

# **THE USE OF IT TOOLS IN THE FIGHT AGAINST CORRUPTION IN THE REPUBLIC OF SLOVENIA - ENHANCING TRANSPARENCY AND OPENNESS OF THE SLOVENIAN PUBLIC SECTOR**

## **Supervizor – an indispensable Open Government application for enhancing transparency of expenditure of public funds**

### **Abstract:**

Supervizor is an online application that enhances transparency of expenditure of public funds as it provides the general public with a user-friendly access to information on business transactions of public sector bodies. Currently, Supervizor contains data on approx. 146 mio financial transactions from both government and local agencies for the period of 2003 to 2016 and allows for an oversight of an average of EUR 4.7 bn of annual public expenditure.

In addition to data on expenditures, Supervizor matches financial transactions to company records from the Business Register including directors' lists and corporate leadership thus providing a further insight into links between the public and the private sphere.

Supervizor is an application where financial flows from the public to private sector are accessible to the public quickly, simply and free of charge. Moreover, transparency of financial flows among the public and the private sectors achieved through this application increases the perceived level of responsibility of public office holders for effective and efficient use of public finance, it decreases risks for illicit management of funds and abuse of public functions as well as limits systemic corruption, unfair competitiveness and clientelism in public procurement procedures.

Supervizor therefore presents an indispensable tool for strengthening the rule of law, integrity and transparency, mitigation of corruption risks and conflicts of interest.

The Supervizor application, which has been designed and developed by the Commission for the Prevention of Corruption of the Republic of Slovenia (hereinafter: CPC), won the UN Public Service Award in 2013, an important recognition of excellence in public service. The data on transactions from Supervizor is updated daily and provided also in machine readable form.

### **Supervizor - an application established on the basis of the reuse of public sector information with a goal of strengthening integrity and transparency of the public sector**

Supervizor is an online application that provides information on business transactions of all public sector bodies – direct and indirect budget users (the bodies of all three branches of the powers of the state, independent judicial and state bodies, local communities and parts thereof with legal personality, public institutes, public funds, public agencies etc.).

The data is daily updated and provides the general public with proactive transparency in the field of public sector spending. It combines relevant data from various sources in a more user-friendly format and presents an important step towards more transparent state operations.

Supervizor provides an oversight of the average annual public budget expenditure of EUR 4.7 bn. It indicates separate individual transactions between a public entity and a private enterprise, it enables an overview of a sum of transactions between the two entities mentioned, it displays a list of contracting parties, , related legal entities (if any exist), date and amount of transactions and also the purpose of

each single transaction (for all the services and goods payments over 2.000 EUR). This detailed information on the transactions is topped with the data on the ownership and management structure of the Slovenian companies engaged in the observed transactions and some data from their annual reports (PSI from the Slovenian Business Register). Since 2014, Supervizor includes also transactions of enterprises in the state or local community ownership. As these are not public budget users their transactions are reported by the banks to the PPA.

All data presented is displayed in user-friendly graphs and charts as well as printouts for specified periods of time.

Since the information provided is exact and concise and based exclusively on official databases, Supervizor presents a useful tool not only for a civic oversight of public expenditure performed by the public and the media, but it became also an essential investigation tool of various regulatory and supervisory bodies.<sup>1</sup> Information on financial transactions and financial flow analyses are a vital part of the evidence-gathering process in economic crime, public finance crime and corruption investigations, therefore a tool where information on business transactions of public sector bodies as well as other information regarding recipients of public funds is gathered in one place, is extremely welcome.

The idea for such public web application arose among some of the CPC employees in 2011 and was realized in close cooperation with external IT experts free of charge in approximately a month-time. Still, the project could not have been realized without the cooperation of other state bodies: the Ministry of Public Administration, the Slovenian Ministry of Finance, Public Payments Administration (PPA) and the Agency of the Republic of Slovenia for Public Legal Records and Related Services in charge of the Slovenian Business Register (AJPES). There was no need for legislative changes, since all relevant data had already been accessible to the public on the basis of the Slovenian Access to Public Information Act.

In Slovenia, the PPA provides data on payment services for direct and indirect users of central and local government budgets. It streamlines and records the flows of public finance within the single treasury system. PPA maintains a Register of Budget Users, manages budget user accounts and performs the tasks of payment service provider on behalf of budget users. In this respect, all data about financial transactions from public sector bodies to private companies is registered in a single central database. For the purpose of Supervizor application PPA provided the CPC with *data on all payments* among the public sector bodies and payments made by the public sector to private companies from 1 January 2003 till present day.

The AJPES is keeping records on business entities in Slovenia and manages *the Slovenian Business Register* as a central public database of all business entities, their subsidiaries and other organizations' segments located in Slovenia which perform profitable or non-profitable activities. They are also in charge of managing annual reports of Slovenian business entities. In Slovenia, companies (including banks, insurance companies, investment funds and co-operatives), sole proprietors, legal entities governed by public law, non-profit organizations and associations have to submit their annual reports to AJPES for the purpose of public presentation and for tax and statistical purposes. For companies with a mandated statutory audit, AJPES publishes audited annual reports.

*Database of public procurements* in Slovenia is the Supervizor's third main source of data. It is maintained by the public company Official Gazette and Ministry of Finance and contains information about all public procurements and small value public procurements including companies which received public procurement and the financial value of certain business.

