



STRATEGIC GOAL II:

“Making the external municipal auditing system more efficient”

Activity 2.4

“Analysis of administrative supervision of municipalities”

0.43	1	1.20	0.34	3.25	8.39	1.7	3.02	1.12
5.75	56	8.25	3.25	4.8	3	6.05	10.25	14.38
9	3	10	25.6	12.59	17.98	15.26	129.85	74.42
7.02	18.44	20.77	5.86	3.96	5.6	1	0	11.2
0	3	1.5	4			0.5	11	6.5
3.11	0	0.5	0	0.37	0	0	0	11.5
3.13	2.7	53.32	2.36	0.3	1.21		22.06	2.24
3.81	9964.9	9964.76	11065	13945.79	14851.18	17625.5	19138.99	20234.06
9.96	149.99	211.18	54.31	453.65	229.93	59.97	139.96	299.93
Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
2.65	13359.77	14016.76	1694.89	12901.21	12625.01	13686.73	213.05	12941.58
5.57	925.61	1232.46	1046.6	1152.52	1210.19	2180.86	2100	1938.61
1.89	2990.29	3408.59	445.21	3400	2956.12	3779.39	325.32	3003.2
2.52	340.83	445.02	491.75	442.9	443.92	603	774.39	696.84
4.23	8953.85	8323.28	228.76	5744.81	4654.11	6468.39	3983.6	6088.4
92.9	1675.65	1859.25	78.12	1914.77	1830.85	2268.69	165.45	2480.94
1.67	911.7	860.27	3.35	979.59	847.94	1067.62	1163.01	1107.32
7.45	482.46	561	5.83	515.79	558.06	645.75	549	589.68
5.55	419.47	390.96	39.2	403.78	402.73	329.75	367.56	313.65
59.8	57.72	80.6	4.5	87.88	35.36	74.4	85.28	56.68
4.08	1.24	0.99	0.5	17.86	1.88	1.57	1.3	0.71
0.75	1	0.75	0.5	0.25	3.70	2.5	0	2.5
4.74	196.66	313.82	14	5.1		710.8	794.06	738.56
3.24	173.81	308	22.03	191.87	172.88	153.71	119.41	121.48
0.2	0.2		14.44	0	20.7	0.19	0	7.47
2.35	30.8		16.55	23.4	30.25	28.35	45.7	28.85
33.3	20.33		15.4	15.92	29.29	18.99	44.92	88.48
2.98	7	7.9	1.26	0.62	1.72	35.5	238.59	205.46

OBJECTIVE OF THE QUESTIONNAIRE

According to the European Charter of Local Self-Government the concept of local self-government denotes the right and ability of local authorities, **within the limits of the law**, to regulate and manage a substantial proportion of public affairs under their own responsibility and in the interests of the local population. Depending on the national characteristics in each country, boundaries and scope of local government activities may vary, since the freedom of municipalities to exercise their competence **is not absolute** and may be limited by law.

The organization of local governments' work – competence of institutions, cooperation, accountability mechanisms – may also be regulated by law.

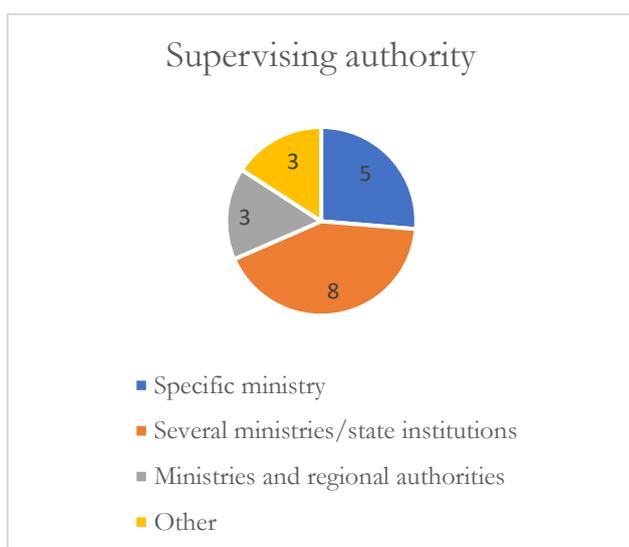
Control of local governments' financial and economic activities is exercised mainly by supreme audit institutions, certified private auditors, or regional audit authorities.

