

Visegrad initiative for transparent municipal-owned enterprises

Case Study

Slovakia

(Public Transport Company Bratislava, Inc.)

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1. Introduction: Companies owned by public sector in a grey zone

It was quite a shock for public, when the member of Nitra Municipality Renata Kolenčíková publicly disclosed how the family of her colleague from the strongest ruling party Smer [profited](#) from a dubious transaction with a municipal flat. Although, the police stopped investigation, dubious practices of Nitra politicians related to the town dwellings aroused public indignation.

It was one of the significant cases, which correlates with unflattering image of Slovakia in [The corruption perceptions index](#) compiled by Transparency International. Slovakia placed 54th out of the 176 countries evaluated, behind the countries as Bahamas, Rwanda or Botswana. We ranked slightly better than 57th Hungary. Other countries of Visegrad group (V4) ranked a little higher – Czech Republic took 47th and Poland 29th place.

Although it was only one of the endless number of cases, it was special, because it was ingloriously connected to municipal-owned enterprise (MOE). There are hundreds of state or municipal-owned enterprises in Slovakia, but because of their specific position on the border between the public and private sector, there is a lack of information about their performance. They are also under less pressure of journalists, nongovernmental organisation, politicians and civic activists.

The budgets of companies owned by a public sector are often huge and frequently in the hands of political nominees. For a better understanding, only 81 of important Slovak state-owned enterprises included in our 2015 [Transparency ranking](#), administer an annual budget of 9, 5 billion euros. This is the sum exceeding the half of the state budget expenses. In the case of nine Slovak MOEs, which we included into this comparative study within V4 countries, their total annual revenues reach almost 380 million euros.

We are convinced that public oversight in state and municipal-owned enterprises is crucial. We try to use various strategies from publishing the cases through comparing a transparency level of different companies, communicating with their managers, owners and politicians to bringing public pressure to bear upon them to make relevant laws stricter and focusing on the method of best and worst practices.

This study belongs to the last mentioned option. Together with our colleagues from Czech, Hungarian and Polish nongovernmental organisations (NGOs) we try to compare a transparency level of MOEs in V4 and to introduce the best practices from each country. To better understand our findings we recommend to focus on illustrative case studies from all four countries mentioned above.

2. Methodology: Comparison of MOEs in V4 countries

Except of Transparency International Slovakia (TIS) the other well-experienced NGOs in this area were engaged in the project – concretely Czech NGO Oživení, Hungarian Budapest Institute and The Citizens Network Watchdog Poland. The project has been running since October 2016 to January 2017 and it was supported by International Visegrad Fund with the total sum 15.000 euros.

The general aim of the project is to raise public awareness, to exchange examples of good practices and recommendations for improving municipal enterprise transparency and to improve the methods of public monitoring of – municipal-owned enterprises – the key sector of the public ownership.

To facilitate the goal implementation, we use the method which provides the opportunity of comparing the transparency level in MOEs within V4 countries in a simple way.

We elaborated a short transparency ranking with some simple criteria based on TIS methodology and compared 36 important MOEs companies. Nine companies from each country were chosen for the project according the following criteria:

Mandatory criteria:

- a. Company is 100% owned by the municipality or municipalities;
- b. The total revenue (revenues and other operating revenues for 2015) reached more than four million euros;

Optional criteria:

- c. Companies are from the variously developed regions, from the most developed regions, through the less developed regions to the least (or one of the least) developed region according to GDP per capita in purchasing power standard, 2014;
- d. Companies perform mainly in public transport, waste disposal and water supply sectors;
- e. If there are not suitable companies in the region or sector they may be replaced by another suitable one.