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<sup>1</sup> For example, on the basis of Supervizor data in 2012 more than 100 cases of suspected violations of restriction on business were discovered by CPC (mostly on a local level).

There are two main preconditions which enabled the establishment of Supervizor, namely the existing legal framework which provides for the right to reuse generally accessible public sector information and the existence of a single treasury system where all public financial transactions are recorded in a centralized way, therefore a system, which gathers all records on financial transactions of the state and local communities' budget in a single database.

Further, as said above, additional two prerequisites are also the existence of a business registry containing data on ownership, management structure and annual reports of the Slovene companies, and a database of the public procurements. Finally, another important feature is not only the general governmental orientation towards greater transparency but also the existence of a transparency policy of each individual public sector institution in charge of the public sector databases.

### ***The PSI databases reused within the Supervizor***

Slovenia implemented the rules of the EU Directive on reuse of public sector information (PSI) in 2005. The rules on reuse of public sector information form a part of the Access to Public Information Act and are perceived as an integral part of the Slovenian Open Government policy. The Slovenian law has been regarded by the international non-governmental organizations, such as Access Info, as one of the three best in the world.<sup>2</sup> In April 2014 the scope of the Act has been further enhanced by including the state owned enterprises as liable bodies.

Under the Slovenian Access to Public Information Act public sector bodies are obliged to provide access to and reuse of PSI, thus implementing the provision of the PSI Directive 2013 according to which the public sector bodies have to provide reuse of all generally accessible PSI (the so called real right to reuse). In Slovenia the liable bodies have no discretion with regard to providing reuse of publicly accessible PSI. Another important principle of the Act is the principle of proactive dissemination of PSI, which provides the basis for wide publication of the PSI on the internet.

The main Slovenian governmental authority designated to ensure openness and transparency of the functioning of the entire public administration is the Ministry of Public Administration of the Republic of Slovenia (hereinafter: the Ministry of Public Administration). Further, the Information Commissioner also plays an important role in the field of access to and reuse of PSI as it provides for an efficient redress mechanism, while the Commissioner's administrative decisions on the reuse of PSI are fully binding for all the liable bodies.

Apart from being in charge of the access to information and the reuse of public sector information legislation, the Ministry of Public Administration is also in charge of the legislation on integrity and prevention of corruption. Therefore the Commission for the Prevention of Corruption and the Ministry of Public Administration are important partner institutions that share a common goal of enhancing openness and transparency in the work of the government and public administration institutions.

### **The process of establishing the application and the publication of the Supervizor transactions data as Open Data within the Slovenian Open Data portal**

Supervizor is a good example of the reuse of generally accessible PSI. It has first been initiated at the level of the civil society and later on adopted and further developed within the CPC in cooperation with other bodies that provided the necessary data. The Ministry of Public Administration and the

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<sup>2</sup> An international organization Access Info Europe (Spain) and the Centre for Law and Democracy (Canada) carried out a survey on the quality of legislation on access to public information in 89 countries. Slovenia was ranked an impressive second place. More about the project at: <http://www.law-democracy.org/?p=1143> .

Commission for the Prevention of Corruption worked jointly on first publishing the data on transactions from Supervizor as Open Data within the Slovenian Open Data portal and including the express legal provisions on Supervizor in the Access to Public Information Act.

Data was imported into the internal CPC's database server and linked in an internal relational database. Records on business entities, annual reports and information about public procurements were completely public; however data about financial transactions was not public in full, as the database contained personal and classified data. Therefore the CPC requested the data on financial transactions on grounds of Article 16 of the Integrity and Corruption Prevention Act, which gives the CPC powers for acquisition of data and documents. CPC developed algorithms for detection and elimination of the sensitive information in order to be able to publish the remaining data as the generally accessible information on the internet. That was the main motive – to perform proactive approach towards transparency of public finances, being able to publish it on the internet, where anyone can see it and be a supervisor of public spending.

The removed data – publicly non accessible – consisted of mainly transactions related to physical persons (salaries, expenses related to salaries, etc.), transactions to accounts of health insurance companies containing personal data, transactions from deposit account of the Customs Administration of the Republic of Slovenia, transactions to Central Securities Clearing Corporation for the purchase of debt securities and payments of PPA for the repayment of debts, some specific transactions to banks, returns of taxes, etc. During the performed analysis the CPC received some additional data on financial transactions (statistical code of transaction and SEPA code of the transaction purpose) and later also accounting data describing transactions. This information also helped CPC to remove transactions containing personal and classified information.

As a final step, a web application has been written with the aim to visualize the data about public expenditures and ownership and management structure of the Slovenian companies in a simple and understandable way. The application provides for the simple user interface for searching information about public expenditures and companies/recipients of public funds. The web application was written in cooperation with an independent expert and is using open source technologies (PostgreSQL database server, Debian Linux operating system, Python/Django web framework, Nginx web server and open source JavaScript libraries for data visualization). In the following, the application and final version of the database was put on a public web server<sup>3</sup>, which requires no registration and does not retain any logs about its users. By using open source technologies the costs of software have been reduced (operating system, database server and web server). Selected technologies have high performance for carrying out numerous database and web requests from the end users.

Before the public launch the opinion of the Information Commissioner on the protection of personal data in the application was also obtained. CPC followed the Information Commissioner's recommendations and performed some adjustments. After that, application has been published on the internet (August 2011).