In addition, other state authorities also can have a duty to notice and respond in a timely manner to rule of law problems in local governments. The purpose of this activity and the survey was to identify these mechanisms of local government supervision and control established in EUROSAI TFMA countries¹. By researching and summarizing the various supervision mechanisms, the activity aims to identify good practice examples and effective instruments that supreme audit institutions could potentially use in audits or public discussions concerning administrative reforms and strengthening of administrative capacity.

19 respondents provided answers to the questionnaire: Albania, Bulgaria, Croatia, Estonia, Greece, Israel, Italy, Latvia, Lithuania, Malta, Montenegro, North Macedonia, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Turkey.

SUMMARY OF RESULTS

1. Does your country have a central authority/ministry (or several) responsible for supervising local government activities?



All respondents indicated that at least one central (or regional, depending on the state administrative structure) authority is involved in supervision of local governments, however, the scope and degree of supervisory competences are quite different.

Five respondents indicated that supervision of local governments generally falls within the competence of one specific ministry. The ministries mentioned were ministries dealing with internal and local government affairs: the Ministry of Internal Affairs, the Ministry of the Interior and Administration, the Ministry of Environmental Protection and Regional Development, the Ministry for the National Heritage, the Arts and Local Government, and the Ministry of State Administration and Local Government.

¹ This activity concerns mechanisms that are not related to those assessed in the previous TFMA activity – study “The overview of external audit system of municipalities”, as well as not related to judicial control exercised by the judiciary.

Furthermore, eight respondents indicated that several ministries or state institutions are responsible for local government supervision, each in the area of their competence. Mostly in such cases the responsible authorities are ministries in charge of financial, administrative, educational, and environmental matters.

In three countries supervision is carried out by a central ministry/ministries along with regional authorities – the prefecture of the region, district governors, or independent local supervision authorities.

Lastly, three respondents indicated that other supervisory mechanisms are used. In one country supervision of lawfulness of municipal legal acts is carried out by representatives of the government (state appointed officials). At the same time, two respondents answered that local governments are not generally supervised by the state government, although the government supervises local government finances and has the right to intervene in certain serious cases (for example, public debt and expenditure issues).

2. Is the competence of this central authority/ministry defined by law? (In the Constitution, laws and regulations, by-laws of supervisory authorities?)



All respondents indicated that the competence of authorities supervising local governments is defined by law. The issue is mainly governed by various laws and regulations, although in six countries (Bulgaria, Italy, Lithuania, Malta, Slovenia, Turkey) powers of the supervisory body are stipulated also in the Constitution.

3. Are local governments required to submit draft by-laws/legal acts to the central authority/ministry for evaluation of lawfulness? If yes, what is the content and scope of this evaluation? What are the consequences of a negative opinion?

Twelve respondents indicated that local governments must submit draft legal acts/recently adopted legal acts to a ministry or other central/regional institution for evaluation of lawfulness. Among those countries that carry out evaluation of legal acts two distinct models are apparent: 1) the supervising authority can return the legal act to the local government for review and contest the legal act in court if the local government refuses to comply; 2) the supervising authority can directly suspend or repeal the legal act.

Supervision over lawfulness of municipal legal acts



- Right to return the act for review and challenge it in court
- Right to directly suspend/annul the act
- Other supervision mechanism
- No supervision mechanism

Two respondents indicated that there is no general requirement for local governments to submit all draft laws to a supervising entity, but supervision is carried out in other ways. In one country representative of the government has the right to inspect the draft legal acts submitted to local government councils, to participate in the council meetings and to inform the local government that the drafts under consideration may not comply with the Constitution, laws, or government resolutions/decisions. In another country the government evaluates lawfulness of those acts that local governments adopt while exercising delegated functions.

Four respondents indicated that local governments are not required to submit draft laws/legal acts to central authorities/ministries for evaluation.

