

Steps taken by the Supreme Audit Office of the Slovak Republic to contribute to better governance and transparent functioning of state and public institutions in the context of the corruption prevention with regards to the Resolution 8/13 of the Conference of the States Parties to the United Nations Convention against Corruption

The Supreme Audit Office of the Slovak Republic (SAO SR) is a State authority which is independent while carrying out its audit activities and bound only by the Law. Its competence, the fundamental audit activities standards, rights and obligations are set in the Act on the Supreme Audit Office of the Slovak Republic.

The Supreme Audit Office of the Slovak Republic does not have sanctioning powers, therefore all critical conclusions and findings related to a possible violation of the law are transmitted for further action to the competent state institution. In an effort to ensure effective protection of public funds and property, the Supreme Audit Office concluded already in 2015 a **Memorandum on cooperation with the Office of the Prosecutor General and the Police Force of the Slovak Republic**. The purpose of this memorandum is not only to improve communication and exchange of information after the audit when the Supreme Audit Office transmits the submissions to law enforcement authorities, but also to create space for active cooperation of auditors with the prosecution services or police regarding possible breach of law during the course of the inspection. **Educational activity of auditors** is part of this cooperation, for instance on the questions related to the crime of breach of obligations in the administration of foreign property, since for some time now the most findings forwarded by the Supreme Audit Office to the police are related to a possible breach of obligations in the administration of foreign property by civil servants or managers of public corporations.

Over the last three years, the SAO SR has changed the focus of its inspections and, to a greater extent, carries out **cross-cutting performance audits aimed at complying with the principles of economy, efficiency and effectiveness**. This is ultimately reflected in the content of the submissions that auditors refer to law enforcement authorities. These are, for example, suspicions of breach of obligations in the administration of foreign property, while in the past it was more about suspicions of embezzlement in the management of property or public finances. The mission of the national authority for external control is to help ensure better governance and more efficient management. Audit is an active prevention against corruption and is intended to help the society prevent illegal actions by politicians, public or state employees, especially in complying with public property management obligations and in the economical and efficient use of state or European funds. Therefore, the SAO SR has its **own code of ethics**, has set rules for preventing corrupt or unethical behavior of its employees and, last but not least, an employee directly under the competence of the President of the Office monitors compliance with these rules.

The legislation defining the independence and the mission of the SAO SR introduced a new rule from January 2020, which is the **submission of reports on the results of the audit to the relevant committee of the National Council of the SR**. This step strengthens the process supporting the amendment of national legislation and the adjustment of systemic and procedural rules within the key state and public institutions. The report on the result of the audit is discussed with the participation of a representative of the SAO SR and a statutory representative of the audited entity. This change will undoubtedly help the auditees to respond to the findings of the audit reports, to implement the measures on the basis of the recommendations of the independent supreme audit institution and to adopt such decisions that will contribute to better governance of public affairs and public finances or property.

An equally important tool that the SAO SR has been practicing since 2017 is the sending of an **informative report on the results of carried out audits to the highest constitutional officials - the President of the Republic, the Speaker of Parliament and the Prime Minister**. It is an active communication of the SAO SR with the top representatives of the state for the purpose of their personal

involvement in professional discussions, which can support a healthy, transparent and effective environment for the open and professional functioning of state and public institutions.

For more information please consult SAO's website available in English online at:
<https://www.nku.gov.sk/web/sao/generally-on-audit>.



Information requested from States parties in relation to the role of national parliaments and other legislative bodies in preventing and combating corruption in all its forms (Resolution 8/14 of the Conference of the States Parties to the United Nations Convention against Corruption)

Country	Slovak Republic
Parliament	National Council of the Slovak Republic

MEASURES RELATED TO THE NATIONAL PARLIAMENTS

3. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related time frame) to promote the implementation of resolution 8/14.

4. Please provide examples of the implementation of those measures, including related court or other cases and available statistics

Slovakia is parliamentary republic where the National Council of the Slovak Republic (i.e. the Parliament, hereinafter “NC SR”) is the sole constitutional and legislative body. The right of legislative initiative belongs to the parliamentary committees, individual Members of Parliament and Government.

The Government is accountable to the National Council, which can pass a vote of no confidence in Government or in its individual Member.