Since 2014, the data on transactions from Supervizor has been provided as Open Data in machine-readable format including transactions below 2000 EUR. Access is provided on a Supervizor's infrastructure and also advertised within the Slovenian Open Data portal (so called NIO portal).

The data in machine-readable format includes:

1. Monthly sums of transactions between an individual budgeted user and an individual private enterprise (from 2003).
2. Data on each individual financial transaction of budget users (purposes of the transactions below 2000 EUR are anonymised).

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<sup>3</sup> In 2015 Supervizor has been moved to Ministry of Public Administration computer cloud.

The data is published in CSV format with Unicode (UTF-8) encoding. Data structure is also extensively described in a corresponding document.

### **The recognition of Supervisor as an indispensable tool for enhancing transparency**

The key benefit of the project is that financial flows from the public to private sector are accessible to the public quickly, simply and free of charge. This proactive approach towards the transparency of public finances could lead to strengthening of public integrity, transparency of public finances and accountability of public service and decreased risks of systemic corruption.

Supervisor creates a more transparent business environment, reveals controversial practices in budget expenditure and exposes systemic corruption. It presents an important step towards more transparent operation of the public sector bodies.

After the initial phase, when the main reason by most of the public for using an application was curiosity, the data is now used in a more analytical way. It is used as an everyday tool by the public, research journalists and regulatory and supervisory government bodies when investigating economic crime, public finance crime and corruption. And most importantly – the web application enables the public, the government and the local authorities to pose better educated questions regarding the use of public funds and accountability of public service.

### ***Feedback from users***

Supervisor has a positive impact on more efficient use of public funds as well as on identification and prevention of systemic corruption in the country. Much positive feedback has been received from several local authorities, law enforcement, government auditors and tax administration officers regarding usefulness of the data provided and analyses that the application allows for. They expressed satisfaction with the many possibilities of use of the application in their everyday work.

The tool proved to be particularly useful at the local level, where the information from Supervisor assisted in enhancing active participation in the creation of policies and in the allocation of public financial resources. Supervisor is used by municipality councillors, municipality's supervisory committees, members of various boards of schools and institutions who use it as grounds for open discussions about the priorities of spending of public funds at the local level.

The project had great impact with the media and European anti-corruption authorities. Experts from the field of prevention and investigation of corruption expressed great satisfaction with the idea and the outcome of the project, while foreign journalists and the general public expressed their expectation that this kind of proactive approach towards transparency of public finances would be implemented also in their countries.

In 2013, the online application also received the United Nations award for the excellence in public administration.

The Supervisor project proved that it is possible to increase transparency of public finance, facilitate the debate on adopted and planned investments and projects as well as decrease the risks of illicit management, abuse of functions and, above all, limit systemic corruption, unfair competitiveness and clientage in public procurement procedures.

Most importantly, as it turns out, this can in effect be done with a minimal financial input (however with a significant amount of personal enthusiasm). The Supervisor project proved that it is possible to achieve better transparency – with a good idea and devotion to the ideal of transparency.

## Case Studies

### *Restrictions on business activities due to conflict of interest*

The Integrity and Prevention of Corruption Act restricts certain business activities. In particular, the Act contains the following provision:

<p style="text-align: center;"><b>Article 35</b> <b>(Restrictions on business activities and the consequences of violations)</b></p> <p>(1) A public sector body or organisation which is committed to conducting a public procurement procedure in accordance with the regulations on public procurement or which carries out the procedure for granting concessions or other forms of public-private partnership, may not 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 the following role:</p> <ul style="list-style-type: none"><li>• participating as a manager, management member or legal representative; or</li><li>• has more than a 5% level of participation in the founders' rights, management or capital, either by direct participation or through the participation of other legal persons.</li></ul> <p>... (continued)</p>
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In the Republic of Slovenia, we have approximately 5000 holders of public office and there is a need to periodically check if the provisions on restriction of business activities were violated. It is impossible for a small number of employees of the Commission to check all the transactions of public sector organisations by hand. That is why the Commission developed an application that performs an automatic oversight .

#### 4. Omejitve poslovanja (prva prijava oziroma nova omejitve poslovanja)

- Funkcionar je poročal, da ni subjektov, s katerimi bi veljale omejitve poslovanja
- Funkcionar je sporočil subjekte, s katerimi veljajo omejitve poslovanja

**1. subjekt, s katerim velja omejitve poslovanja**

Omejitve poslovanja velja do  poslovnega subjekta  
 kmetijskega gospodarstva

Datum nastopa  Danes |

**Podatki o poslovnem subjektu oz. kmetijskem gospodarstvu**

Država

Matična številka

Davčna številka

Naziv

MID identifikacijska številka kmetije

Nosilec kmetijskega gospodarstva

Ulica

Hišna številka

Pošta

**Način udeležbe funkcionarja**

Funkcionar je poslovodja, član  Da  
 poslovnega ali zakoniti zastopnik  Ne

*Restrictions must be reported by public organisations through web form.*



Hitro iskanje:  [Počisti vsa](#)