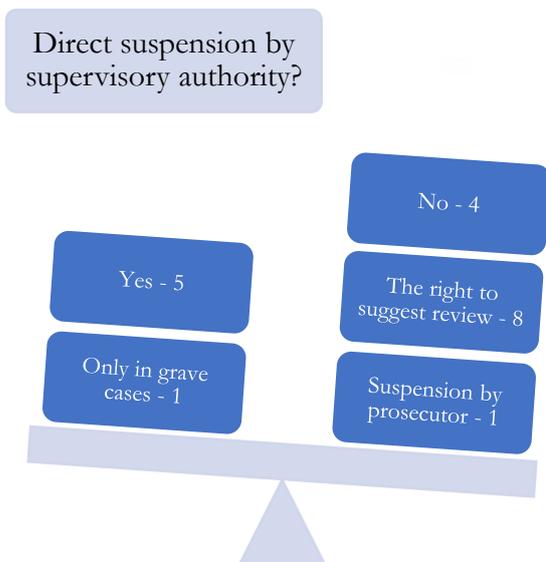
4. Are local governments required to submit any documents to the central authority/ministry for information purposes only?



17 respondents indicated that local governments have a duty to submit documents to a central authority/ies for information purposes. In most cases such information includes regular reports on local government finances, however, respondents also mentioned other examples of documents that can be submitted either regularly or on-demand, for example, information on public-private partnerships, copies of local government council meetings, five-year working plan, annual activity reports, documents to assess education-related complaints about local governments.

Two respondents answered that local governments do not have a duty to provide documents that are used for information purposes only – information is requested to carry out administrative control or comply with legal provision.

5. Does a central authority official/minister have the power, by reasoned order, to suspend unlawful by-laws or other legal acts, or their parts thereof (excluding administrative acts)?



The majority of respondents indicated that the government/ministries do not have the power to directly suspend legal acts they deem unlawful.

Only five respondents answered that a supervisory authority has the right to directly suspend implementation of legal acts it deems in breach of the Constitution or laws and regulations. In these cases, suspension is usually followed by further assessment procedure in court.

Additionally, one respondent indicated that typically a local legal act can be directly suspended only in cases where freedom of movement of persons is limited.

Eight respondents answered that while the government cannot directly suspend implementation of legal acts, it can ask the local government to review the legal act and challenge the act in court if the local government refuses to do so.

One respondent noted that while government or ministries do not have the right to suspend potentially unlawful municipal legal acts, prosecutor can protest the legal act and file a lawsuit if the local government refuses to cancel or amend the unlawful legal act.

6. Does a central authority official/minister have a right to request the convening of a local government council meeting?

The majority of respondents indicated that the law does not grant the right for the government or ministers to request the convening of a local government council meeting. Only six respondents answered that such rights exist in their respective countries. This right typically is exercised only if certain prerequisites exist, for example, the local government fails to organize council meetings within the term specified by law.



Additionally, one respondent indicated that the district governor (entity in charge of the local government supervision) has the right to convene the first meeting of the newly elected local government council.

7. Does a central authority official/minister have a right to request an explanation from the chairperson if the local government council or other local government bodies do not comply with the Constitution, laws, regulations, or court judgements? What are the consequences if an explanation is not provided, or the explanation is not justified?



The majority of respondents answered that the government and ministries do not have specific rights to request explanations from the local government or the chairperson of the local government council for infringements of the law. In several countries there is no specific procedure for requesting an official explanation, but it is possible to dismiss the local government council or its members for failure to comply with the law.

However, six respondents indicated that such right exists in their respective countries. Four of these respondents indicated that the supervising authority may request an official explanation and failure to comply can result in administrative procedures: disciplinary action, dismissal of the local government council or even court proceedings. At the same time, two of these respondents answered that while there is a general possibility to request explanations, failure to comply does not result in specific legal consequences.

8. Is a central authority official/ minister entitled to suspend and/or dismiss a chairperson of a local government council by reasoned order? For what period? What action can follow thereafter?



In nine respondent countries the government and/or ministers do not have a right to directly suspend or dismiss a chairperson of a local government council. Several respondents indicated that the chairperson can be dismissed only by the local government council or the legislature (the parliament) or the head of state (the president).

Seven respondents answered that the government or ministers can dismiss or suspend the chairperson of the local government council for failure to comply with the law and fulfil the duties prescribed by the law. One of these respondents specified that this suspension is temporary – until the judgment in case is delivered.

Additionally, in three countries the government/ministers do not have a right to suspend/dismiss the chairperson but can dismiss the whole local government council.