The previous Government, in power from 2016 to 2020, approved the National Anti-corruption Program of the Slovak Republic in September 2019.¹ The new Government was formed after the parliamentary elections of 29 February 2020.

Fight against corruption, especially the area of corruption prevention, belongs to program priorities of the new Government. In the new Government Program, the Government undertook to increase the transparency and comprehensibility of the budget also by means of more frequent and comprehensible information on its ongoing implementation and adjustments (budgetary measures).

¹In Slovak language available at: <https://rokovania.gov.sk/RVL/Material/24015/2>.

Asset declarations of Members of Parliament and prevention of conflict of interests

Constitutional Act No. 357/2004 on the protection of public interest in performance of the functions by public officials as amended govern obligations and restrictions for a public official to prevent conflict of personal interest in the performance of public function and the liability of public official for non-fulfilment or breach of obligations and restrictions stipulated thereof.

Incompatibility of certain functions, occupations and activities with regard to public officials (including MPs) is governed by the Art. 5 of Constitutional Act No. 357/2004. A public official cannot hold public offices, be in employment relation and perform activities that are incompatible with the function of public office according to the Constitution of the Slovak Republic and laws.

The function of MP is incompatible with the function of the judge, prosecutor, public defender of rights, member of armed forces, member of armed corps and MEP (Art. 77 para. 1 of the Constitution of the Slovak Republic).

Abuse of power/authority by public official is punishable by imprisonment from 2 up to 20 years depending seriousness of the conduct (§ 326 of the Criminal Code).

When public official violates provisions governing conflict of interest under constitutional act No. 357/2004. he/she can be fined by a fine of twelve-month salaries.

MPs undergo induction programme when assuming the office. Chancellery of the National Council distributes to all MPs publications containing also information regarding their duties under Constitutional Act No. 357/2004. In addition, they can seek advice during the term at the secretariat of the Committee on Incompatibility of Functions.

Public officials are obliged to submit declarations of assets within 30 days from the day the respective public official took the public function and then annually when performing office till 30 April. Declaration of assets includes the following information on:

- whether public official meets the conditions for incompatibility of performance of public function with performance of other functions, occupations or activities pursuant to Art. 5 par. 1 to 3 of Constitutional Act No. 357/2004,
- what employment does the public official perform in an employment relationship, a similar employment relationship or a civil service relationship and what business activity does he/she perform in addition to the performance of the public function,
- what functions the public official performs in state bodies, in bodies of territorial self-government, in bodies of legal entities carrying out business activities and in bodies of other legal entities; it shall also state from which of these functions he/she receives income, functional or other benefits and the date from which he/she took up such a function,
- their income achieved in the past calendar year from the performance of the public function and from the performance of other functions, occupations or activities in the performance of which the public official continues even after taking up the public function,
- their property relations and the property relations of the spouse and minor children living in the household with a public official, including personal data in the scope of title, name, surname and address of permanent residence, as of 31 December of the previous calendar year,

- description of a gift or other benefits received by the public official in the calendar year for which he/she makes the notification if the value of gifts or other benefits from one donor or the value of one gift exceeds 10 times the minimum wage, including the type of gift and the date of receipt.

Declarations of assets are available here:

https://www.nrsr.sk/web/?sid=oznamenia_funkcionarov

Chancellery of the National Council of the Slovak Republic

The Chancellery of the National Council of the Slovak Republic is the parliamentary administration providing professional, organizational and technical services necessary for the operation of the National Council of the Slovak Republic. Chancellery also carries out the duties set out by regulations, particularly in the area of employment regulations, protection and administration of public property and spending of public funds. The Chancellery is a state budgetary organization, which means that is an administrator of its Budget Chapter; thus having budgetary autonomy. The Budget Chapter of the Chancellery of the National Council is a standard Budget Chapter of the State Budget without any exceptions in the budgetary process.

Chancellery employs Civil Servants, based on Civil Service Act No. 55/2017 as amended and other employees, in compliance with the Labour Code. Thus, the work of the civil servants is governed by principles of political neutrality, impartiality, protection of public interest, dignity, respect in interpersonal relations and professionalism, enshrined not only the Civil Service Act, but also in Code of Conduct for Civil Servants (Act No. 400/2019).

Cooperation of NC SR with the Supreme Audit Office (SAO)²

The National Council of the Slovak Republic has taken steps to promote transparency and fight against corruption through strengthened cooperation with the **Supreme Audit Office (SAO)** and **Council for Budget Responsibility (CBR)**.