The Slovak companies selected to the project:

| Company | Sector | Total revenues and other operating revenues 2015 (EUR) | City | Population of the city | Region | GDP per capita in purchasing power standard, 2014 (EUR) |
|---|------------------|--|------------|------------------------|---------------------|---|
| Public Transport Company Bratislava, Inc. | public transport | 109 191 241 | Bratislava | 421 305 | Bratislavský | 51 235 |
| Removing and Disposal of Waste, Inc. | waste disposal | 26 607 245 | Bratislava | 421 305 | Bratislavský | 51 235 |
| Bratislava Water Company, Inc. | water supply | 91 899 758 | Bratislava | 421 305 | Bratislavský | 51 235 |
| Public Transport Company Žilina, Ltd. | public transport | 9 391 955 | Žilina | 81 135 | Žilinský | 18 260 |
| Nitra Municipal Services, Ltd. | waste disposal | 4 051 141 | Nitra | 77 852 | Nitriansky | 18 178 |
| The Northern Slovak Water Company, Inc. | water supply | 28 421 530 | Žilina | 81 135 | Žilinský | 18 260 |
| Public Transport Company Prešov, Inc. | public transport | 9 705 272 | Prešov | 90 073 | Prešovský | 12 642 |
| Technical Services of Prešov, Inc. | waste disposal | 4 857 472 | Prešov | 90 073 | Prešovský | 12 642 |
| The Eastern Slovak Water Company, Inc. | water supply | 95 063 124 | Košice | 239 332 | Košický (Prešovský) | 16 521 |
| <i>Note: The companies are in 100% possession of the aforementioned cities, water supply companies are owned by a couple of towns and villages in the region, but the aforementioned cities are the largest shareholders.</i> | | | | | | <i>Source: TIS</i> |

[The transparency ranking of MOEs](#) is based on evaluation of ten categories, which are crucial for the public oversight like Access to Information Policy, Public Procurement, Selection Procedures or

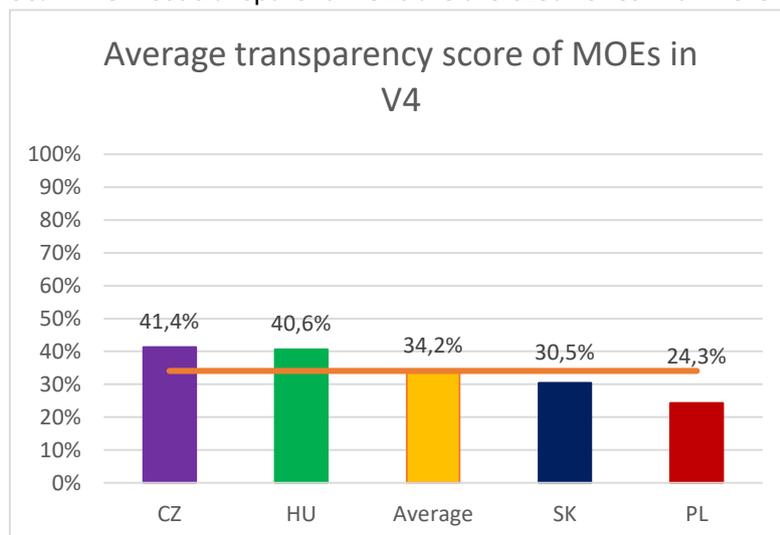
Property Sales and Lease Policy. The chosen criteria are inspired by recommendations of World Bank Group, OECD, European Commission and relevant NGOs.

The process of evaluation run equally in all four countries, the information was searched on the official company websites since November to December 2016. The majority of the categories contained several evaluation indicators, but each company could obtain maximally 10 percent of the total score per category. This is the reason why our ranking shows the level of transparency (concerning the readiness of companies to disclose the key information about their performance) in MOEs in a very complex way.

3. The ranking: Slovakia below the average

The openness to the public oversight in MOEs from V4 countries is quite poor. The overall average score for all 36 companies reached only 34 %; there is a significant room for improvement in this area.

According to the results of the transparency ranking in 36 MOEs from V4 countries the overall score of nine Slovak companies is slightly below the V4 average. On average, the Slovak MOEs reached around 30%. The most transparent MOEs are the Czech ones with more than 41 %, followed by the Hungarian



MOEs with more than 40 %. On the other end of the ranking there are Polish MOEs, which on average obtained slightly more than 24 %.