Organizacija	Matična	Davčna	Šifra PU	Naslov organizacije	Pošta organizacije	Omejitve do kmetijskega gospodarstva ali do poslovnega subjekta	Naziv poslovnega subjekta	Matična	Davčna	KMG-MID	Naslov	Pošta
BANKA SLOVENIJE	5023912000	92582087		Slovenska cesta 35	1000 Ljubljana	ps	BMF Poslovno svetovanje, d.o.o., Ljubljana	1215698000	43498558		TOMŠIČEVA ULICA 003	1000 Ljubljana
BANKA SLOVENIJE	5023912000	92582087		Slovenska cesta 35	1000 Ljubljana	ps	INTERRA podjetje za financiranje, trgovino in svetovanje, d.d., Ljubljana	5499119000	25996088		TOMŠIČEVA ULICA 003	1000 Ljubljana
BANKA SLOVENIJE	5023912000	92582087		Slovenska cesta 35	1000 Ljubljana	ps	INTERTRADE ITA podjetje za zastopanje tujih firm d.d., Ljubljana Tomšičeva 3	5111978000	13250809		TOMŠIČEVA ULICA 003	1000 Ljubljana
BANKA SLOVENIJE	5023912000	92582087		Slovenska cesta 35	1000 Ljubljana	ps	TOMA, slikopleskarsko in zaključna dela v gradbeništvu d.o.o.	1719742000	91247748		V KLADEH 011	1000 Ljubljana
DELOVNO IN SOCIALNO SODIŠČE V LJUBLJANI	5840481000	25019562	50148	RESLJEVA CESTA 014	1000 Ljubljana	ps	A POHIŠTVO, trgovina in proizvodnja pohištva d.o.o.	3290778000	90747011		TRG SVOBODE 008 A	1251 Moravče
DELOVNO IN SOCIALNO SODIŠČE V LJUBLJANI	5840481000	25019562	50148	RESLJEVA CESTA 014	1000 Ljubljana	ps	EVIDENCA B podjetje za poslovno-računovodske storitve, promet, trgovino in gostinstvo d.o.o.	5910595000	94608083		ŠMARTINSKA CESTA 028	1000 Ljubljana
DELOVNO IN SOCIALNO SODIŠČE V LJUBLJANI	5840481000	25019562	50148	RESLJEVA CESTA 014	1000 Ljubljana	ps	GLIN NAZARJE, Lesna industrija, d.o.o.	1829025000	88693422		LESARSKA CESTA 010	3331 Nazarje
DELOVNO IN SOCIALNO SODIŠČE V LJUBLJANI	5840481000	25019562	50148	RESLJEVA CESTA 014	1000 Ljubljana	ps	KOTEZA gradbena dela in trgovina d.o.o.	5636094000	25427245		LOPATA 034 B	3000 Celje
DELOVNO IN SOCIALNO SODIŠČE V LJUBLJANI	5840481000	25019562	50148	RESLJEVA CESTA 014	1000 Ljubljana	ps	MIZARSTVO MORAVČE izdelava in popravilo lesenih predmetov, d.o.o.	5157676000	23216905		TRG SVOBODE 008 A	1251 Moravče
DELOVNO SODIŠČE V CELJE	5858135000	19290870	50121	GREGORČIČEVA ULICA 006	3000 Celje	ps	GLIN NAZARJE, Lesna industrija, d.o.o.	1829025000	88693422		LESARSKA CESTA 010	3331 Nazarje
DELOVNO SODIŠČE V CELJE	5858135000	19290870	50121	GREGORČIČEVA ULICA 006	3000 Celje	ps	KOTEZA gradbena dela in trgovina d.o.o.	5636094000	25427245		LOPATA 034 B	3000 Celje
DELOVNO SODIŠČE V KOPRU	5022584000	58934294	50130	FERRARSKA ULICA 009	6000 Koper - Capodistria	ps	AVTO-KOPER, prodajno-servisne storitve, d.o.o. Koper	5408806000	58793062		KOLOVORSKA CESTA 002	6000 Koper - Capodistria
DELOVNO SODIŠČE V KOPRU	5022584000	58934294	50130	FERRARSKA ULICA 009	6000 Koper - Capodistria	ps	PREDAVATELJI VŠŠ TOMAŽ UMEK S.P.	3154220000	92063250		BIDOVČEVA ULICA 012	6000 Koper - Capodistria

*We can link a database of restrictions of activities in place with database of payments from public bodies (to detect prohibited business) and Business Registry (to detect which officials should have reported business restrictions but failed to do so).*

Every public sector organisation has to report a list of companies for which the restriction of business applies by means of a web form. Collected data is then paired with Supervisor's data on transactions. Transactions between a public sector organisation and the companies the latter reported on the list are flagged as suspicious and are manually checked by the Commission's staff. In case of a breach of the abovementioned legal provisions the Commission can fine the offenders and requests the annulment of business transactions.

### Sum kršitev omejitev poslovanja

Seznam funkcionarjev pri organu, ki so hkrati zastopniki podjetij in so ta podjetja poslovala z organom v obdobju 23. 4. 2011 - 31. 12. 2011.

zap. št.	organ	ime osebe	ime podjetja	davcn
1	MESTNA OBČINA NOVA GORICA			1193;
2	OBČINA IVANČNA GORICA			2263;
3	OBČINA GORNJA RADGONA			6283;
4	OBČINA SREDIŠČE OB DRAVI			4665;
5	OBČINA DOBROVA-POLHOV GRAD			6977;
6	OBČINA ŠENČUR			5501;
7	OBČINA PODČETRTEK			2674;
8	MESTNA OBČINA CELJE, CELJE			5005;
9	OBČINA KOMENDA			8026;
10	OBČINA GORNJI GRAD			4163;
11	OBČINA RADLJE OB DRAVI			4285;
12	OBČINA RAVNE NA KOROŠKEM			7168;
13	OBČINA LOGATEC			1521;
14	OBČINA ZAGORJE OB SAVI			7915;
15	OBČINA PIRAN			2529;
16	OBČINA IZOLA			8718;
17	MESTNA OBČINA KRANJ			3980;
18	OBČINA RADLJE OB DRAVI			9322;
19	OBČINA KRŠKO			6011;
20	OBČINA LENDAVA - LENDVA KÖZ			3691;
21	OBČINA SLOVENSKE KONJICE			1048;
22	MESTNA OBČINA NOVA GORICA			1046;
23	OBČINA GORIŠNICA			8826;
24	OBČINA IZOLA			2237;

