result of the poor managing of the state-owned banks.

**Systemic principled opinion with regard to established risks in the Slovenian health care system and recommendations for actions<sup>1</sup>:** The CPC established (i) the intertwining of the public and the private interests in the health care system, especially due to existence of doctors employed both in the public and the private health care systems, which consequently contributes to the increased risks for conflict of interest, (ii) additional work of the doctors employed in the public health care system without acquiring the necessary permits prior to such work and the lack of (effective) supervision in this field and (iii) the field of waiting lists which is a highly risky field not being properly managed, allowing unlawful advancement of individuals in waiting lists, especially since supervisory bodies have identified repeated violations of rules on waiting lists in the public sector institutes.

**Assessment of the current situation with regard to the prevention of corruption and prevention and elimination of conflict of interest:<sup>1</sup>** In 2011 and 2012 the CPC prepared and published assessments that have to be prepared according to the Article 20 of the IPCA.

Main findings or emphasis made:

Assessment of the current situation for 2011: Administrative corruption in Slovenia is relatively low in comparison to other transition countries. With regard to the white-collar corruption which is present in Slovenia, the situation is still better than in other transition countries. However, it is very much connected to corporate and public-financial crime which Slovenia is facing in the last years. Past in present business-financial crisis shows a long-term development of systemic/institutional corruption. Among 13 indicators the

theory considers to indicate the presence of systemic corruption it is possible to detect 12 of them in Slovenia:

- existence of corporate monopolies, cartels and limited competitiveness,
- enormous state and local infrastructure projects;
- politically-burdened processes of economic liberalisation and privatisation;
- low possibility of detection and sanctioning (weakness and lack of priorities of supervisory and investigative bodies and of prosecution service);
- long court proceedings;
- institutional and political uncertainty (connected to crisis, elections and low level of trust in the institutions of the state governed by the rule of law and of the political system);
- inexistent or overregulated system of public procurement with weak supervision;
- not fully elaborated system of internal auditing with regard to effectiveness of the public spending;
- weakness of supervisory bodies in enterprise sector and insufficient corporate culture in the field of business compliance;
- politicisation or lack of transparent privatisation of the media sphere;
- inefficient and intransparent system of financing of enterprises by the financial institutions;
- influence of lobbyists on the legislative procedure.

Assessment of the current situation for 2012: Slovenia is facing systemic corruption. Main factors and areas that represent the basis for systemic and administrative corruption are:

- overall decrease in trust in institutions of the state governed by the rule of law and in holders of public functions and their credibility;
- public procurement in general;
- management of capital investments of the state and local communities;
- functioning of the banking system;
- transparency of political party funding and of funding of election campaigns;



- overall prevalence of conflict of interest, clientelism and nepotism;
- lack of transparency of particular influences in legislative procedures and procedures for adoption of other regulations;
- ineffective functioning of some inspection services;
- functioning of the prosecution service and the judiciary;
- lack of resources and sub-optimal organisation and autonomy of the key supervisory and investigative bodies;
- the process of adoption of budgets (of the state bodies and local authorities).

**Letter of Resignation of the CPC management in November 2013:<sup>1</sup>** The letter was publicly presented in published by the previous management of the CPC in order to explain the reasons for the resignation. It includes a short overview of main obstacles that hindered successful work of the CPC in the future.

**• Results of public perception surveys regarding the effectiveness and performance of the anti-corruption body or bodies;**

**Excerpt from the Corruption perception surveys in Slovenia (years 2002 – 2009)**

How did the following institutions helped fighting corruption in Slovenia?  
(average on the scale from 1- did not help to 5 – helped extensively)

	2002	2003	2004	2005	2006	2007	2008	2009
Media	3,43	3,41	3,38	3,56	3,37	3,40	3,54	3,37
Commission for the Prevention of Corruption	3,03	3,11	3,16	3,28	3,37	3,34	3,23	3,28
Anti-Money Laundering Office	2,85	2,77	2,87	3,00	2,96	2,92	2,86	2,86
Police	2,97	2,73	2,79	3,09	2,79	2,74	2,75	2,82
Inspection services	2,94	2,90	2,77	2,97	2,85	3,94	2,64	2,76
Prosecution service	2,95	2,66	2,54	3,05	2,69	2,80	2,62	2,67
Health care institutions	2,99	2,65	2,64	3,06	2,57	2,73	2,51	2,48
Local administration	2,69	2,43	2,51	2,74	2,51	2,62	2,44	2,45
Courts	2,78	2,58	2,55	2,92	2,61	2,67	2,40	2,44
Government	2,58	2,32	2,32	2,78	2,45	2,49	2,36	2,27
Law firms	2,68	2,43	2,37	2,60	2,38	2,45	2,14	2,20