National Council of the Slovak Republic:

- is the sole entity that can upon a resolution ask SAO to perform an audit;
- discusses SAO annual audit report at its plenary session;
- discusses SAO opinion on the state budget proposal;
- discusses SAO opinion on the final state account.

SAO is independent from the executive in the entire oversight process. It means the independence of topics selection and audited entities, which are the basis of the annual plan of control actions, the use of standards, methods and forms of work, and setting of priorities and strategic objectives. Financial autonomy of SAO is guaranteed as well.

The SAO conducts audit activities based on yearly plan for the given year. The yearly plan for the given year is based on the tri-annual plan, where strategic goals and audit objectives are set for that period. Besides that, SAO is obliged to perform an audit if asked by the National Council of the Slovak Republic.

² For more information please consult SAO's website available in English online at: <https://www.nku.gov.sk/web/sao/generally-on-audit>

Since 2019, the amendment to the Act No. 39/1993 on the Supreme Audit Office of the Slovak Republic has allowed SAO not only to submit all audit reports directly to the individual parliamentary committees for information, but also to discuss and adopt resolutions on the most important findings. The new rules for dealing with the outputs of individual audits thus actively involve the system of scrutiny by MPs and create a wider space for control of the Government, central state bodies, public corporations, but also regional or local self-government. Based on this, the National Council of the Slovak Republic, through its committees, is able to respond more flexibly to the audit results by any necessary legislative changes and thus contribute to a more transparent use of domestic and European funds or state property.³

The relevant committees discuss the reports not only in the presence of SAO representative, but also in the presence of the respective Minister or head of state or public institution. The extension of the SOA's powers strengthens Parliament's active scrutiny role vis-à-vis the Government. MPs can be better informed about the detected shortcomings in audits, risks in the implementation of public policies or management of ministries.

For example, SAO regularly submits its reports to the parliamentary Finance and Budget Committee that discusses them and may adopt a resolution thereof. SAO reports may be debated by other relevant committees as well – for instance, the Economic Affairs Committee has discussed recently SAO's report on performance of the Administration of the State Material Reserves of the Slovak Republic.

Cooperation of NC SR with the Council for Budget Responsibility (CBR)⁴

The Council for Budget Responsibility was formed in 2012 as an independent body set up to monitor and evaluate the fiscal performance of the Slovak Republic. Through its expertise and the use of state-of-the-art analytical tools, the CBR holds a mirror up to the Government, improve public awareness in the area of public finances, and facilitate better decision-making in the Parliament.

The main tasks of the CBR are defined in Constitutional Act No. 493/2011 on Fiscal Responsibility as amended and cover four important areas:

- Each year, the CBR prepares the Report on the Long-Term Sustainability of Public Finances, pointing at potential issues which might induce excessive debt growth under the present budgetary policy setup. The report seeks to determine the extent to which the current fiscal burdens are being passed on to future generations.
- The CBR submits to the Parliament the Report on Compliance with the Fiscal Responsibility and Fiscal Transparency Rules. The report seeks to answer the question of whether the government respects its own fiscal rules, and whether or not the data are obfuscated and/or transparency is compromised.
- The CBR may, acting on its own initiative or if invited to do so by a parliamentary caucus, draw up its own opinions on the legislative proposals submitted to the

³ For more information please consult SAO's Annual Report for 2019 available in English online at: https://www.nku.gov.sk/documents/10272/524640/AJ_verzia_VS_2019.pdf

⁴ For more information please consult CBR's website available in English online at: <https://www.rozpoctovarada.sk/eng/home>

Parliament. The purpose of these opinions is, in particular, to scrutinise the impact of such proposals on the long-term sustainability of public finances and their budgetary consequences. The Parliament will thus have an independent opinion to feed into the law-making process.

- The CBR also performs other activities related to the monitoring and assessment of how public finances develop. In other words, the CBR provides information on potential risks, presents alternative scenarios and, for example, puts forward suggestions on how to improve the methodology for the calculation of various indicators in the area of public finances.

Moreover, the CBR may be asked to participate in hearings of the Finance and Budget Committee.