The company with the most open approach is the [Prague Public Transport Company](#) (60,42%), followed by the Waste Disposal Company [FKF Zrt.](#) from Budapest (59%). [The Public Transport Company Bratislava, Inc.](#) placed third (54,17%).

The Slovak MOEs lag behind the others in Access to Information Policy and Public Procurement. There are significant differences between Slovak companies and the other ones. The practice to provide comprehensive list of key documents and detail information about the procedure regarding requests under The Freedom of Information Act is much more developed in Czech or Hungarian companies. The Hungarian MOEs also publish the annual plan of public procurement on their website much more frequently.

O the contrary, Slovak MOEs seem more transparent in Property Sales and Lease Policy and Ethics infrastructure. The obligation to publish details regarding all concluded contracts is also the strong side of Slovak enterprises in comparison with their colleagues from Hungary and Poland.

Our previous ranking experience reflected some connections between the size of the company and its readiness to disclose the key information. Information disclosure policy of bigger companies is frequently more sophisticated, assigned by a numerous staff and, last but not least, the larger

companies are very often under the stronger pressure of journalists, NGOs, politicians or active citizens.

This hypothesis was also partially confirmed in our actual ranking, the most opened MOEs in average are the Czech companies and their total average revenues are 3,5 times higher than revenues of Slovak companies. However, there are other important factors in the international comparison such as differences in laws, practice or public engagement. The average score of Polish MOEs was the lowest, although their total revenues are markedly higher than the Slovak ones.

[The Public Transport Company Bratislava, Inc.](#) is the most transparent company from the Slovak sample. At the same time, it is the largest Slovak MOE. The worst one is [Nitra Municipal Services, Ltd.](#) with the second lowest total revenues (more than four million EUR) from the whole sample. However, its 11,17 % score is significantly lower than score of comparable MOEs. For instance, [The Technical Services of Prešov, Inc.](#) with the total revenues 4,8 million euros obtained 28% in the ranking.

In the light of the results of the ranking the assessment is that the connection between openness to public oversight in MOEs and development level of region, where MOEs perform, is not crucial.

Based on the ranking results, it can be supposed that the relation between the openness towards the public scrutiny and the development level of the region where a MOE operates is not a defining factor. It can be seen when comparing the rating of companies from medium-developed regions (Žilina region, Nitra region) and the less developed ones (Prešov region, Kosice region). The three companies from Prešov and Košice ranked better than the companies from Žilina and Nitra regions - those ranked last among the Slovak companies. Interestingly enough, The Northern Slovak Water Company, Inc. from Žilina is, in terms of revenues, several times bigger than the two Prešov's municipal companies.

The subject of core business does not appear to be a significant factor for company's openness. For example, the three waterwork companies in the sample ranked second, fourth and eighth.

The most significant factor for company's openness to public oversight seems to be the company managing board's and its founder's (mayor and local representatives) attitudes toward transparency.

The transparency ranking of 36 MOEs in V4 countries

| Rank | Company | Score | Country | Total revenues |
|------|---|--------|---------|------------------|
| 1. | DP hl.m. Prahy a.s. | 60,42% | CZ | 714 259 889,00 € |
| 2. | FKF Zrt. | 59,00% | HU | 119 609 996,73 € |
| 3. | Public Transport Company Bratislava, Inc. | 54,17% | SK | 109 191 241,00 € |
| 4. | Miskolc Városi Közlekedési Zrt. | 51,67% | HU | 14 556 335,95 € |
| 5. | Szeged IKV Zrt. | 49,00% | HU | 15 720 870,99 € |
| 6. | Kolektory Praha, a.s. | 47,67% | CZ | 14 544 593,00 € |
| 7. | Tepláreny Brno, a.s. | 46,83% | CZ | 95 585 037,00 € |
| 8. | FVM Zrt. | 43,00% | HU | 128 703 339,88 € |
| 9. | BKK Zrt. | 42,17% | HU | 307 465 933,20 € |
| 10. | Miskolci Vízmű Kft. | 40,83% | HU | 14 522 331,37 € |
| 13. | Bratislava Water Company, Inc. | 38,00% | SK | 91 899 758,00 € |
| 19. | Public Transport Company Prešov, Inc. | 34,67% | SK | 9 705 272,00 € |
| 21. | The Eastern Slovak Water Company, Inc. | 33,00% | SK | 95 063 124,00 € |
| 26. | Removing and Disposal of Waste, Inc. | 28,83% | SK | 26 607 245,00 € |