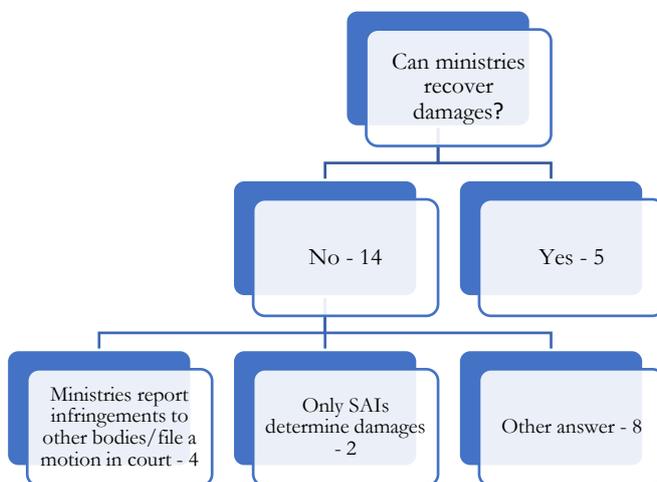
9. Does a central authority official/minister have a right to request a local government council to dismiss its chairperson if the latter does not comply with his/her duties, local government decisions, court decisions, laws, or regulations?



The right of a supervising authority to directly request local government council to consider dismissing its chairperson exists only in two countries. In one country this right applies to cases of failure to adopt budget in the procedure prescribed by law, proven corruption of the chairperson, and other criminal offences. The other respondent indicated that the supervising minister has the right to request removal of the chairperson from office if the local government council fails to fulfil the duties specified in law, to execute decisions of the local government council and court decisions. However, the decision is made by the local government council.

Additionally, in one country the government may notify the local government about breaches of law committed by the chairperson and propose adequate measures. If the local government fails to comply, the government may initiate the procedure for dismissal of the mayor of the local government.

10. Is a central authority official/minister entitled to initiate legal proceedings if a local government official has, intentionally or through gross negligence, caused damages to a local government and failed to fulfil his/her obligation to pay damages? Are the recovered funds transferred to the budget of the relevant local government?



The issue of damage recovery is approached in several different ways in TFMA member states.

Only five respondents indicated that ministries or their institutions (for example, the Ministry of Interior, the Ministry of Finance, or the Financial Inspection Agency) may initiate the damage recovery process, and the recovered funds are then transferred to the budget of the relevant local government.

In contrast, four respondents noted that ministries do not have the right to directly recover damages but instead report such information to the respective state audit offices or other competent

state institutions (e.g., an investigative body), or file a motion in court. Moreover, two respondents stressed that the issues of financial liability and damage recovery fall only within the competence of supreme audit institutions.

One respondent answered that in certain cases the damage control is carried out by allowing the government to temporarily suspend local government transactions or transfers to local government budgets (for example, if the local government exceeds the limit for budget deficit in a certain year).

Finally, several respondents answered that damage recovery primarily falls within the competence of the injured institution, thus local governments normally should take actions in order to recover the funds.

11. Can the legislator dismiss a local government council if it repeatedly fails to comply with or violates the Constitution, laws, regulations, court judgments, or due to other important reasons? If yes, please describe the procedure.

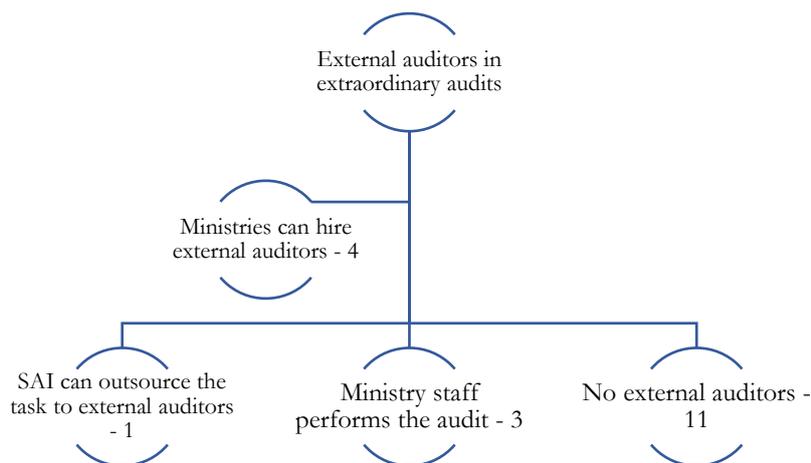


The majority of respondents indicated that the authority to dismiss a local government council is vested in the executive power – either the government or the ministry supervising local government affairs – or the court system. Only four respondents answered that the parliament may dismiss the local government council. Additionally, in one country the impetus for dismissal comes from the executive power, but the dismissal itself is carried out by the head of state - the president, acting in accordance with the advice of the prime minister, can dissolve a local government council with an order in certain serious situations (e.g., lack of agreement in electing a mayor,

lack of agreement in approving annual estimates).

