



# Guarding financial health of local governments in Slovakia

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INEKO Director

March 9th, 2017

Chisinau, Moldova

Conference on “Financial stability, transparency and competitiveness of local governments in Moldova”

# Slovak experience

- Since 2012: INEKO portal computing financial health of all municipalities and regions:  
<http://www.hospodarenieobci.sk/>
- Major developments/impact:
  - Intensive public attention and pressure to govern finances of local Gvts responsibly
  - New legal constraints (penalty, debt brakes, more strict rules on hidden debt)
  - Fiscal stabilization of local Gvts

# INEKO portal – main page

Zadajte názov obce, mesta alebo VÚC

Aby ste videli všetky údaje a za všetky roky, je potrebné sa zaregistrovať.

[Registrácia](#) Aké výhody ponúka registrácia?

## NAJLEPŠIE HOSPODÁRIACE MESTÁ

- 1 Leopoldov ★★★★★ 5,8
- 2 Hlohovec ★★★★★ 5,7  
⊖ Základná bilancia
- 3 Nové Mesto nad Váhom ★★★★★ 5,7
- 4 Topoľčany ★★★★★ 5,6  
⊖ Základná bilancia
- 5 Strážske ★★★★★ 5,6

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## NAJHORŠIE HOSPODÁRIACE MESTÁ

- 1 Spišské Podhradie ★★☆☆☆ 2,3  
⊕ Dlhová služba ⊖ Základná bilancia
- 2 Myjava ★★★☆☆ 3,0  
⊕ Základná bilancia ⊖ Okamžitá likvidita
- 3 Holíč ★★☆☆☆ 3,2  
⊕ Závazky aspoň 60 dní po splatnosti  
⊖ Základná bilancia
- 4 Senica ★★☆☆☆ 3,2  
⊕ Dlhová služba ⊖ Závazky aspoň 60 dní po splatnosti
- 5 Dobšiná ★★☆☆☆ 3,3  
⊕ Závazky aspoň 60 dní po splatnosti ⊖ Celkový dlh

[Zobraziť celý rebríček](#)

## HOSPODÁRENIE VYŠŠÍCH ÚZEMNOSPRAVNÝCH CELKOV (VÚC)



Banskobystrický  
★★★★☆ 3,8



Bratislavský  
★★★★☆ 4,9



Košický  
★★★★☆ 4,1



Nitriansky  
★★★★☆ 5,3



Prešovský  
★★★★☆ 4,7



Trenčiansky  
★★★★☆ 4,5



Trnavský  
★★★★☆ 4,5



Žilinský  
★★★★☆ 4,8

# INEKO portal - profiles

### Leopoldov

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

#### HODNOTENIE FINANČNÉHO ZDRAVIA (2012 - 2015)

##### CELKOVÉ FINANČNÉ ZDRAVIE

**5,8** / 6

##### VÝBORNÉ FINANČNÉ ZDRAVIE

##### ZLOŽKY FINANČNÉHO ZDRAVIA

Základná bilancia		6,0
Dlhová služba		5,4
Celkový dlh		5,6
Závazky aspoň 60 dní po splatnosti		6,0
Okamžitá likvidita		6,0

#### HLAVNÉ INDIKÁTORY (2015)

priemer  
samospráv SR

Základná bilancia	22,9 %	★★★★★	1,1 %
Dlhová služba	5,1 %	★★★★★	7,7 %
Celkový dlh	8,3 %	★★★★★	20,8 %
Závazky aspoň 60 dní po splatnosti	0,0 %	★★★★★	0,5 %
Okamžitá likvidita	982,0 %	★★★★★	193,3 %

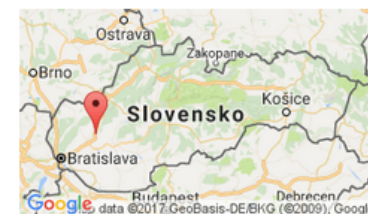
#### OSTATNÉ INDIKÁTORY (2015)

priemer  
samospráv SR

Bilancia bežného účtu	30,0 %	★★★★★	11,0 %
Bilancia kapitálového účtu	-5 579,5 %	★★★★★	-57,8 %
Závazky po splatnosti k príjmom	0,0 %	★★★★★	0,8 %
Čistý majetok	375,5 %	★★★★★	430,9 %
Pohotovú likviditu	995,6 %	★★★★★	245,5 %
Úvery od ŠFRB k príjmom	59,9 %	★★★★★	20,6 %

#### ZÁKLADNÉ ÚDAJE

Štatút: mesto  
Počet obyvateľov: 4 151  
Okres: Hlohovec  
Kraj: Trnavský  
E-mail: mestoleopoldov@mail.t-com.sk