| | | | | |
|--|--|--------|----|-----------------|
| 27. | Technical Services of Prešov, Inc. | 28,00% | SK | 4 857 472,00 € |
| 28. | Public Transport Company Žilina, Ltd. | 26,83% | SK | 9 391 955,00 € |
| 31. | The Northern Slovak Water Company, Inc. | 19,67% | SK | 28 421 530,00 € |
| 34. | Nitra Municipal Services, Ltd. | 11,17% | SK | 4 051 141,00 € |
| <i>Source: Visegrad initiative for transparent municipal-owned enterprises</i> | | | | |

4. Best ranked Slovak MOE: Public Transport Company Bratislava

The best ranked Slovak MOE is Dopravný podnik Bratislava a.s. (Public Transport Company Bratislava, Inc.; DPB, a.s. in short). The firm is the largest MOE in the country as well. The Capital City of the Slovak Republic Bratislava is the only owner of the company and this fact determines the legislative framework for the firm and the way how the management is created.

The highest management body of the DPB, a.s. is the General Meeting of the company and it is represented by the Mayor of the Capital City. The Executive Board consists of five members elected by the Parliament of the Capital City and the chief of the Executive Board is the Director-General of the company as well. The Supervisory Board consists of ten members elected by the Local Parliament, too, and these members represent the Local Parliament, the Town Hall and the company employees.

The key legislative framework, which is necessary for public oversight in the company is based on a couple of national laws: Municipal Government Act 369/1990, The Act about the Capital City of Slovak Republic Bratislava 377/1990, Municipal Asset Act 138/1991, Public Procurement Act 343/2015, Act on Execution of Work of Public Interest 552/2003, Freedom of Information Act 211/2000 and Act on Some Measures Related to Reporting on Illegal Practices 307/2014.

The main activities provided by DPB, a.s. are regular urban public transport, international and international irregular bus transport, tram service, production and repairing of motor vehicles and education in the public transport area.

The number of the employees in DPB, a.s. is 2783 and in 2015 their average salary reached 1035 euros. In the same year the total revenue of the company exceeded 109 million euros, and the company received a huge subsidy from the City Hall exceeding 69 million euros. The year 2015 was the second year in a row, when the company generated profit and it exceeded 572 thousand euros. According to the portal finstat.sk, the company assets reached 351 million euros and its own capital was 41 million euros and its total indebtedness reached 88 %.

The transparency level in DPB, a.s. was ranked among the best in Slovak SOEs and MOEs environment. According to the last [transparency ranking](#) of 81 Slovak state, region and municipal-owned enterprises provided by Transparency International Slovakia in 2015 DPB, a.s. it ranked third (among MOEs it ranked first).

In aforementioned ranking DPB obtained 59%, although, it was more complex ranking in comparison with actual transparency ranking of 36 MOEs from V4 countries. It contained 50 indicators from five various sources and TIS besides disclosing the information on its website also tested how the companies follow The Freedom of Information Act and researched relevant data in the Business Register or Public Procurement Portal.

In the actual ranking, which was only web check oriented, DPB, a.s. obtained more than 54 %. It ranked third behind Prague Public Transport Company and Budapest Waste Disposal Company FKF Zrt.