Examples of parliaments' right to dismiss local government councils include serious and often persistent infringements: gross violations of the Constitution, repeated failure to comply with the law or court judgments, actions that encroach the integrity of state territory or go beyond the local government competence.

12. Does a central authority official/minister have a right to hire external auditors to carry out an extraordinary financial audit of a local government?



Hiring of external auditors for extraordinary financial audits is not a widespread practice in the government/ministries. Only four respondents answered that the government or ministries can hire private external auditors for local government audits. Of these four respondents one country makes an intensive and wide-ranging use of private auditors' work, while others involve external auditors in more specific cases, for example, the Minister of Finance and the Head of the Supreme State Audit Office determine in a joint order cases when the audit is performed by other

statutory auditors, as well as procedures, deadlines and external audit standards that must be implemented by these auditors.

At the same time, one respondent indicated that the supervising minister may request the Auditor General to carry out an extraordinary financial audit of a local government, but the Auditor General decides whether such audit is to be carried out internally or outsourced. For example, year-end financial audits are subcontracted to five private firms following a public call for tenders.

Two respondents noted that, while ministries do not practice hiring external auditors, the parliament may ask the supreme audit institutions to carry out audits of local governments on matters of interest to the parliament. In contrast, three respondents stressed that such extraordinary financial audits are carried out by the staff of the competent ministry (e.g., the Ministry of Finance).

13. Is a central authority official/minister entitled to request and receive information about activities of the local government in any area?



In the majority of countries supervising authorities have the right to request and receive information about local government activities in the area they are supervising. Only two respondents answered that the law does not prescribe such rights for the central authority/minister. One of these respondents added that the minister has a right to request information at his/her discretion, but local governments have no legal obligation to provide the information.

14. Are there any other mechanisms in your country (for obtaining information, limiting execution of functions, suspending decisions, imposing personal liability, etc.) that are available to the central

government for supervising local governments?



Thirteen respondents provided examples of other supervisory mechanisms that can be used for monitoring local government activities. Examples include a wide range of mechanisms, for example:

- controlling local government spatial planning,
- monitoring local government public procurement,
- temporarily limiting implementation of delegated tasks until problems are remedied,
- duties to inform the relevant ministry of entry into service concession agreements,
- the right to demand local governments to prepare financial recovery programs and restrict hiring of new employees.

15. Has your institution carried out audits or any type of evaluation/ research on the topic of administrative supervision of local governments?



Eight respondents answered that their supreme audit institution has carried out audits that fully or partly cover the topic of administrative supervision of local governments.

One respondent has carried out an audit specifically focusing on effectiveness and efficiency of administrative supervision activities carried out by the supervisory authority. Two respondents evaluated administrative supervision as part of audits on administrative/territorial reforms.

One respondent carried out several audits evaluating actions and practices of the supervising ministry. Likewise, another respondent evaluated how local governments comply with the requirement to submit newly adopted legal acts to the supervisory authority and whether the supervisory authority has taken the necessary steps to challenge their lawfulness if necessary.

Issues of administrative supervision also tend to appear in audits of other topics, for example, audits on IT security measures and local government databases, organisation of welfare and education services in local governments.

Some examples of audit work:

- A performance audit on the effectiveness of the new territorial reform. The audit found that the new larger municipalities continuously remain largely dependent on central government funding and their further decentralization and fiscal autonomy remains at risk. In addition, central institutions often surpass the autonomy line of the municipalities and expressed concern over the frequent and groundless central government intervention in the local tax system destabilizing local government finances.
- An audit on administrative supervision of local governments to assess whether the supervision is efficient and effective. The audit examined all areas of administrative supervision, focusing on the supervision of municipalities regarding the implementation of laws and the government resolutions/decisions.
- Several audits (for instance, recent audits on forest protection and on firefighters funding) included in their objectives the evaluation of the frequency and quality of administrative supervision of the activity of local governments.
- An audit on supervision of local government law-making.
- A large-scale report about the ministry supervising local government activities. The audit found that the ministry lacks a comprehensive document that presents the policy and the targets of the ministry

in upholding its mission as a regulator. The ministry also didn't make periodical assessment of the effectivity, cost and efficiency of its regulation. Another important aspect that was found is insufficient supervision of financial stability of local authorities as well as ministry's inaction when the reports show distortions and problems in local authority's financial conditions.