**• Results from public awareness surveys of the extent of public knowledge about the prevention of corruption;**

**TI CPI:**

Year	Rating for Slovenia (score)
2013	43 (57)
2012	37 (61)
2011	35 (5,9)
2010	27 (6,4)

All other analysis and surveys on Slovenia (Eurobarometer, Survey on corporate and business environment, business ethics and unregistered payments in Slovenia, Corruption among journalists, Corruption perception in Slovenia etc.) are available at the CPC's website in Slovenian language:

<https://www.kpk-rs.si/sl/korupcija-integriteta-in-etika/analize-raziskave-in-statistika/raziskave-in-statistika>

- Key conclusions and recommendations from evaluation reports on the effectiveness and performance of relevant anti-corruption bodies.

**Statistical data on the CPC's activities**

Please, see annex to this report (CPC in numbers in 2012).

Statistical data on CPC's work in 2013:

Number of reports of suspicions of corrupt practices and other violations of the IPCA received	1931
Requests for legal opinions or advice on the use of the IPCA in practice received	1190
Integrity plans received for evaluation	532
Lobbying reports received	830
Requests for access to public information received	84
Educational activities carried out for public sector	60
Asset declarations received	6538

CPC's work completed in 2013:

Completed proceedings of reports of suspicions of corrupt practices and other violations of the IPCA received	2300
Initiated misdemeanour procedures for violations of the IPCA	111
Determined unauthorized business transactions in public sector and issued warnings or requests for annulment of contracts	8
Filed charges of suspicious criminal acts to law enforcement agencies	288
Filed initiatives to supervisory agencies to undertake actions within their powers (inspectorates, Court of Audit, Tax Administration....)	341
Carried out sessions of the Senate of the Commission with agenda items;	51 sessions, 329 items
Reviewed and assessed integrity plans of public sector entities	1238
Carried out trainings, lectures and round table discussions	60
Prepared legal opinions, explanations and answers to public and private sector entities	1190
Carried out international workshops of EACT project;	2
Upgraded Supervizor web application	
Carried out awareness raising project for primary schools "Say it with a T-Shirt";	
In accordance with the law the Commission represents the Republic of Slovenia in international committees, missions and evaluations – UN, OECD, Council of	

Europe/GRECO, European Commission, IACA	
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...;

*Several international organisations have praised the CPC's work and achievements and encouraged the Slovenian Government to provide additional resources to it.*

**An excerpt from the GRECO report from October 2012<sup>1</sup>:**

## VI. CORRUPTION PREVENTION IN RESPECT OF ALL CATEGORIES UNDER REVIEW – THE ROLE OF THE COMMISSION FOR THE PREVENTION OF CORRUPTION

232. Throughout this report, the central role of the CPC has been highlighted. It is obvious to the GET that the position, powers and recognised expertise of the CPC are among the strongest assets of the system of prevention of corruption, as well as in the promotion of integrity of parliamentarians, judges and prosecutors in Slovenia. Unfortunately, the CPC's ability to act is hampered by financial and staff constraints, which have become all the more pressing since the extension of its mandate and powers under the new IPCA. The new tasks and powers it has been provided with as regards lobbying, conflicts of interest and asset declarations have not been accompanied by the necessary increase in staff and budgetary resources. The CPC currently functions with a staff of 40 persons whereas its mandate extends over approximately 10,000 officials as regards assets declarations and 3000 public institutions as regards integrity plans. For example in order to maintain and enforce the new online asset declaration system for these 10,000 officials, as was described earlier in this report, the CPC has a budget of only 44,000 EUR and one person working full time on the monitoring of declarations. Another example of the CPC's budgetary constraints arises with the new regulation of lobbying, also introduced by the IPCA. The CPC has only one person, and no additional financial resources, to maintain the new register of lobbyists and to enforce the rules in this area. The latest information indicates that, although it is already suffering from insufficient staff and budgetary resources, the CPC has been and could continue to be negatively impacted by budgetary cuts in the public sector due to the economic crisis. The GET is of the strong opinion that these budgetary and staff constraints are severely detrimental to the action of the CPC in the prevention of corruption in relation to MPs, judges and prosecutors. Addressing this problem is therefore essential to the implementation of other recommendations formulated in this report. **In order to ensure that the Commission for the Prevention of Corruption is adequately equipped to perform its tasks with respect to MPs, judges and prosecutors effectively, GRECO recommends that its financial and personnel resources in the areas of asset declarations, lobbying and conflicts of interest be increased as a matter of priority.**