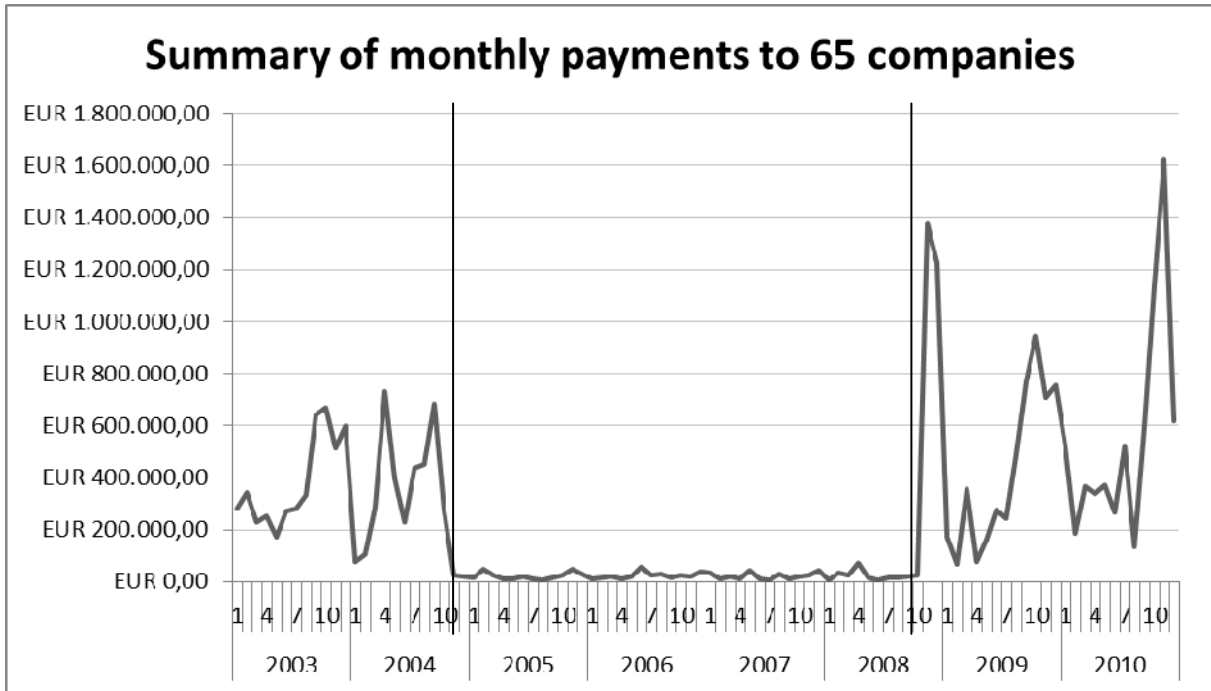
List of suspected violations of restrictions of operation/business from analysis done in 2012. Further investigation showed that violations took place in 68 cases (429 contracts). Sum value of illicit business was 1.436.208,28 EUR.

In 2013 the Commission repeated the analysis and no violations were found while in 2014 there were 4 violations.