SUMMARY OF INDIVIDUAL ANSWERS

1. Does your country have a central authority/ministry (or several) responsible for supervising local government activities?

Albania – supervising authorities are the Ministry of Finance and Economy, the Agency for the Assistance of Local Self-governance and the Prefecture. The Ministry (the Directory of Local Finance) oversees budgets of local governments and transfers of funds to local governments. The Agency monitors implementation of the strategy and action plan for decentralization and local government, provides legal and technical advice to local governments. The prefect of the region verifies the lawfulness of legal acts adopted by local governments.

Bulgaria – supervising authorities are district governors and the Ministry of Finance. The Ministry of Finance monitors preparation, adoption, implementation and reporting of municipal budgets as well as the state of the internal audit, while the district governor exercises control over the lawfulness of acts and actions of local governments.

Croatia – supervising authorities are the Ministry of Administration and the Ministry of Finance (internal audit department dealing with supervision of local government activities). The Ministry of Administration supervises lawfulness of non-administrative acts implemented by the representative body of local and regional self-government, while the Ministry of Finance oversees local government budgets and approves local government borrowing.

Estonia – several ministries/ central authorities are responsible for supervising local governments in different areas (the Ministry of Finance, the Ministry of Justice, the Chancellor of Justice, the Social Insurance Board, the Ministry of Education and Research, the Information System Authority, the Data Protection Inspectorate, the Statistics Estonia, the Ministry of Culture, the Ministry of Interior, the Land Board, the Language Inspectorate, the National Electoral Committee, the State Electoral Office). The Ministry of Justice exercises administrative supervision over lawfulness of administrative acts on local authorities, while the Chancellor of Justice exercises supervision over the conformity of the legal acts of local governments with the Constitution and the law. In contrast, the Ministry of Finance exercises administrative supervision over lawfulness and purposefulness of the use of state assets in the use of possession of local governments. The Ministry of Finance also monitors the fiscal discipline of local governments.

Greece – supervision consists solely of supervision of lawfulness and is carried out by the Ministry of Interior and independent local supervision authorities. The Ministry of Interior may issue circular instructions for the proper and uniform application of the institutional legislation of local governments, while local supervision authorities exercise state supervision for lawfulness.

Israel – supervision is mainly carried out by the Ministry of Interior, but in certain areas other authorities are involved as well: the Land Planning Administration (located within the Ministry of Finance), the Ministry of Labour, Social Affairs and Social Services, the Ministry of Education.

Italy – supervising authority is the Ministry of Internal Affairs.

Latvia – main supervising authority is the Ministry of Environmental Protection and Regional Development.

Lithuania – representatives of the government (state appointed officials) supervise lawfulness of municipal legal acts and actions.

Malta – The Local Government Division (LGD), falling within the remit of the Ministry for the National Heritage, the Arts and Local Government, is responsible for the control, co-ordination, supervision and monitoring of the functions of Local Government, as well as to assist the Ministry in the formulation of strategies, policies and legislation as may be required from time to time.

Montenegro – supervising authorities are the Ministry of Finance, the Ministry of Public Administration, as well as other state administration bodies in areas of their competence. The Ministry of Public Administration is responsible for functioning and implementation of the regulations in the area of local governments and territorial organization of local governments. Ministry of Finance supervises financial operations of local governments.

North Macedonia – supervising authorities are the Ministry of Local Self-government (supervises the lawfulness of municipal regulations), the Ministry of Finance (supervises financial operations of municipalities), other state administration bodies.

Poland – supervising authority is the Ministry of the Interior and Administration.

