

# ANNEX 1.

## KEY OVERSIGHT INSTITUTIONS IN SEE COUNTRIES

Albania	<ul style="list-style-type: none"> <li>• <b>Ministry of Finance and Economy</b> (Responsible for deciding on the total spending for the delegated functions and also specifies the purpose for which it can be spent at local level)</li> <li>• <b>State Supreme Audit</b> institution (informs the public &amp; the Albanian Parliament about the use of resources with economy, effectiveness and efficiency by the central and local government and other public entities, as well as promoting accountability throughout the public sector)</li> </ul>
Bulgaria	<ul style="list-style-type: none"> <li>• <b>Ministry of Finance</b> (allocates financial resources between the central and local government levels, defines standards for financing state mandated activities, the mechanisms for allocating transfers from the central budget, including monitoring and analysing the information from the Central Municipal Debt Register, information on the capital expenditures of municipalities, current implementation of the municipal budgets and the overall financial situation of municipalities)</li> <li>• <b>National Bulgarian Audit Office</b> (controls the implementation of the budget and the management of public funds and activities through carrying out audits)</li> <li>• <b>National Assembly</b> (e.g. Budgetary Committee, Committee on Regional Policy, Public Works and Local Self-Government, etc.)</li> <li>• <b>Ministry of Regional Development and Public Works</b></li> <li>• <b>General Inspectorate at the Council of Ministers</b></li> <li>• <b>Inspectorates within ministries and agencies</b> dealing with the local level,</li> <li>• <b>Anti-fraud coordination service (AFCOS)</b> (protection of the European Union Financial Interests Directorate)</li> <li>• <b>National Association of the Bulgarian municipalities</b></li> </ul>
BiH <sup>118</sup>	<ul style="list-style-type: none"> <li>• <b>Fiscal council of BiH</b> (Overseeing all fiscal activities of the various entities and ensuring their compliance with the budgetary calendar. The fiscal council has representatives from all entities in BiH and is chaired by the Council of Ministers)</li> <li>• <b>Ministries of Finance</b> (FBiH and RS) (Overseeing budgetary matters, responsible for revenue collection (taxes and fees), and the distribution of funds to the respective municipalities or cantons within their entity)</li> <li>• <b>Cantons (FBiH)</b> (Responsible for managing and distributing funds allocated to the cantonal level)</li> </ul>
Croatia	<ul style="list-style-type: none"> <li>• <b>Ministry of Finance</b> (Developing an internal financial and control management system within the public sector, as well as internal audit, inspectional supervision of the legality, purposefulness and timeliness of the use of State Budget funds within central, regional and local self-government units)</li> <li>• <b>National State Audit</b></li> <li>• <b>Inspectorates</b></li> <li>• Other <b>relevant ministries and regional self-government units</b></li> </ul>
Hungary	<ul style="list-style-type: none"> <li>• <b>National Assembly</b> (Approving the annual budget of the central government and sets the framework for local government revenues and expenditures.)</li> <li>• <b>Ministry of Interior</b> (Dealing with local government issues)</li> <li>• <b>Ministry of Finance</b> (Managing the Regional Development Fund that supports local governments)</li> <li>• <b>State Audit Office</b> (Monitors the financial management and performance of local governments)</li> <li>• <b>Hungarian State Treasury</b> (Supervising the transfers allocated to local governments considering the findings and recommendations from the State Audit reports)</li> </ul>

<sup>118</sup> In Bosnia and Herzegovina, the decisions regarding the distribution and transfer of the central budget, EU funds, and ad-hoc budget and funding towards the local level units such as municipalities and communes are made by different public bodies at various levels of government. Subnational fiscal rules in BiH are determined at the entity level (FBiH and RS) and apply only in the territory of a particular entity.

Montenegro	<ul style="list-style-type: none"> <li>• <b>Ministry of Finance</b> (Developing guidelines for subnational government budgets, overseeing the subnational government budget deficits). The Ministry is withholding the transfer of the appropriate part of the funds from the State Budget to the subnational government, in case the subnational government exceeds the budget deficit ceiling in a given year without the Ministry of Finance's approval. Further, municipalities in Montenegro are required to submit an annual activity report to the Directorate for Central Harmonization of the Ministry of Finance and Social Welfare, on the implementation and improvement of management and control functions. They are also obliged to report quarterly to the Ministry of Finance on the state of their finance, outstanding liabilities and budget indebtedness.</li> <li>• <b>Secretary for Finance</b> in line with the Guidelines of the Ministry of Finance for the preparation of the budget of local governments.</li> <li>• <b>Ministry of Economy</b> (Supervising the capital expenditure by subnational governments)</li> </ul>
North Macedonia	<ul style="list-style-type: none"> <li>• <b>Ministry of Finance</b> (Conducting oversight in line with the Law on Financial Discipline, the Law on Reporting and Recording Liabilities. Managing, monitoring, controlling and auditing national public and EU funds)</li> <li>• <b>Committee for Monitoring and Development of Local Government Finance System</b> with members are issued from national and local governments.</li> <li>• <b>State Audit Office</b> (Performing audit of financial statements, compliance audit and performance of central and local public entities)</li> </ul>
Romania	<ul style="list-style-type: none"> <li>• <b>Ministry of Finance</b> (Supporting the preparation of local budgets through mainly communicating the distribution criteria and algorithm and total amount to be allocated via equalization transfers and the transfers with special purpose, overseeing the accuracy of the calculations made by local and country councils)</li> <li>• <b>Inter-ministerial technical committee for decentralisation</b> and the <b>working groups for the decentralisation of competences</b></li> <li>• <b>Fiscal Council</b>, created under the <b>Fiscal Responsibility Law</b>, as an independent body (Supporting the Romanian Government and Parliament in designing and implementing the national fiscal policy and in promoting the public finances' transparency)</li> <li>• <b>Supreme Audit Institution</b> (Auditing the management of funds related to financial assistance granted to Romania by the EU in line with the national and EU legislation)</li> </ul>
Serbia	<ul style="list-style-type: none"> <li>• <b>Ministry of Finance</b> (Responsible for taking decisions regarding the distribution of the central budget, EU funds and ad hoc budget and funding towards the local-level units)</li> <li>• <b>Local Government Financing Commission</b> (known also as the "Commission for Intergovernmental Finances") (As a joint body between central government and local government, the Commission is set up to monitor the implementation of the intergovernmental finance system and recommend certain improvements in this area)</li> </ul>

Source: R2G4P.