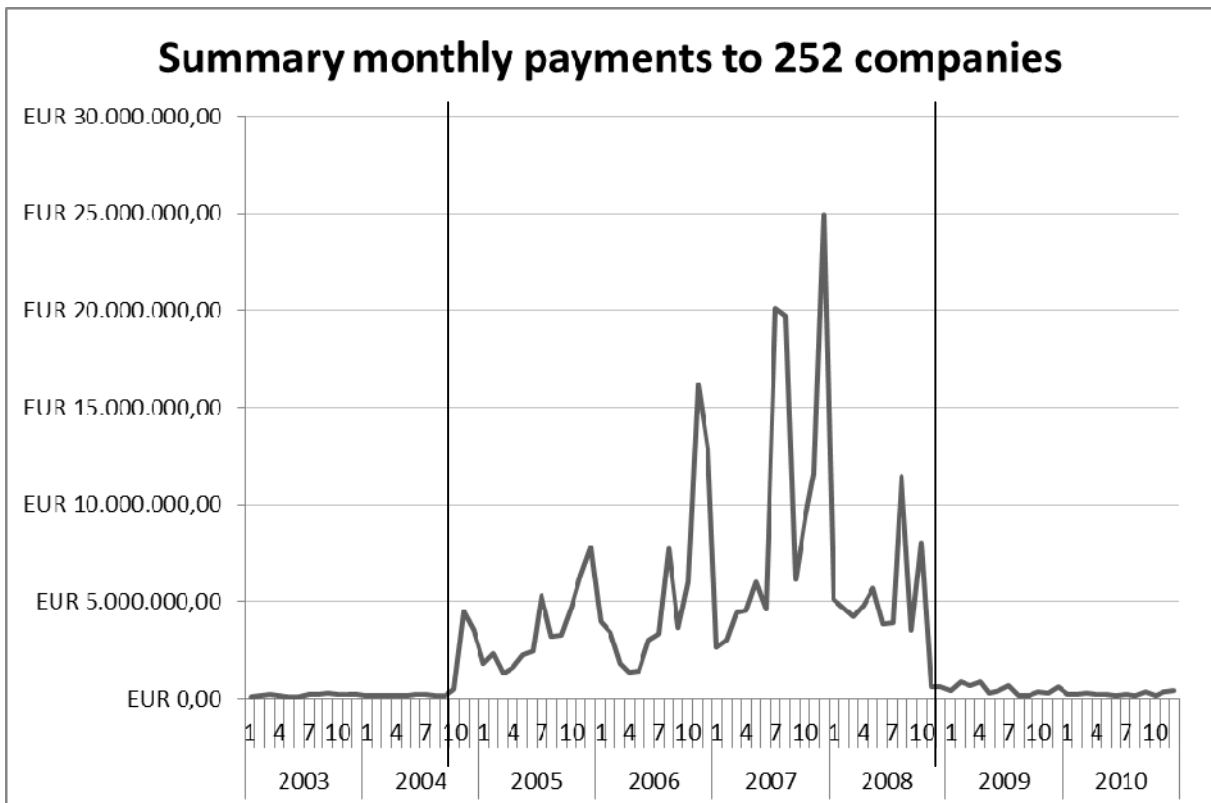
### Financial Flow Analysis

The aim of the financial flow analysis was to detect whether a link exists between separate Slovenian governments (past and present) and disbursement of funds to particular companies. The analysis has shown high correlation between the change of government in power and financial disbursements from budget users to a limited number of companies, high inflexibility of the market for certain services (namely IT services, pharmaceutical products, construction works, etc.) and existence of a group of companies which are highly dependent on the financial transfers from direct budget users (they receive a great amount of their income from budget users only), which constitutes a noticeable risk of corruption.



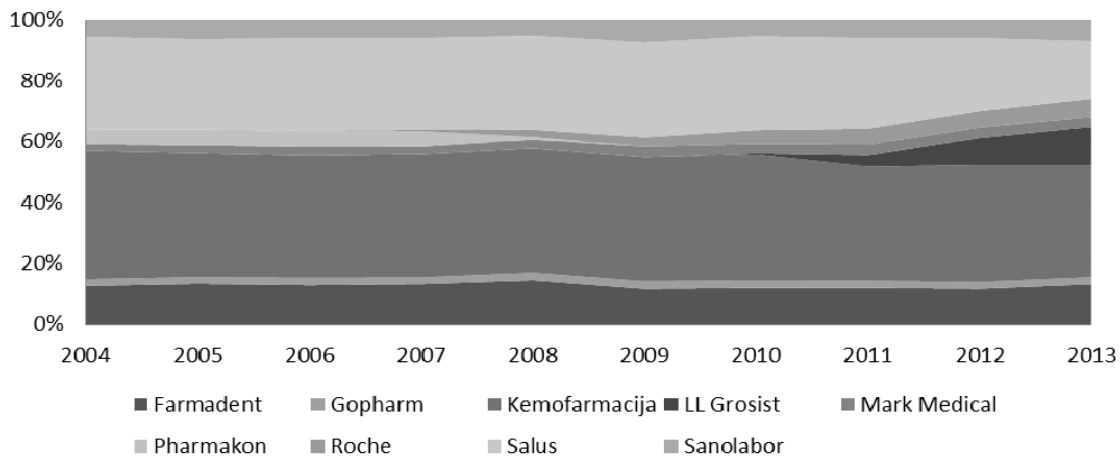


*The chart shows the timeline of payments to 65 companies in time of three governments: left-wing, right-wing and again left-wing government.*



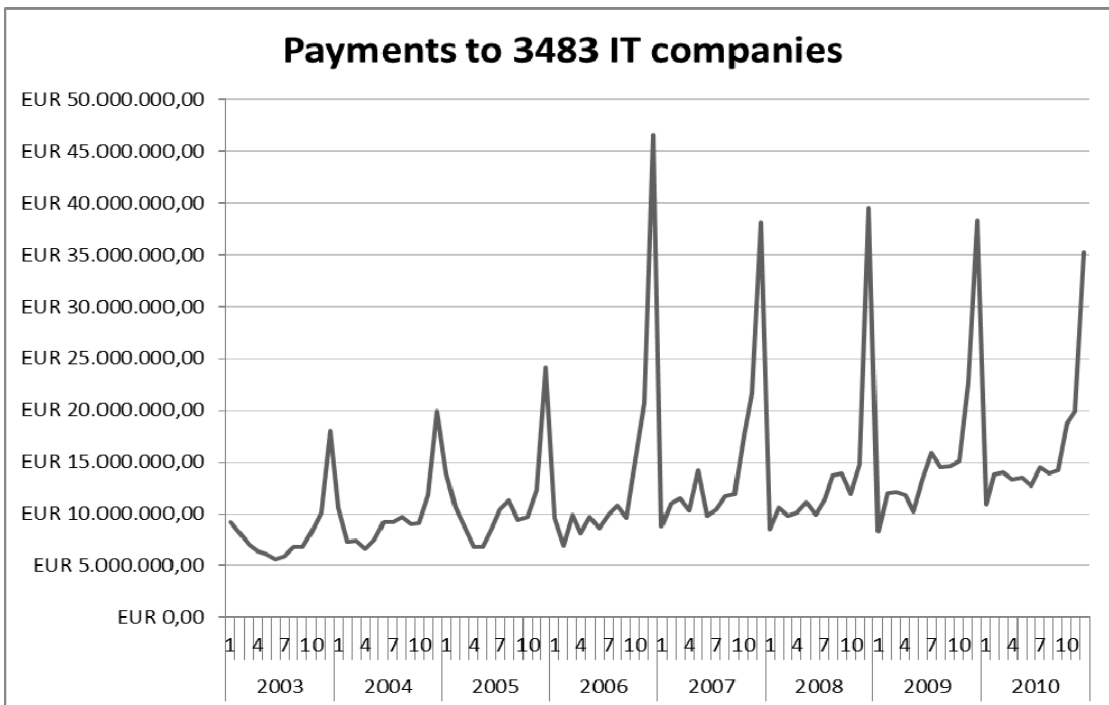
*Similarly this chart represents summary payments to 252 companies connected with right-wing government. Timeline again represents the left-wing, the right-wing and again the left-wing government mandates.*

