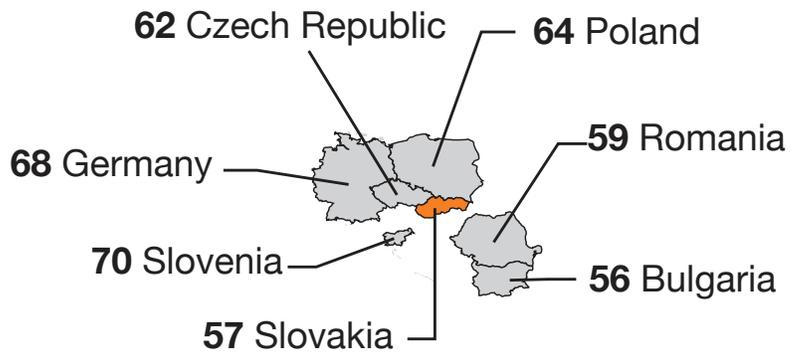
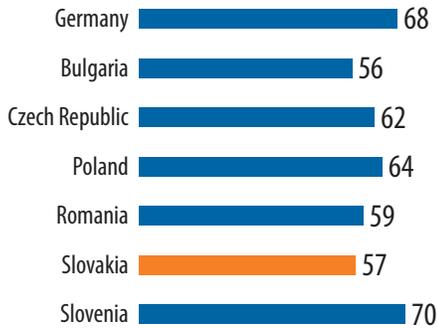




Overall score: **57** (Out of 100) Provides some information to the public in its budget documents during the year.

How Does Slovakia Compare to Its Neighbors?



Key Findings

The scores for 92 questions from the Open Budget Survey (see text box) are used to compile objective scores and rankings of the relative transparency of each country’s budget process. These scores constitute the Open Budget Index (OBI).

Slovakia’s OBI 2010 score is 57 out of 100, which is above the average score (42) for the 94 countries surveyed. Still, Slovakia’s score indicates that the government provides the public with only some information on the central government’s budget and financial activities assessed by the Survey. The absence of more complete information makes it challenging for citizens to hold the government accountable for its management of the public’s money.

Information in Public Budget Documents

Adequacy & Availability of Eight Key Budget Documents

| Document                    | Level of Information Grade* | Publication Status |
|-----------------------------|-----------------------------|--------------------|
| Pre-Budget Statement        | C                           | Published          |
| Executive’s Budget Proposal | C                           | Published          |
| Enacted Budget              | B                           | Published          |
| Citizens Budget             | E                           | Not Produced       |
| In-Year Reports             | A                           | Published          |
| Mid-Year Review             | C                           | Published          |
| Year-End Report             | B                           | Published          |
| Audit Report                | E                           | Not Produced       |

\* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Slovakia the Executive's Budget Proposal is not sufficiently comprehensive. Major gaps in information are found in the following areas:

- It lacks comprehensive information that can help explain the relationship between the government's revenue and expenditure plans and its policy and macroeconomic goals. This information is important if the executive wishes to facilitate a broader debate about planned expenditures.
- It also lacks comprehensive data on expenditures and revenues for the prior year's budget (BY-1). Prior-year data are important because they provide a benchmark against which budget proposals can be assessed.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Slovakia publishes a Pre-Budget Statement, but it is not sufficiently comprehensive. It does not, for example, include a sufficient description of the government's policies and priorities that will guide the development of detailed estimates for upcoming budgets.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide data the public can use to assess the government's stated policy priorities and hold it to account. Slovakia produces a fairly comprehensive Enacted Budget, but it does not present the approved budget for all programs.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Slovakia does not produce a Citizens Budget.

**In-Year Reports** provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the Enacted Budget figures and thus can facilitate adjustments. Slovakia produces comprehensive In-Year Reports.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Slovakia publishes a Mid-Year Review, but it is not sufficiently comprehensive. It does not, for instance, provide full information on expenditure adjustments, such as the reasons for the adjustments and the expenditure breakdown.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. The Year-End Report can inform policymakers on tax policies, debt requirements, and major expenditure priorities, thus facilitating adjustments for upcoming budget years. Slovakia produces a Year-

# OPEN BUDGET SURVEY 2010

## Slovakia

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

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End Report which is fairly comprehensive. It does not, however, include information on non-financial data, and an explanation of differences between the original performance indicators and the actual outcome is not presented.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Slovakia does not produce an Audit Report.

## *Public Participation and Institutions of Accountability*

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Slovakia's budget process can be made more open. These include ensuring the existence of a strong legislature that provides effective budget oversight, as well as providing greater opportunities for public engagement in the budget process.

### **Are oversight bodies effective in their budget role?**

| Oversight Institution | Strength** |
|-----------------------|------------|
| Legislature           | Moderate   |
| SAI                   | Strong     |

\*\* Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey, budget oversight provided by Slovakia's legislature is inadequate because it does not:

1. have sufficient powers to approve any changes made to the budget over the course of the fiscal year; and
2. hold more open budget discussions at which the public can testify.

According to the Open Budget Survey, budget oversight provided by Slovakia's SAI is strong. However, there is room for improvement. It should:

1. issue timely Audit Reports on the final expenditures of national departments; and
2. have adequate reporting on the follow-up steps taken by the executive to address audit recommendations for remedial action.

## **Recommendations**

### **Slovakia should:**

- begin to produce and publish the Audit Report and a Citizens Budget;
- increase the comprehensiveness of the Executive's Budget Proposal, the Pre-Budget Statement, and the Mid-Year Review;
- further strengthen the role of the legislature and the SAI in the budget process; and
- provide opportunities for the public to testify at legislative hearings on the budget.