Portugal – administrative supervision over local authorities consists of verifying compliance with the law by local government, so there is no performance supervision of local activities by the central power or evaluation of the degree of execution of local public policies. That evaluation should be done by the election process. However, several ministries (for example, the Minister of State and Finance, the Minister for Modernization of the State and Public Administration,) exercise certain supervisory measures in the scope of defining and coordinating policies. For example, the Minister for Modernization of the State and Public Administration exercises the direction on the Directorate-General of Local Government. Local governments are bound to periodically send financial data to the Directorate General, which monitors the information received. Furthermore, in specific situations (linked to indebtedness), this Department may, according to the law, reduce the financial transfers from the State to the municipalities.

Serbia – supervising authority is the Ministry of State Administration and Local Government.

Slovakia – supervision of municipalities is carried out by the government, for example, respective ministries.

Slovenia – supervision is exercised by the government and ministries, each in the area of their competence.

Spain - local governments are not supervised by the state government. However, in certain serious cases the government (with agreement of the Senate) may dissolve the bodies of local governments. This right can be exercised only if the management of the local government is seriously harmful to the general interests and entails a breach of constitutional obligations. An example of such case would be a repeated failure to comply with the objective of budgetary stability, the public debt objective or the expenditure rule, which are monitored by the Ministry of Finance.

Turkey – the Ministry of Interior and the Ministry of Environment and Urbanization are responsible for supervising local government activities.

2. Is the competence of this central authority/ministry defined by law? (In the Constitution, laws and regulations, by-laws of supervisory authorities?)

Albania – laws and regulations.

Bulgaria – functions and responsibilities of the district governor are governed by the Constitution, codes, laws, regulations, and ordinances. Powers and competencies of the governor are regulated mainly in the Administration Act.

Croatia – competence of ministries is defined by the law.

Estonia – competence of supervising authorities is defined by various laws.

Greece – competence of the Ministry of Interior and the independent supervision authorities is defined by law.

Israel – competence of supervising authorities is defined by various laws.

Italy – competences are governed by the Constitution, laws, and regulations.

Latvia – competence of the supervising authority is mainly governed by the Law on Local Governments.

Lithuania – powers of the representative of the government are stipulated in the Constitution; the competence of the representative of the government in supervising local government activities is further defined in the Law on Administrative Supervision of Municipalities.

Malta – competences are defined in the Constitution of Malta.

Montenegro – competences are governed by laws and regulations.

North Macedonia – competences of the supervising authorities are defined in the Law on Organization and Operation of the State Administration Bodies.

Poland –Yes.

Portugal – it is Law 27/96, and its amendments, that defines the supervision competencies of the central government over local governments.

Serbia – competence of the supervising authority is mainly governed by the Law on Local Self-Government and the Law on Ministries.

Slovakia – competences are governed by a law.

Slovenia – supervision of local governments is stipulated in the Constitution and further regulated in the Act on Local Self-Government, the Public Administration Act as well as other special legal acts.

Spain – Competences of state authorities regarding local governments are governed by the law.

Turkey – competences are regulated in the constitution and laws.

3. Are local governments required to submit draft by-laws/legal acts to the central authority/ministry for evaluation of lawfulness? If yes, what is the content and scope of this evaluation? What are the consequences of a negative opinion?

Albania – Local governments must submit their legal acts to the prefect of the region within 10 days of their promulgation. In cases of legal incompatibility, the prefect has the right to return the act to the local government for review. The prefect has the right to return an act only once. If the revised legal act still is non-compliant, the prefect requests invalidation of the act at the competent court for administrative matters.

Bulgaria – The acts of local government councils are sent to the district governor and the mayor of the local government within 7 days of their adoption. The district governor may refer back illegal acts to the local government councils for review or challenge them before the respective administrative court. The contestation suspends the implementation of the individual and general administrative acts and the effect of the by-laws, unless the court rules otherwise.

The district governor may also revoke illegal acts of the mayors of local governments within 14 days of their receipt or referral.

The district governor may challenge the lawfulness, but not the correctness or expediency of the relevant act of the municipal council.

Croatia – Local governments must submit statutes, rules of procedure and other non-administrative acts to the Ministry of Administration. If the ministry detects non-compliances with the law or procedural shortcomings, it will instruct the local government to eliminate the deficiencies. If the local government does not review the act, the ministry can suspend the act with a reasoned decision.

Estonia – Local governments are not required to submit draft laws/legal acts to central authorities/ministries for evaluation.