#### HOSPODÁRENIE NAJBLIŽŠÍCH OBCÍ

1 Červeník	★★★★★
2 Madunice	★★★★★
3 Hlohovec	★★★★★
4 Ratkovce	★★★★★
5 Žikovce	★★★★★
6 Koplotovce	★★★★★
7 Trakovice	★★★★★
8 Pečeňady	★★★★★
9 Horné Zelenice	★★★★★
10 Bojničky	★★★★★

#### HOSPODÁRENIE PODOBNE VEĽKÝCH OBCÍ

1 Bošany	★★★★★
2 Trenčianske Teplice	★★★★★
3 Šoporňa	★★★★★
4 Trenčianska Teplá	★★★★★

# INEKO portal - rankings

HOSPODÁRENIE MIEST, OBCÍ A VÚC

používateľ: petergoliass

Profil

Odhlásiť sa

Úvod

Údaje o hospodárení

Nástroje

Viac o projekte

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SAMOSPRAVY

☐ vÚc

☒ mestÁ

☐ obce

FINANČNÉ ZDRAVIE

☒ Celkové finančné zdravie ⓘ

☒ Základná bilancia ⓘ

☒ Dlhová služba ⓘ

☒ Celkový dlh ⓘ

☒ Záväzky aspoň 60 dní po splatnosti ⓘ

☒ Okamžitá likvidita ⓘ

ROK

2015

▼

ĎALŠIE NASTAVENIA REBRÍČKA

Ďalšie ukazovatele o hospodárení

Špecifický výber okresov a krajov

☒ Ukotviť tento panel

samospráva		Celkové finančné zdravie	Základná bilancia	Dlhová služba	Celkový dlh	Závazky aspoň 60 dní po splatnosti	Okamžitá likvidita
1	<b>Leopoldov</b> okres Hlohovec, kraj: TT	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
2	<b>Hlohovec</b> Trnavský kraj	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
3	<b>Nové Mesto nad Váhom</b> Trenčiansky kraj	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
4	<b>Topoľčany</b> Nitriansky kraj	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
5	<b>Strážske</b> okres Michalovce, kraj: KE	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
6	<b>Medzev</b> okres Košice - okolie, kraj: KE	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
7	<b>Dubnica nad Váhom</b> okres Ilava, kraj: TN	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
8	<b>Kežmarok</b> Prešovský kraj	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
9	<b>Poprad</b> Prešovský kraj	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
10	<b>Sereď</b> okres Galanta, kraj: TT	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
11	<b>Turzovka</b> okres Čadca, kraj: ZA	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
12	<b>Svätý Jur</b> okres Pezinok, kraj: BA	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
13	<b>Stará Turá</b> okres Nové Mesto nad Váhom, kraj: TN	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
14	<b>Galanta</b> Trnavský kraj	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★

# Financial health indicators

Indicators entering final rating	Weight
Overall debt over current revenues	2
Debt service (interest plus principle) over current revenues	1
Current and capital account balance over current and capital revenues	1
Liabilities overdue at least 60 days over current revenues	1
Immediate liquidity on financial accounts over short-term liabilities	1

- All indicators are transformed to the scale  $\{0, 6\}$
- Overall debt is computed based on data from the most recent year
- Other four indicators are computed based on data from the 4 most recent years with following weights:
  - Year  $t$ : 4
  - Year  $t-1$ : 3
  - Year  $t-2$ : 2
  - Year  $t-3$ : 1

# Underlying data

1. Current account revenues
2. Current account expenditures
3. Capital account revenues
4. Capital account expenditures
5. Debt service – principal
6. Debt service – interest
7. Short-term liabilities
8. Long-term liabilities
9. Bank loans
10. Loans from the state
11. Overdue liabilities
12. Liabilities overdue at least 60 days
13. Short-term receivables
14. Financial assets (e.g. cash, bank deposits)
15. Number of citizens

# Legal constraints

- Conditions on taking more debt:
  1. Debt below 60% of current revenues in preceding year
    - Exception 1: Debt to state organizations
    - Exception 2: Bridging loans for EU funds
  2. Debt service (interest plus principal) below 25% of current revenues in preceding year
    - Exception: One-off preliminary repayment