### **An excerpt from the EU Anti-Corruption Report on Slovenia from February 2014<sup>1</sup>:**

Legal framework. Fairly well-developed anti-corruption legislation is in place. Recent legislative changes in 2010 and 2011 focused on integrity and prevention of corrupt practices, conflicts of interest, transparency of lobbying, whistleblower protection, public procurement, criminal law provisions and criminal procedure. In particular, through the Integrity and Prevention of Corruption Act adopted in 2010 and amended in 2011<sup>8</sup> a solid legislative framework was created to support prevention and integrity policy, defining the tasks and powers of the KPK, providing for verification mechanisms on asset disclosure, and including provisions on protection of whistleblowers and lobbying. Some loopholes remain, however, in the legislation concerning the financing of political parties and electoral campaigns where GRECO found in mid-2012<sup>9</sup> and reiterated in a report adopted in March 2013 and published in January 2014<sup>10</sup> that its recommendations had not been satisfactorily implemented. In mid-2013 the government proposed new legislation on financing of political parties, elections and referendum campaigns. This is currently undergoing parliamentary debate. The government also proposed in mid-2013 new legislation on access to information, including provisions on transparency with regard to state-owned and state-controlled companies, and companies where the State has a significant number of shares, as well as transparency on services provided to the public sector. GRECO also stressed that the implementation of rules on conflicts of interest and lobbying is still insufficient and more needs to be done to raise awareness.

Institutional framework. The KPK was established in 2002 and has gone through several institutional changes since then<sup>12</sup>, further strengthening its powers and capabilities. The scope of the KPK's powers is very broad, ranging from administrative investigations to preventive measures, research and awareness-raising activities. Criminal investigation powers are vested in the criminal police, the National Bureau of Investigations and the prosecution services, which have recently taken steps to improve their track record of effective investigation policies.<sup>13</sup> Specialised law enforcement teams focusing on corruption and economic crime have also been set up.

#### Independence and effectiveness of anti-corruption institutions

In 2010 the powers and mandate of the KPK were extended significantly and its independence was strengthened, allowing for a more effective role in the implementing anti-corruption policies.<sup>59</sup> The KPK conducts administrative investigations into allegations of corruption, conflicts of interest, and illegal lobbying. It also monitors the financial status of public officials' wealth, keeps a central registry of lobbyists, undertakes tasks related to the protection of whistleblowers, coordinates the development and implementation of the national anti-corruption action plan, assists public and private institutions in developing integrity plans and monitoring their implementation, develops and enforces preventive measures such as awareness-raising, training, etc., and serves as

a national focal point for anti-corruption matters for international organisations and mechanisms.

Since 2010, the KPK has consolidated its role. Given the rather limited resources at its disposal,<sup>60</sup> its track record of implementation is solid: 1 389 reviews/investigations were completed in 2011 and 1 214 in the first three quarters of 2012.<sup>61</sup> The KPK's guarantees of stability and independence are key to carrying out its investigative and oversight tasks effectively and without undue pressure. However, the KPK alone cannot ensure effective prevention and measures against corruption across the board. GRECO also noted that the financial and human resources of the KPK dedicated to asset disclosure, lobbying and conflicts of interest are insufficient and must be increased as a matter of priority to avoid hampering its core activities in the future.<sup>62</sup> Internal control and supervision mechanisms, external oversight and police, prosecution and the judiciary also have an important role to play. At the end of November 2013, the KPK leadership resigned in protest against the insufficient support from other authorities and their limited effort to follow-up on the work of KPK and address corruption risks identified by the KPK.