Despite above-average results DPB, a.s. obtained only half of the total score for their pro-transparency measures based on the best practice standards. It might inspire the whole Slovak MOEs environment although there is still a lack of openness to public oversight.

The results of Public Transport Company Bratislava, Inc. in the V4 MOEs ranking

| Public Transport Company Bratislava, Inc. | | |
|--|---------------|-------------|
| Category | Result | Maximum |
| 1. Access to Information | 10,00% | 10% |
| 2. Economic Indicators | 6,67% | 10% |
| 3. Performance Criteria | 0,00% | 10% |
| 4. Management Information | 1,67% | 10% |
| 5. Ownership Structure and External Revenues | 7,50% | 10% |
| 6. Public Procurement | 8,33% | 10% |
| 7. Ethic and Anticorruption Strategy | 5,00% | 10% |
| 8. Selection Procedures | 0,00% | 10% |
| 9. Grants and Sponsorship | 10,00% | 10% |
| 10. Property Sales and Lease | 5,00% | 10% |
| Total | 54,17% | 100% |
| <i>Source: TIS</i> | | |

5. Public Transport Company Bratislava: Best practices

While in the Access to Information and Grants and Sponsorship categories DPB, a.s. got a full score, in the categories Performance Criteria and Selection Procedures they didn't get any marks at all. In the six remaining categories the company obtained both good and poor marks, so the details about these categories can be found in chapters related to their best practices and imperfections and shortages.

5.1. Access to Information

In the Access to Information Performance DPB, a.s. could serve as an example of a good practice. Their website offers a special section called "[About the Company](#)" and also a sub-section "[Public Information](#)" with some data about public procurement, contracts, annual reports or requests under The Freedom of Information Act (FoIA). The section also contains a detailed description how to request information under FoIA. The contact details and information regarding the time-limits are included in the section.

Since 2011 all SOEs and MOEs have been legally obliged to publish details about their contracts, orders and invoices on their websites. If the contract details aren't published, the contract isn't valid. The similar law was adopted in Czech Republic last year.

Municipal-owned companies represent a specific type of public organization which operates on the border between the public and the private sector. For that reason, FoIA grants a dispensation for SOEs

and MOEs and they are obligated to publish full contracts only for transactions which aren't connected with their core business.

However, DPB, a.s. also performs above standard in this area and they have published full [contracts](#) for all their transactions. In the case of orders and invoices they have published data exported from their accounting system.

There is also another dispensation for SOEs and MOEs. According to FoIA they are obliged to reply only to the requests concerning their public assets or public property. Lots of public business companies persistently take advantage of this dispensation and misuse it to avoid publishing some other data.

However, it is not the case of DPB, a.s. In 2016 they received 66 requests under FoIA (until December 9th) and they rejected only seven of them. For example, the applicants requested reference numbers of all company's litigations, the list of passengers who travelled without valid tickets or an access to the GPS system with information about an actual GPS position of all vehicles. The reasons for rejection of the requests weren't connected with the aforementioned dispensation, though.

5.2. Ownership structure and external revenues

The amount of information regarding revenues from external sources provided by DPB, a.s. may be considered sufficient. DPB, a.s. have specified details about the subsidies from the state, municipality or European Union in their annual report and their website also offers a specific [section](#) about the project co-financed from EU funds. The company received 184 million EUR as subsidies and its leverage exceeded 59 million euros.

The only owner of DPB, a.s. is The Capital City Bratislava. Although the company publishes the information regarding the ownership, there is an absence of details about the way how the management bodies are created or about their competences. The statute isn't also published on the company's website, which is the standard deficiency in Slovak SOEs and MOEs environment.

In 2015, the management bodies in DPB, a.s. were elected for the last time. Some members of the Local Parliament criticized the lack of the information, which the company provides for a Supervisory Board. To improve the system of oversight, they suggested to elect a couple of politicians as the members of the Executive Board.

TIS staff consider this initiative infelicitous, we are convinced that members of an Executive Board must be experts in the area. There is also a risk of conflicts of interest, if politicians manage the company as members of executive board and they pay for the potential debts from the municipal budget at the same time.