# Legal constraints

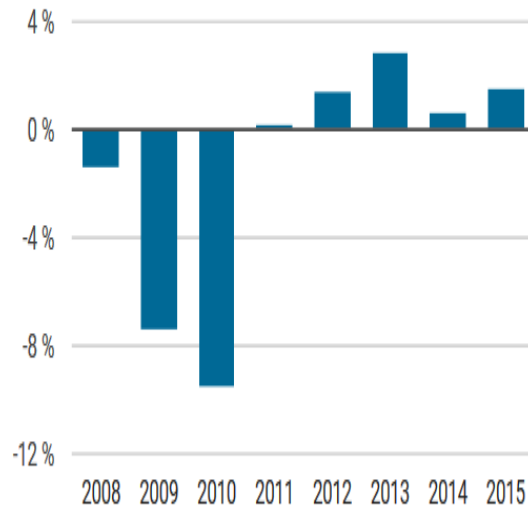
- Debt brakes: If debt above 50%, corrective measures are necessary:
  - If debt under 58%, the mayor has to explain reasons, propose corrective measures to the Council and inform Ministry of Finance
  - If debt above 58% but under 60%, revision of budget is necessary to achieve balanced budget by the end of year and balanced budget proposal for next year
  - If debt above 60%, the municipality has to pay a penalty of 5% of debt exceeding 60% (this rule is set by Constitutional law)

# Legal constraints

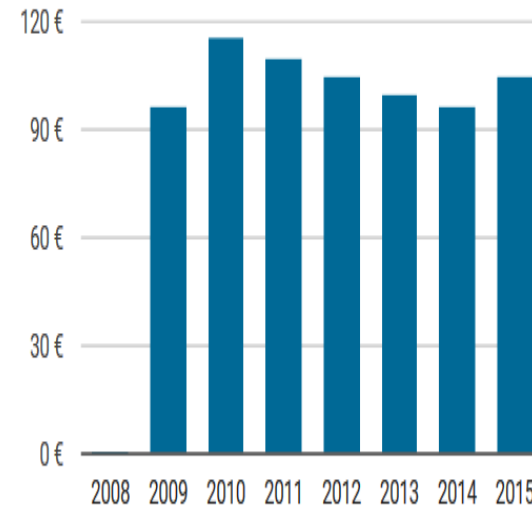
- Conditions on adopting “corrective process” (no rewards, new corrective budget, informing MoF):
  1. Overdue liabilities above 15% of current revenues in preceding year (without revenues from state or EU)
  2. Any accredited liability overdue of 60 or more days
- If “corrective process” does not lead to improvement after 90 days, the custodian nominated by the Ministry of Finance overtakes the “forced management” of municipality

# Fiscal stabilization

Budget balance (% of revenues)



Debt per capita (EUR)



Údaje za rok 2008 nie sú dostupné

# Perspective/needed reforms

- Legal:
  - Debt restructuralization - managed bankruptcy of municipality
  - Wider scope of the Law on Free Access to Information
  - Disclosing the hidden debts: PPP, debt of public companies, etc.
- Non-legal:
  - Detailed budget transparency
  - Better public control of how money is spent

**Thank you for your attention!**

<http://ineko.sk/>; <http://www.hospodarenieobci.sk/>

## Name

▼ Total revenue per inhabitant ▲

ADD NEW

✕ City

1	Oraşul Donduseni	214
2	Oraşul Cornesti	422
3	Oraşul Marculesti	461
4	Oraşul Iargara	683
5	Oraşul Tvardita	716
6	Oraşul Otaci	726
7	Oraşul Cainari	764
8	Oraşul Soroca	804
9	Oraşul Causeni	827
10	Oraşul Cantemir	903
11	Oraşul Cupcini	962
12	Oraşul Bucovat	969
13	Oraşul Costesti	971

Budget transparency of

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localbudgets.viitorul.org/rankings/ie1/000-1/2014/ie1,desc,1-20

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2012 2013 2014 2015

Columns

✕ Total revenue per inhabitant

ADD NEW

Area

✕ Moldova

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Status

✕ City

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Name

▼

Total revenue per inhabitant


▼

1	Orașul Vadul lui Vodă	4 418
2	Municipiul Chișinău	4 166
3	Orașul Vatra	3 240
4	Orașul Nisporeni	3 169
5	Municipiul Bălți	2 780
6	Orașul Soldanesti	2 614
7	Orașul Rezina	2 576
8	Orașul Briceni	2 434
9	Orașul Straseni	2 393
10	Orașul Ungheni	2 322
11	Orașul Durești	2 046
12	Municipiul Comrat	2 032
13	Orașul Ialoveni	2 011