### **3. Please outline actions required to strengthen or improve the measures described above and any specific challenges you might be facing in this respect.**

After the resignation of the CPC leadership in November 2013<sup>1</sup> the CPC issued a call to the Government and the Parliament, outlining 15 concrete points of actions<sup>1</sup> that should and could be undertaken to improve the situation in the anti-corruption field in the country. The points outlined were the following:

- Starting public and transparent investigation of the state project TEŠ 6 (TEŠ 6 is the biggest investment of the Republic of Slovenia, after construction of highways. It is accompanied by suspicions of criminal offences, conflict of interests, inefficient and uneconomic spending. It is currently investigated by the Police, prosecution service, CPC and OLAF. The only subject that did not take any action is the owner, the state. None of the bodies working on TEŠ 6 cannot, due to legislative limitations, comprehensively address this problem in order to identify what happened, why and who were the main persons involved. Although the CPC issued a proposal, supported by the Prime Minister, the Minister of Finances and the President of the Slovenska odškodninska družba, d.d. (a financial organisation managing capital assets of the Republic of Slovenia) to audit TEŠ 6, the president of the Court of Audit rejected such proposal.). As the state keeps issuing new guarantees which will finally be the burden of its tax-payers it is important to prevent further unlawful actions.
- Starting public and transparent investigation of the “banking hole”. Current expenses to minimize the effect of the banking hole has already become the tax-payers’ burden. Any public spending to this regard should be made public and acted against those accountable for it.

- Adoption of the Access to Public Information Act that will enable disclosure of lawyers', consultants', sponsors' and donors' contracts concluded by companies indirectly or directly owned by the state and municipalities in the online application Supervizor in order to minimize lobbyist-political-media-clientelism "rent-seeking" relationships established in the period of transition in Slovenia. The legislative proposal has been prepared by the CPC, in cooperation with the Ministry of Interior and the Information Commissioner.
- Centralisation and information (and thus increase in transparency of) of the public procurement in the public health care system.
- Accelerated adoption of the new Slovenian Sovereign Holding Act that will include rigorous measures for transparent appointment and decision-making process of members of supervisory and management boards in companies with direct or indirect majority participation of the state in their ownership, that will demand written disclosure of potential or existing conflict of interest in advance and that will prescribe sufficient sanctions for violations regarding avoiding conflict of interest and personal or business clientelism.
- Establishment of inspection service for public procurement with sufficient human resources and with a possibility to impose efficient sanctions for violators at the state and local level.
- Adoption of code of ethics for parliamentarians.
- Adoption of code of ethics for government officials and ministerial officials taking into account good practices of some foreign countries that will also include standards on business restrictions with companies in the field of state aids, subsidies etc. and standards with regard to purchase of shares of state-owned companies.
- Amendment of the Rules of Procedure of the Government and of the Parliament in order to strengthen the transparency of adoption of laws and regulations, in a way that every bill mandatorily contains a list of all individuals that participated in preparation of bills as external consultant (the so-called legislative trace).
- Regulation and public accessibility and transparency of the registry of the Trust of the agricultural land and forests and of changes of their intended purpose.
- Adoption of the legislation in order to enable recall of a mayor.
- Adoption of the legislation that will enable execution of a recall of individual from the state office by a court decision and prohibition of performance of public

function for a limited period of time in cases when abuse of office or violation of anti-corruption legislation has been established by a court decision.

- Adoption of a systemic law that will require from professional societies given public authorisation (Bar Association, Chamber of Notaries, Medical Chamber etc.) setting up an efficient self-regulation, transparent and publicly accessible (online) system for monitoring of functioning of their internal honorary/ethical/disciplinary commissions and pronounced sanctions.
- Start of a serious debate on systemic reorganisation of functioning of inspection services.
- Adoption of amendment to the IPCA in order to: a) abolish subsidiarity principle in order to give this law the nature of systemic law; b) strengthening (with appropriate powers and possibility to pronounce sanctions) those supervisory powers of the CPC that are not carried out by other supervisory bodies and are not overlapping with powers entrusted to the Police or prosecutor service, especially in the area of monitoring of assets of officials and civil servants exposed to corruption, conflict of interest (with an emphasis on clientelism and nepotism), business restrictions, incompatibility of functions, monitoring of acceptance of gifts (which should be unified for all employees in the public sector), in the field of non-public influences on adoption of staff, legislative and financial decisions of the office holders etc.; c) establishment of the legislative framework for implementation of preventive systemic and thematic supervision carried out by the CPC in the public sector bodies and organisations in order to provide counselling, strengthen integrity and identify and remedy systemic corruption risks; d) establishment of the CPC's Council (appointed by the Parliament with 2/3 majority) as an independent body supervising the work of the CPC in order to secure its integrity, objectivity and efficiency.