Anyway, the basic requirement for a qualified discussion about the raised topic is publishing the statutes of the company. Otherwise the public can hardly monitor an allocation of competences among the management bodies and reconsider the idea of enhancing the authority of a Supervisory Board.

5.3. Public procurement

The company website offers a sufficient amount of data related to public procurement and there is also a specific [section](#) designed to provide information on basic facts and results of public procurement. The absence of an actual plan for Public Procurement on a website is a small imperfection. In December 2015 we discussed the results of the ranking with the director of the Director-general department Marián Áč. He assured us, that the annual plan of Public Procurement for the next period will be published on the website soon.

The Slovak incumbents could be inspired by the practice from Hungary, where SOEs and MOEs are legally obliged to publish their annual plan of Public Procurement online. This practice was also confirmed in our ranking, 8 in 9 MOEs published the plan on their website. On the contrary, in the Slovak sample only one company - Removing and Disposal of Waste, Inc. Bratislava followed this practice.

5.4. Ethic and anticorruption strategy

The results of the company in the sphere of Ethical infrastructure were above standard as well. The enterprise has elaborated and published [the Code of Conduct](#), they created a position of ombudsman to solve complaints and settle disputes at the workplace and their website also offers an online form for complains and suggestions from the citizens.

The ombudsman is an employee of DPB, a.s. and therefore his independence isn't automatically guaranteed. However, the ombudsman is directly subordinated to the Director-General and his performance isn't influenced by other stages of management.

However, there are also others imperfections in these categories. For instance, in contrast to their colleagues from Prague Public Transport Company DPB, a.s. doesn't have an elaborated [anticorruption strategy](#) with a description of corruption risks and methods of their prevention. The company also doesn't publish an internal directive regarding whistle-blower protection, they don't pay any attention to the topic on their website as well.

Unsurprisingly in this context despite of a large number of employees he didn't have to handle any complaints within two years after the Whistle-blower Protection Act came into force.

5.5. Grants and sponsorship

Another best practice in the company is related to Grants and Sponsorship Policy. DPB, a.s. publishes all the information about the subjects and projects which have been supported by them on the specific [section](#) of their website. In contrast to some others MOEs in the ranking, DPB, a.s. usually doesn't provide financial support for the applicants. Mostly, they provide gratuitous transport, places for various events or free space for advertising inside the vehicles.

Despite a well-arranged section regarding social responsibility, there are some imperfections in this area as well. For instance, in January there was no information about the sponsoring [contract](#) between DPB, a.s. and University of Žilina from October 2016 in the section. The company donated a notebook and a suitcase to the University according to the contract; however, the information is available only in the section with published contracts.

6. Public Transport Company Bratislava: Shortages and opportunities

6.1. Economic indicators

Since 2003 DPB, a.s. has been publishing on its website the [annual reports](#) including financial data from balance sheets and profits and losses account in a user friendly format. Since 2012 the documents have been published in the format, which allows to search and copy information.

One of the key OECD recommendations how to increase economic efficiency and improve administrative processes in the companies owned by public sector is connected with a regular procedure of internal and external audits. The British public company Transport for London can serve

as a good practice in this sphere, they have established [Audit & Assurance committee](#), which publishes a lot of information about their performance and findings on the company website.

Although DPB, a.s. has its own Control Department and a couple of external audits have been carried out in the company, the results of the audits haven't been published yet.

The director of the Director-General Department Marián Áč explains that the confidentiality clauses are very common in the contracts with audit firms. However, DPB, a.s. is going to slightly change this practice and the management is negotiating with Deloitte company about publishing the results of the currently running audit regarding fines enforcement process.

6.2. Performance criteria

DPB, a.s. doesn't publish their plans regarding performance criteria such as revenues, profit, the number of clients, line's punctuality, etc. Equally, they also don't publish the fulfilment of performance criteria. It is very difficult to rate a performance of the management without this type of information.

