

Supervisor – an indispensable Open Government application

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Abstract:

Supervisor, is an online application that provides information on business transactions of the public sector bodies. Designed and developed by Slovenia's Commission for the Prevention of Corruption, it by now contains 50 million transactions from both government and local agencies to government contractors from 2003 to 2014 and matches such transactions to company records from the Business Register, including director lists and corporate leadership. In 2013 Supervisor won the United Nations Public Service Award, an important recognition of excellence in public service. The transactions data from Supervisor are also provided in machine-readable form.

Keywords: Supervisor, Open Government Data, Open Spending, Prevention of Corruption, Open Data

Supervisor - an application established on the basis of the re-use of PSI with a goal of strengthening the integrity and transparency

Supervisor¹ is an online application that provides information to users on business transactions of the public sector bodies – all, direct and indirect budget users (the bodies of all three branches of power, independent judicial and state bodies, local communities, public institutes, public funds, public agencies etc.). The idea arose among some enthusiastic employees of the Commission for the Prevention of Corruption of the Republic of Slovenia (hereinafter: the CPC)², which in cooperation with external partners prepared it for free. Application has been developed in less than a month. The data are daily updated and provide the general public with proactive transparency in the field of public sector spending. It combines relevant data from different sources (Ministry of Finance, Public Payments Authority etc.) in a more user-friendly format and represents an important step towards more transparent state operations.

Still, Supervisor did not require any law modifications. Slovenia implemented the rules of the EU Directive on re-use of PSI³ in 2005. The rules on re-use of public sector information, form part of the Access to Public Information Act⁴ and are perceived as an integral part of the Open Government policy. In April 2014 the scope of the Act has been further opened by including the state owned enterprises as the liable bodies.

The Ministry of the Interior of the Republic of Slovenia (hereinafter: the Ministry of the Interior)⁵ is designated to ensure openness and transparency of the functioning of the entire public administration. An important role in the field of access to and re-use of PSI, namely providing for the efficient redress mechanism, has been played by the Information Commissioner, whose administrative decisions in relation to re-use of PSI are fully binding upon the liable bodies. Apart from being in charge of the

¹ <http://supervisor.kpk-rs.si/> .

² <https://www.kpk-rs.si/en> .

³ Directive 2003/98/EC of 17 November 2003 on the re-use of public sector information.

⁴ The English translation of the Slovenian Access to Public Information Act is published at:

http://www.arhiv.mju.gov.si/en/legislation_and_documents/legal_acts_in_force/index.html . 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/live/global-rti-rating/results/> .

⁵ <http://www.mnz.gov.si/en/> .

access to information and re-use of public sector information legislation, the Ministry of the Interior 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 the Interior are important partner institutions that share a common goal of making the work of government and public administration institutions open and transparent.

Under the Slovenian Access to Public Information Act, public sector bodies are obliged to provide access to and re-use of PSI. This means that the provision of the new PSI Directive 2013⁶, according to which the public sector bodies have to provide re-use of all generally accessible PSI (the so called real right to re-use) has already been implemented into the Slovenian law. In Slovenia the liable bodies have no discretion with regard to providing re-use 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.

Supervisor is an example of the re-use of generally accessible PSI, which 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 the Interior and the Commission for the Prevention of Corruption worked jointly on publishing the transactions data from Supervisor as Open Data within the Slovenian Open Data portal and including the express legal provisions on Supervisor in the Access to Public Information Act, thus recognizing it as an indispensable tool for strengthening the rule of law, integrity and transparency, mitigation of corruption risks and conflicts of interest. Moreover, transparency of financial flows among public and private sector achieved through this application increases the level of responsibilities of public office holders for effective and efficient use of public finance, facilitates debate on adopted and planned investments and projects as well as decreases risks for illicit management, abuse of functions and limits systemic corruption, unfair competitiveness and clientelism in public procurement procedures.