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2012 2013 2014 2015

Columns

✕ Number of inhabitants

✕ Total revenues

✕ Total expenditures

✕ Budget balance

ADD NEW

Area

✕ Moldova

ADD NEW

Status

✕ City

ADD NEW

	Name ▼	Total revenues ▼	Total expenditures ▼	Budget balance ▲ <div>?</div>	Number of inhabitants ▼
1	Municipiul Chişinău	2 713 773 400 lei	2 940 623 700 lei	-16,9 %	638 815
2	Oraşul Cupcini	13 099 100 lei	12 825 400 lei	-3,5 %	8 916
3	Oraşul Ceadir-Lunga	24 437 500 lei	25 911 600 lei	-3,0 %	19 622
4	Oraşul Stefan Voda	13 798 400 lei	13 809 900 lei	-2,5 %	7 533
5	Municipiul Bălţi	383 371 000 lei	394 648 600 lei	-2,3 %	122 565
6	Oraşul Causeni	20 873 100 lei	20 978 000 lei	0,2 %	17 611
7	Oraşul Calarasi	19 411 600 lei	20 329 800 lei	1,2 %	14 671
8	Oraşul Drochia	23 532 900 lei	23 104 200 lei	1,5 %	17 302
9	Oraşul Donduseni	9 702 300 lei	9 241 600 lei	2,7 %	9 322
10	Oraşul Riscani	15 992 000 lei	15 975 000 lei	3,2 %	11 775
11	Oraşul Edinet	27 977 300 lei	27 166 600 lei	3,3 %	20 121
12	Oraşul Cahul	67 363 400 lei	68 108 500 lei	4,6 %	37 217

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2012 2013 **2014** 2015

2012 2013 **2014** 2015

2012 2013 **2014** 2015

2012 2013 **2014** 2015

### Columns

- ✗ Share of own revenues in the total revenues

ADD NEW

## Area

✕ Moldova

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### Status

× City

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	Name ▼	Share of own revenues in the total revenues ▲
1	Orașul Strasenî	8,57 %
2	Orașul Nisporeni	8,70 %
3	Orașul Durlști	9,64 %
4	Orașul Biruinta	9,95 %
5	Orașul Soldanesti	11,97 %
6	Orașul Bucovat	12,44 %
7	Orașul Donduseni	13,00 %
8	Municipiul Bălți	13,08 %
9	Orașul Lipcani	13,21 %
10	Orașul Ungheni	13,32 %
11	Municipiul Chișinău	13,34 %
12	Orașul Telenesti	13,69 %
13	Orașul Singera	13,81 %

2014

## Columns

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## Area

✕ Moldova

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## Status

✕ City

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	Name ▼	Share of own revenues in the total revenues ▼
1	Orașul Frunza	32,33 %
2	Orașul Vadul lui Voda	32,30 %
3	Orașul Causeni	31,69 %
4	Orașul Tvardita	31,16 %
5	Orașul Cupcini	29,14 %
6	Orașul Soroca	28,37 %
7	Orașul Floresti	28,33 %
8	Orașul Falesti	27,76 %
9	Orașul Orhei	27,46 %
10	Orașul Leova	27,12 %
11	Orașul Cahul	26,92 %
12	Orașul Riscani	26,63 %
13	Orașul Glodeni	26,48 %

Budget transparency of

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2012

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2014

2015

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✕ Ratio of approved to executed expenditures

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Area

✕ Moldova

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Status

✕ City

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	Name	Ratio of approved to executed expenditures ▲
1	Orașul Rezina	37,16 %
2	Orașul Nisporeni	41,24 %
3	Orașul Singera	44,80 %
4	Orașul Ialoveni	55,35 %
5	Orașul Vadul lui Voda	56,61 %
6	Orașul Straseni	57,06 %
7	Orașul Singerei	58,69 %
8	Orașul Soldanesti	61,37 %
9	Orașul Durlesti	64,46 %
10	Orașul Glodeni	64,97 %
11	Orașul Cimislia	65,14 %
12	Orașul Telenesti	65,29 %
13	Orașul Biruinta	68,77 %

Windows Taskbar

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Budget transparency of

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localbudgets.viitorul.org/rankings/iaa6/000-1/2014/iaa6,desc,1-20

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2012

2013

2014

2015

Columns

✕ Ratio of approved to executed revenues

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Area

✕ Moldova

ADD NEW

Status

✕ City

ADD NEW

Name

▼

Ratio of approved to executed revenues ▼

1	Orașul Cornesti	114,85 %
2	Orașul Tvardita	109,92 %
3	Orașul Cainari	109,30 %
4	Orașul Singera	105,46 %
5	Orașul Marculesti	103,75 %
6	Municipiul Chișinău	103,30 %
7	Orașul Cantemir	103,23 %
8	Orașul Basarabeasca	102,94 %
9	Orașul Codru	101,83 %
10	Orașul Soldanesti	101,80 %
11	Orașul Riscani	101,72 %
12	Municipiul Bălți	101,64 %
13	Orașul Lipcani	101,38 %

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