The Council is led by the Fiscal Responsibility Board (hereinafter “Board”). As per Article 3 of the Constitutional Act on Fiscal Responsibility, the Board comprises of three members, including Chair and two additional Board members. While all Board members are elected and can be recalled by the National Council of the Slovak Republic, the appointment process of each member differs. The Chair is proposed by the Government and is elected with the support of at least three-fifths majority vote of MPs. The other two Board members are elected with absolute majority of MPs present, based on the proposal of the President of the Slovak Republic for one Board member, and the proposal of the Governor of the National Bank of Slovakia for other Board member. All three Board members have the status of public officials.

In 2020, the new Board Chair was elected. The selection was carried out by a commission composed of economic experts and representatives of parliamentary caucuses. The Stop Corruption Foundation and Transparency International Slovakia also oversaw the selection process. Twelve candidates applied. The selection procedure was public. The National Council of the Slovak Republic elected the Chair by constitutional majority i. e. by three-fifths majority.

Approval of the State Budget in NC SR

According to Act No. 523/2004 on Budget Rules of the Public Administration and on Change and Amendment of Certain Acts as amended⁵, the Government presents the proposal of the public administration budget to the National Council by 15 October of the current year, if the National Council does not decide otherwise. The State Budget for the following year is also a part of this proposal.

The National Council debates and approves draft State Budget for the following year and takes into account the Public Administration Budget for the three following years. Bill is discussed only in the second and third readings (§ 87 para. 2 Rules of Procedure⁶); the sittings are always public (§ 18 par. 4 Rules of Procedure). The bill is discussed in all standing committees in the second reading, except for the Mandate and Immunity Committee, the Committee for Incompatibility of Functions and special control committees (e.g. Slovak Intelligence Service Oversight Special Committee, Military Intelligence Service Oversight Special Committee, etc.). Amendments are admissible, if submitted in compliance with the applicable Rules of Procedure.

⁵ Available in English at: <https://www.mfsr.sk/files/archiv/priloha-stranky/4286/67/523ang.htm>

⁶ Available in English at: <https://secure.ipex.eu/IPEXL-WEB/dossier/files/download/082dbce553cee8840153d12aa8850213.do>.

The National Council approves the State Budget by means of act of law. The Act on the State Budget for the relevant budgetary year stipulates also the limits of state budget expenditures, maximum amount of budget deficit or the minimum amount of budget state budget surplus, if state budget revenues and state budget expenditures are not balanced.

No later than 30 days after the entry into force of the State Budget Act for the relevant year, the Ministry of Finance publishes data on the state budget and the public administration budget in the form of structured data that enables their further automated processing. The administrator of the budget chapter is also obliged to publish the data on the budget chapter no later than 30 days after the entry into force of the Act on the State Budget for the relevant budget year.

The ongoing implementation of the State Budget on a cash basis is available on the Ministry of Finance website.

State Closing Account and Summary Annual Report

The Government submits the proposal of State Closing Account to the National Council and Supreme Audit Office by 20 May of the current year. The National Council decides about the usage of the surplus of State Budget.

The Ministry of Finance submits the Summary Annual Report to the Government for approval by 31 October of the current year. The Government submits the Summary Annual Report to the National Council for information by 20 November of the current year.

Inter-parliamentary cooperation

For example, several members of the Economic Affairs Committee and Finance and Budget Committee are also members of the Permanent Delegation of the National Council of the Slovak Republic to the Organization for Economic Cooperation and Development.⁷ Thus, they participate in inter-parliamentary events organized under the auspices of the OECD.

Parliamentary oversight

Moreover, to scrutinise the management of public finances the National Council, its committees and/or Members may utilize standard oversight tools such as Question Time, interpellations, parliamentary inquiries, etc. For example, the Finance and Budget Committee organized in December 2020 parliamentary inquiry in the Financial Administration of the Slovak Republic.

⁷ For more information please consult <https://www.nrsr.sk/web/Default.aspx?sid=eu/delegacie/delegacia&ID=55>

Strengthening the role of supreme audit institutions in the prevention of and fight against corruption (resolution 8/13)

Article 9, paragraph 2:

1.