Supervisor was launched on 23rd of August 2011. There was a significant interest by the public and mostly positive response from other budget users, local level and abroad.⁷ Supervisor allows oversight over the average EUR 4.7 bn a year used for goods and services by the public sector and indicates contracting parties, all recipients of funds, related legal entities, date and amount of transactions and also purpose of money transfers (for all the services and goods payments over 2.000 EUR). It also enables presentation of data using graphs as well as printouts for specified periods of time and other. Application shows also ownership and management structure of the Slovenian companies and some data from their annual reports (PSI from the Slovenian Business Register). It enables insight in financial flows among the public and private sector not only to the public and media, but – and this is an important added value – also to regulatory and supervisory bodies.⁸

The PSI databases re-used within the Supervisor

The Supervisor is a project, conceptually designed and prepared by the Commission for the Prevention of Corruption in cooperation with an independent expert and assistance of other bodies: the Ministry of the Interior, the Ministry of Finance⁹, Public Payments Administration (hereinafter: PPA)¹⁰, the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES)¹¹ in charge of the Slovenian Business Register. There was no need for legislative changes,

⁶ Directive 2013/37/EU of the European Parliament and of the Council of 26 June 2013 amending Directive 2003/98/EC on the re-use of public sector information, see Recitals 7 and 8 of the 2013 PSI Directive and the new Para.1 of Article 3.

⁷ Already during the first day, there were around 1.200.000 page views and raised up to 2.616.000 within only 6 days – bearing in mind that Slovenia is a country with only 2 million inhabitants and also access from abroad was limited for the first few days.

⁸ For example, on the basis of Supervisor data in 2012 more than 100 cases of suspected violations of restriction on business were discovered by CPC (mostly on a local level).

⁹ <http://www.mf.gov.si/en/> .

¹⁰ <http://www.ujp.gov.si/dokumenti/dokument.asp?id=295> .

¹¹ <http://www.ajpes.si/?language=english> .

since all relevant data has already been accessible to the public on the basis of the Slovenian Access to Public Information Act.

The PPA is providing 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. This means that all data about financial transactions from public sector bodies to private companies are registered in one central database. For the purpose of Supervisor application PPA provided the CPC with *data on all payments* among the public sector bodies and public sector to private companies from 1 January 2003 till present.

The AJPES is keeping records on business entities in Slovenia and manages *the Slovenian Business Register* as a central public database on all business entities, their subsidiaries and other organization 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 present their annual reports to AJPES for the purpose of publication 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 third main source of data. It is maintained by the public company Official Gazette and the 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.

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

Data were 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 have been completely public, however data about financial transactions had not been public in full, as the database contained personal and classified data. Therefore these data were requested by the CPC on the basis 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 those data in order to be able to publish the remaining data as the generally accessible data 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 - were 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, transactions to intelligence and security services, some specific transactions to banks, returns of taxes, etc. During the performed analysis 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. These data also helped CPC to remove transactions containing personal and classified information.

As a final step the web application has been written, the aim of which is to visualize 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 has been written in cooperation with an independent expert and is using open source technologies (PostgreSQL database server, operating system Debian Linux, web server Nginx and open source JavaScript libraries for visualization of data). Then application and final version of the database has been put on a public web server, which requires no registration and does not retain any logs about its users. By using open source technologies the costs of software has been reduced (operating system, database server and web server). Selected technologies have high performance for carrying out a lot of database and web requests from the end users.

Before the public launch the Information Commissioner has been asked for the opinion related to the protection of personal data in an application. CPC followed the Information Commissioner's recommendations and performed some small adjustments. After that, application was published on the internet (23rd August 2011).

In 2014, the data on transactions from Supervizor have been provided as Open Data in machine-readable format. Access is provided on a Supervizor's infrastructure and also advertised within the Slovenian Open Data portal (so called NIO portal).¹²

The data contained within the single files includes:

1. data on monthly amount of the funding received by the specific budget user (for each respective year, from 2003 on, and as concerns the year 2013, for each month separately), and
2. data on each individual financial transaction of budget users (with purposes of transactions below 2000 EUR anonymized).