The information about revenues, profit or loss themselves might not be sufficient. In SOEs and MOEs environment the quality of public services regardless losses covered from public budgets could be a legitimate business plan.

British TV [Channel 4](#) could serve as an example of a good practice. When British Newspaper the Guardian published [an article](#) about discrepancy between the salary and other benefits of the TV Chief (he earned six times more than the British Prime Minister) and company performance, they could challenge published information regarding decreasing number of television viewers and insufficient revenues from advertising.

6.3. Management information

The information related to management is published only in very insufficient way. There is a list with the names of an executive management and the members of an Executive Board and a Supervisory Board. Any other additional information including their professional CVs, contacts or details about their background in the management bodies is not available.

Although publishing of professional CVs of managers is a very easy and cheap measure which could increase trustworthiness of the company, only one company in a Slovak sample provides it - [Public Transport Company Prešov, Inc.](#) However, the CVs of Supervisory Board members are not available as well.

There is also a lack of information regarding the salaries, bonuses and other benefits of the managers. There is an only one relevant information in the annual report about total fees which were paid to members of an Executive Board and a Supervisory Board in 2015. It was 78 985 euros for members of Executive Board and 28 819 euros for members of Supervisory Board. The number of members in these bodies varies during the year, therefore the average monthly fee for one member isn't specified.

However, TIS requested the information in 2015 under the FoIA and DPB, a.s. quoted following sums: The Chief of Executive Board: 1345 euros, The member of Executive Board: 895 euros, The Chief of Supervisory Board: 600 euros, The member of Supervisory Board: 460 euros.

The information about salaries of executive management isn't published anywhere and DPB, a.s. also rejected to disclose the sums in their answer to our request under the FoIA. The director of the Director-general department Marián Áč explains that it is not common to provide this type information

in Slovak SOEs and MOEs environment. He is afraid, that these sums would be inappropriately interpreted in the media.

In this area, we could take the Hungarian law obliging to publish the information about the salaries of managers and the members of executive and supervisory boards in MOEs as an example.

Although, the situation may change soon in Slovakia as well, because The Ministry of Justice prepares FoIA amendment and they also consider the legal obligation for SOEs and MOEs to publish all the information related to salaries and other benefits of their executive managers and members of Executive and Supervisory Boards. It would be impossible to hold back this information and argue that this money is a private source of the company. It would also be impossible to hold back information related to “golden parachutes” of former managers.

There is a plenty of examples of best practices in this sphere. For instance, the Swedish energetic company Vattenfall publishes in the [annual report](#) all the information related to salaries, benefits and pension and severance costs for various managers.

6.4. Selection procedures

In the sphere of Human Resources DPB discloses only the information about the job vacancies. Other relevant information such as the rules for selection procedures; the minutes from the selection procedures with details about members of the selection procedures committees or ranking of applicants are not available.

The director of the Director-General Department Marián Áč explains that the company doesn't have such an exact rule, but they look for employees via the biggest job portal in Slovakia, [profesia.sk](#). Based on the CVs and other references they usually invite at least five applicants for the interview.

The situation with the selection procedures of Director-General is quite different. In the past, the Chief of Executive Board, who is also the Director-General, was selected directly by politicians, but in 2015 the Mayor of Bratislava Ivo Nesrovnal decided to carry out open selection procedures for positions of four important MOEs including DPB, a.s. He invited two TIS experts to join the selection procedures committee as observers and we elaborated propositions of rules how to carry out selection procedures. The Mayor and the Local Parliament rejected a couple of our suggestions, e.g. they turned down our proposal to select all members of Executive Board.

Seventeen applicants for the post of Director-General have to publish their professional CVs and their Development Business Plan for the company. The selection procedures committee invited five of them to the public hearing and they had to bear a background check of candidates – an investigation about their past and obligations provided by forensic science agency. In spite of the fact that the selection procedures reveal some dubious backroom practices, the public never gets enough information about the applicants for the position of Director-General.