The Government Office was notified as authority for the prevention of corruption by the SVK Government Resolution No. 168/2011 of 9 March 2011 concerning a proposal for notification of corruption prevention bodies under Article 6 of the United Nations Convention against Corruption of 31 October 2003. In accordance with this Convention, the Government Office, through Corruption Prevention Department (CPD) provides for conceptual, methodological and managerial guidance activities in the field of corruption prevention. The CPD is a central contact and coordination point in the field of corruption prevention for all authorities and levels of public administration. The Government Office cooperates at national level with all Slovak institutions that have competencies in the field of fight against corruption (General Prosecutor's Office, National Crime Agency of the Presidium of the Police Force, Ministry of Finance, Ministry of Justice, Supreme Audit Office, Public Procurement Authority, etc.).

Important part of **control in the fight against corruption area** for creating an evidence base is provided by personal experience of citizens who report their suspicions of corruption or other misconduct to the Government Office's CPD free of charge through a dedicated telephone line or using a dedicated e-mail address or through a regular mail. CPD evaluate the information obtained and afterwards forward it to a relevant State institution in charge (e.g. National Crime Agency, Public Procurement Authority, Supreme Audit Office, etc.)

The National Anti-Corruption Policy for the period of 2019-2023 (hereinafter "AC Policy") was approved by the Slovak Government and adopted by the Resolution No. 585/2019 and stated obligation to establish an anti-corruption co-ordinator at each public institution. Each sectoral ministry is obliged to develop its tailor-made anti-corruption program, publish it on its website and annually publish also the evaluation of that programme.

In order to support AC Policy, an expert working group *the Board of Anti-Corruption Coordinators* (hereinafter the "AC Board") was set up. Its role is to ensure consistency and coherence of the implementation of the national AC Policy, interconnectedness and coherence of sectoral anti-corruption policies, the prevention of corruption and the fight against corruption in line with the national Anti-Corruption Policy. The AC Board provides a platform for line anti-corruption coordinators to support the activities of the line Ministries and other central authorities in the field of anti-corruption activities, measures, suggesting

anti-corruption provisions and regulations. The members of the AC Board cooperate in drafting and updating the national anti-corruption programme, sectoral anti-corruption programmes, as well as in drafting and implementing measures for rectifying corruption-related systemic failures. The AC Board works under umbrella of the Government Office's Corruption Prevention Department.

As to the promotion of **integrity and honesty**, the legislation distinguishes between civil servants (under Act No. 55/2017 Coll. on Civil Service) and public employees (under Act No. 552/2003 Coll. on execution of work of public interest). Furthermore, both civil service and public service are partially decentralised.

Since 2019, the new Code of Ethics for Civil Servants was adopted as a part of secondary legislation (Government Decree no. 400/2019 Coll.). Therefore, the Code is published and accessible, e. g. on the Internet to everyone. The Code stipulates, e.g. the definition of conflict of interest and sets out the basic standards for behaviour of a civil servant in a manner to avoid a conflict of interest.

The Office for Civil Service is a special independent body authorized with to overseeing the adherence to the Code of Ethics for Civil Servants, including questions related to conflict of interest. The Office has also published an explanatory document to the Code.

The issue of compliance with legislation related to cases of conflict of interest is a matter of carrying out duties according to the law. Disobeying these regulations may result in disciplinary proceedings, and, eventually, in termination of the civil service assignment.

According to the Civil Service Act, a civil servant may not carry out any business activities in his/her own name. Furthermore, he/she may not be in charge of management of, control or supervision over a legal entity running a business (business activities).

According to the Civil Service Act, a civil servant is bound to notify instantly the Government Office he/she works for in case an actual or possible conflict of interest occurs.

Currently, there is no code of ethics devoted to public employees exclusively. However, some ministries and other administrative bodies have adopted their own codes of ethics as part of their internal policy.

Integrity (in a scope of criminal history check of a person) is one of the basic conditions for admission to civil service. However, under Slovakian legislation, integrity is understood as having a „clean criminal record“. A person who is not able to provide such a record may not be appointed to a post in the civil service.

Information requested from State parties in relation to the role of national parliaments and other legislative bodies in preventing and combating corruption in all its forms

(resolution 8/14)

The National Council of the SR is the authority that approves, through voting, the President of the independent Office for protection of persons reporting the anti-social activities (Act No. 54/2019 Coll. of Laws on Whistle-Blowers Protection – “on the Protection of Persons reporting the Anti-Social Activities “), which came into force on March 1, 2019. The President of the Office shall submit an annual report to the National Council that may initiate legislative steps to address the deficiencies related to corruption.