### Structure of income from public sector for 6 biggest pharmaceutical companies (from 2004 to 2013)



This chart represents income from public sector for 6 biggest pharmaceutical companies. As it can be observed, the market share of individual companies is almost unchanged in the period of 9 years which is unusual to say the least.

### Payments to 3483 IT companies



The last chart represents payments from public sector to IT companies. As it can be seen from the picture, most of the payments are done at the end of the year. This can be due to the fact that the licences and contracts usually expire at the end of the year and are renewed at the same time or that the budget users use the surplus of their budget to purchase new IT equipment and supplies (printer toners etc.) in order to make the full use of their budget by the end of the year. The following year's budget usually depends on realised budget of the previous year.

For any additional information on Supervizor please contact the Commission for the Prevention of Corruption of the Republic of Slovenia, namely Mr. Lado Langof, IT Analyst at: [lado.langof@kpk-rs.si](mailto:lado.langof@kpk-rs.si), or [anti.korupcija@kpk-rs.si](mailto:anti.korupcija@kpk-rs.si).

## **Publication of contracts in the field of public procurement, concessions and Public Private Partnerships on the public procurement portal**

With the amendment of the Public Information Access Act – ZDIJZ-C (Official Gazette RS No. 23/14) a legal basis for the enhancement of transparency of the contracting authorities in public procurement was established in 2014 in the Republic of Slovenia. Fifth paragraph of Article 10a of the Public Information Access Act (hereinafter: ZDIJZ) specifies that the public sector body liable under the ZDIJZ, acting as the contracting authority, grantor or public partner, is obliged to publish publicly available information from the concluded contract within 48 days following the award of the contract, award of the concession, or when choosing a partner of a public private partnership. This information is published on a website dedicated to public procurement which is managed by the Ministry of Public Administration – the e-Public procurement portal. In May 2015, the portal was duly upgraded so as to allow publication of public information from the contracts.<sup>4</sup>

This legislative provision aims to increase transparency of information on the use of public funds in public procurement and follows the principles which are established within the context of OECD and Open Government Partnership. One of the key recommendations of the Open Government Partnership is namely the proactive publication of essential documents and information on public procurement on the Internet<sup>5</sup>.

The *Rules on Publishing Contracts in the Field of Public Procurement, Concessions and Public Private Partnerships* (hereinafter: the Rules) further specify the manner and format of on-line publications of contracts' public information. The purpose of this is the publication of the electronic copy of a contract, from which any protected data has been excluded. The Rules also specify the publication of metadata on contracts awarded in a machine-readable format; this data is updated on a quarterly basis. The main obligation of a public sector body is set out in Article 3 of the Rules, which specifies that the contracting authority shall publish an electronic copy of the contract, from which the data, which constitutes an exception in accordance with ZDIJZ, is extracted. The second paragraph of Article 3 of the Rules determines how the publication should be carried out. The contracting authority shall first refer to the publication number of the contract award notice. The details, which the system will have automatically obtained from the published contract award notice, will display on the screen. If necessary, the contracting authority will correct or supplement the information. This descriptive data is listed along with the contract which shall be published by the contracting authority. The contracting authority then adds an electronic copy of the contract itself (protected data excluded).

The metadata on contracts is available also in bulk for re-use, in machine-readable form, and updated every 3 months (open data).<sup>6</sup>

## **IT solution *STATIST* to improve even further public procurement transparency**

In January 2016, the Ministry of Public Administration set up an IT solution *STATIST*, which represents a **step further towards a transparent use of public funds and public sector information openness**.

*STATIST* is an application – an IT tool providing a general public an insight into the comprehensive, direct and updated information on awarded public procurements in the Republic of Slovenia.

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<sup>4</sup> See web page: <http://www.enarocanje.si/objavaPogodb/> .

<sup>5</sup> More information on this recommendation at: <http://www.opengovguide.com/commitments/routinely-disclose-core-classes-of-documents-and-data-about-public-contracting/>, on January 4th 2014

<sup>6</sup> See web page: <http://www.enarocanje.si/objavaPogodb/Izvozi.aspx>

The application *STATIST* can be accessed via a web link on the web page of the Ministry of Public Administration, Directorate for Public Procurement at [www.ejn.gov.si/statist](http://www.ejn.gov.si/statist).