TIS published the critical report about the procedure and based on our experiences we also elaborated the manual “[How to realize a selection procedure in self-governments](#)”.

6.5. Property Sales and Lease

There is a very few information about Property Sales and Lease Policy on the company's website. There is an information about commercial public tenders in the Public Procurement [section](#), but, there are only four of them published in last two years. They are mainly related to renting company premises.

In July 2015, DPB, a.s [invited](#) public tenders for selling redundant trams and trolley buses. There is no information about these tenders in the section.

The state-owned enterprise Slovak Post, a. s. could be an inspiration for other SOEs and MOEs. In 2015 TIS elaborated [an anticorruption strategy](#) for the company. The website of Slovak Post, a.s. offers a specific section regarding Property [Sale](#) and [Lease](#) and it is possible to find a lot of information about the procedures, for instance internal directives related to the process, the list of redundant property, the invitations and minutes from property sale and lease committees. There is also the index of committee members names available in the section.

7. MOEs: Key recommendations

- Establish single and easy-to-find window to find key company documents and details about possibilities to request other information under FoIA
- Publish annual reports including balance sheets and profits and losses accounts
- Disclose results of internal and external audits and related solutions as well
- Disclose basic economic indicators of company regularly every quarter of the year
- Disclose annual action plans including particular indicators and also evaluate their fulfilment retroactively
- Publish professional CVs of managers in executive management, Executive Board and Supervisory Board and disclose details about their salaries, bonuses or other benefits
- Publish relevant information about ownership structure and shareholders, details related to organisational structure, way how the management bodies are established and also the statutes of the company
- Disclose details about subsidies amount and purpose from municipal, state or EU budgets
- Disclose the public procurement notices and the results and also annual plan of public procurement
- Elaborate and publish company's Code of Conduct, establish a responsible person for the area and create the mechanism for reporting on illegal practices
- Disclose an internal directive for whistle-blowers' protection, organize practical trainings for employees with ethical dilemma examples
- Elaborate and publish The anticorruption strategy for the company
- Elaborate the system of rules for recruitment process (including prevention against conflict of interest in the selection committee), carry out selection procedures for majority of vacancies, publish details about the selection procedures committee and results of applicants
- Inform about possibilities to apply for the grant or sponsoring, disclose a list of the successful and unsuccessful applicants and also details about a decision-making process
- Publish a list of redundant property, the notices and results of commercial public tenders and also the index of names sale and lease property committees' members

Related literature

- OECD, [OECD Guidelines on Corporate Governance of State-Owned Enterprises](#), 2015

- World Bank Group, [Corporate Governance of State-Owned Enterprises](#), 2014
- European Commission, [State-Owned Enterprises in the EU: Lessons Learnt and Ways Forward in a Post-Crisis Context](#), 2016
- TI Slovakia, [Slovak companies owned by public sector remain nontransparent](#), 2015
- TI Slovakia, [How to realize a selection procedure in self-governments](#), 2015
- TI Hungary, [Hungarian state-owned enterprises: their transparency, integrity and compliance with disclosure requirements](#), 2014
- TI Norway, [Protect Your Business!](#), 2013

About us

Transparency International Slovakia (next Transparency) is a nonprofit, non-party political, non-governmental organisation located in Bratislava. It is the national branch of worldwide nongovernmental organisation Transparency International and it has been working in Slovakia since 1998. Transparency deals mainly with corruption problems in the public area of Slovakia on both levels – the central and the decentralized governance. The organisation aims mainly to uphold such values in Slovak public sphere as transparency, responsibility, confidence and integrity – the values which significantly reduce corruption. Actual information available on www.transparency.sk.

Support

Each of you can fight against corruption! If you support Transparency International Slovakia, you will contribute to better situation in our country. We will achieve better progress in our fight for transparency with your support, because the changeover won't be possible unless we all fight together to stop wasting public money. Join all the people who believe that only moral responsibility of each individual can make a big difference.

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Thank you!

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