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

The recognition of Supervisor as the indispensable tool for transparency by the access to public information legislation

The key benefit of the project is that money flows from the public to private sector are accessible to the public quickly, simple and free. This proactive approach towards transparency of public finances could lead to the strengthening of public integrity, transparency of public finances and accountability of public service and would have decreased risks of systemic corruption. Supervizor is making business environment more transparent and also revealing some controversial practices in budget expenditure and exposes systemic corruption. It represents an important step towards more transparent operations 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 are now used in a more analytical way. It is used as an everyday tool by public, research journalists and regulatory and supervisory government when investigating economic crime, public finance crime and corruption. And most importantly – the web application enables the public, government and local authorities asking more qualitative questions regarding the use of public money and accountability of public service.

The initiative had multiple positive effects in various spheres of public and civic life, law enforcement and strengthening governance at state and local level. Supervizor has transformed the paradigm of transparency and accountability of public finances in the Republic of Slovenia – and by extension has a very positive impact on the more efficient use of public funds 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 data and

¹² <http://nio.gov.si/nio/data/supervizor+financne+transakcije+proracunskih+uporabnikov?lang=en> .

analyses which could be performed by using the web application. They expressed satisfaction with the possibilities of using application in their everyday work. The tool has proved to be particularly useful at the local level, where people are using the information from Supervisor to actively participate in the creation of policies at the local level and in the allocation of public financial resources. This is especially important in the time of economic crisis and lack of public funds. Supervisor is used by municipality councilors, municipality's supervisory committees, members of the various boards of schools and institutions – for opening discussions about the priorities of spending of public money at the local level.

The project had great media and European anti-corruption authorities' impact. 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 general public also expressed their expectation that this kind of proactive approach towards transparency of public finances would be implemented in their countries too.

In 2013, the online application received the United Nations award¹³ for the excellence in public administration and finally, with the 2014 amendments to the Slovenian Access to Public Information Act¹⁴, the application Supervisor has been recognized as an indispensable tool for strengthening the rule of law, integrity and transparency in the public sector. According to the provisions the application will include also the transactions of the enterprises wholly owned by the state or local authorities. Since these are not public budget users their transactions data will need to be reported by the banks to the PPA.

There are two main preconditions on the basis of which Supervisor could have been established – the existing legal framework which provides for the right to re-use generally accessible public sector information and the existence of the single treasury system, which records all public financial transactions in a centralized way, that is a system, which gathers all records of government and local budget's financial transactions in a single database. Important prerequisite is also the existence of the business registry, containing data about ownership, management structure and company's annual reports and a database of the public procurements. In addition, what is also important is not only the general governmental orientation towards greater transparency but also a transparency policy of each of the specific public sector institutions in charge of the public sector databases.

There is also an important lesson of the whole project – the project has proved that it is possible to increase the transparency of public finance, facilitate the debate on adopted and planned investments and projects as well as decrease the risks for illicit management, abuse of functions and, above all, limit systemic corruption, unfair competitiveness and clientage in public procurement procedures.

And most important, this can be done with a minimal financial input. The Supervisor project proved, that it is possible to achieve better transparency – with a good idea, open data and devotion to the ideal of transparency.

¹³ <http://www.unpsforum.bh/winners2013.php> .

¹⁴ The 2014 amendments to the Slovenian Access to Public Information Act (Official Gazzette of the Republic of Slovenia No. 23/14, ZDIJZ-C), published in Slovenian at: [http://www.uradni-list.si/1/content?id=116874#!/Zakon-o-spremembah-in-dopolnitvah-Zakona-o-dostopu-do-informacij-javnega-znacaja-\(ZDIJZ-C\)](http://www.uradni-list.si/1/content?id=116874#!/Zakon-o-spremembah-in-dopolnitvah-Zakona-o-dostopu-do-informacij-javnega-znacaja-(ZDIJZ-C)) .