*STATIST* contains all information on contracts awarded since January 1<sup>st</sup>2013, all in one place. The user can examine the information using different parameters and consequently accesses all key information on the use of public funds for all contracting authorities in a certain period. The home page contains the contracts awarded according to the ten largest contracting authorities, the ten largest providers who received the contract and the most frequently awarded contracts according to the purpose and legal basis for the current year. The public, media and public authorities can, for the purpose of research and surveillance, export the data in a .csv format. The user can store all the information displayed on the screen in a .pdf format. The user can view data adjusted to his or her needs through a filter with which he or she adjusts the search parameters related to the contracting authority (name, address), procedure (purpose, legal basis, types of procedure...) and the tenderer (name, country of establishment, region – for Slovenian tenderers). The user can easily add or remove parameters and thereby adjusts the data listed.

Currently, the data presented, is refreshed once a day, but in the future, we wish to ensure the users a constantly updated set of data, which will display the real situation concerning the publication on the e-Public procurement portal.

## **Transparency of election campaigns and funding of political parties**

The Republic of Slovenia has in 2013 reformed two acts in relation to the operation of political parties, the Elections and the Referendum Campaign Act (ZVRK) and the Political Parties Act (ZPoIS). The reform was carried out on the basis of the recommendations by GRECO.<sup>7</sup>

The criticism regarding the operation of political parties dealt in particular with the issue of transparency. In the evaluation report of Slovenia in connection with Theme II – political party financing – GRECO adopted a number of recommendations for the strengthening of control and funding in this area, inter alia, to achieve a higher degree of transparency in the context of spending funds in campaigns and by political parties, to demand, from political parties and electoral campaigns coordinators, a more detailed disclosure of their revenue and expenses, including the type and value of individual (monetary and non-monetary) contributions and loans, as well as, public disclosure of annual reports of political parties.

The focus of the reform of the two acts was on transparency. Today's regulation ensures the publication of reports on campaign financing (either at local or national level) and annual reports on the operation of political parties on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES).<sup>8</sup>

AJPES launched an application for the needs of campaign reporting in February 2015. Through this application the reports can be electronically submitted, not only for the purpose of central record keeping, but also in order to facilitate subsequent electronic processing of data to all interested users (journalists, researchers etc.)

In line with GRECO recommendations, the organiser must, based on the legislation (ZVRK) and implementing regulations, report in detail on all relevant financial aspects of the conducted electoral or referendum campaign. The previous legal framework already specified that the organisers must

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<sup>7</sup> A Group of States against corruption of the Council of Europe.

<sup>8</sup> See web page: [http://www.ajpes.si/Letna\\_porocila/Nepriidobitne\\_organizacije/Javna\\_objava](http://www.ajpes.si/Letna_porocila/Nepriidobitne_organizacije/Javna_objava) (annual reports of political parties) and <http://www.ajpes.si/novice.asp?id=232> (reports of election campaigns).

disclose the amount of funds collected and spent, the contributors who contributed the amounts above a certain threshold, as well as, loans and lenders. The main changes included in the new legislation:

- prohibition of transfers by legal persons and sole traders and
- restriction on the amounts paid in cash (50 EUR) and
- lowering the limit for compulsory disclosure of transfers of natural persons (from the amount of three gross wages to one) and
- requiring detailed reporting.

In reporting, the organiser of the campaign has to break down the revenue sources of funding in detail. The amount of funds received in cash (an individual is limited to the maximum amount of 50 EUR), the amount transferred by the organiser from his regular account (this scope is limited to ten gross wages, with the exception of political parties, which can transfer amounts not exceeding 0,40 EUR per voter), the amount of funds raised by co-organisers of the electoral campaign (joint lists or a pre-electoral coalition), the amount of non-monetary contributions (discounts, free services and incurrance of liabilities), and the amount of received avista interest, which the organiser has received for free resources on a separate electoral account must all be listed.

The organisers must report on all costs broken down to individual types of electoral expenses (electoral strategy, posters, advertisements, conventions, other material and the costs of managing a special electoral account) and, within each of these types, break down costs according to individual suppliers listing all of the bills/invoices (indicating all of the relevant elements: number of invoice, amounts, etc.) relating to an individual supplier.

A new obligation of the organiser is that he or she has to report on a possible surplus or deficit, on the funds collected in breach with the ZVRK provisions, and on remittances for humanitarian purposes. In the event of a deficit, the organiser of the campaign has to report on the extent of the defaulted assets as well. Political parties can transfer the surpluses of the electoral campaign to their own accounts; however, other organisers have to donate the money for humanitarian purposes. All organisers have to donate the money received contrary to ZVRK (cash payments above 50 EUR, contributions from legal persons or sole traders, endowments of natural persons in the amount of more than ten gross average wages and the transfers by political parties from their regular account which exceeds the limit of 0,40EUR per voter). With all transfers for the humanitarian purpose, the reporters must reveal to which organisation the transfer was made and the amount of the transfer.

For any additional information on the e-public procurement portal, IT solution Statist or the project of enhancing transparency in election campaign reporting presented above please contact the Ministry of Public Administration of the Republic of Slovenia, namely Ms. Mateja Prešern, Head of Transparency, Integrity and Political System Service at: [mateja.presern@gov.si](mailto:mateja.presern@gov.si), or [gp.mju@gov.si](mailto:gp.mju@gov.si).