Greece – Local governments must submit decisions of local councils to the Independent Local Supervision Authorities for evaluation of lawfulness. A negative opinion results in cancellation of the local body decision.

Israel – The Ministry of Interior evaluates legal and financial aspects of local government by-laws. The Interior Minister has 60 days to provide an opinion. In case no opinion was provided, the by-law is automatically approved. In case of a negative opinion the by-law is disqualified or returned to the local government for amendments or clarifications. One of the exceptions is the approval of local by-laws dealing with opening of enterprises during weekdays and holidays – such by-laws are not approved until the Minister did so specifically.

Italy – Only regions have the law-making power (not municipalities). The government commissioner preliminary reviews whether regions have jurisdiction to adopt legal acts on a certain subject matter. After this evaluation, the government can ask the region to modify the legal act and, if modification is refused, the government can submit a claim to the Constitutional Court. Only in case where regions limit peoples' freedom of movement, the government may directly repeal the legal act.

Latvia – Local governments must submit municipal by-laws to the Ministry of Environmental Protection and Regional Development within three working days after their adoption. The Ministry then evaluates the lawfulness of the by-laws no later than within one month and sends an opinion to the local government. If the opinion does not contain any objections or if the opinion is not sent to the local government within one month, the local government publishes the by-law.

If the opinion indicates that the by-law or its part is unlawful, the local government must amend the legal act. However, if the local government disagrees with the opinion, it can provide appropriate substantiation and still publish the by-laws.

Lithuania – There is no requirement for local governments to submit draft by-laws/legal acts to the representative of the Government for evaluation of lawfulness. However, the representative of the Government has the right to inspect the draft legal acts submitted to municipal collegial administrative entities and to participate in the meetings of municipal collegial administrative entities. When there are grounds, the representative of the Government informs the members of the municipal council that the projects under consideration may not comply with the Constitution, laws, or Government resolutions/decisions.

Malta – After discussed and approved during a Council meeting, the proposed by-laws are submitted to the Minister for the National Heritage, the Arts and Local Government through the director responsible for Local Government. The by-laws are also reviewed by the respective Minister who can either, approve, propose amendment or object to the by-laws. Justifications for any objections are forwarded in writing to the Council.

Montenegro – Municipal regulations, as well as other acts for which it is determined by law, are published in a special issue of the “Official gazette of Montenegro – municipal regulations” and are available to general public, including the state administration bodies.

North Macedonia – Local governments must submit municipal regulations to the Ministry of Local Self-Government within 10 days of their publication. If the ministry considers a certain regulation not in line with the Constitution and the law, the ministry retains the implementation of the regulation and brings the case before the Constitution Court.

Poland – Yes.

Portugal – The organs of local authorities are independent, and their deliberations can only be suspended, modified, revoked, or annulled under the terms of the law by Courts of Law.

Serbia – Local governments are not required to submit draft laws/legal acts to central authorities/ministries for evaluation.

Slovakia – No.

Slovenia – There is no general obligation of municipalities to submit draft legal acts to the ministries, when

exercising its original duties. The ministries however can supervise the lawfulness of general legal acts the municipality has issued.

Decrees through which the municipality regulates vested matters from state competences (delegated duties) must be submitted to the government or the competent ministry without delay or simultaneously with their publication at the latest. The government or ministry may withhold the implementation of the decrees, which it considers illegal, and may submit them to the Constitutional Court.

Spain – The local governments have a duty to send to the State and Autonomous Community administrations a comprehensive extract of their acts and agreements.

When the Administration of the State or of the Autonomous Communities considers that an act or agreement of a local government infringes the law, it may require the local government to annul this act within a maximum period of one month.

The State Administration or, where appropriate, the Autonomous Community Administration, may also directly contest the act or agreement before the court within a certain time period, without the need to make a request.

Turkey – Resolutions of local government councils are transmitted to the highest highest civil administrator of the locality within seven days of finalization. Resolutions that are not transmitted to the highest civil administrator shall not enter into force.

The civil administrator may apply to the administrative courts against such resolutions as he considers unlawful.

4. Are local governments required to submit any documents to the central authority/ministry for information purposes only?

Albania – Yes, local municipalities are required to submit documents to the Ministry of Finance, Agency for the support of Self-Government Units and the Prefect.

Bulgaria – No, provision of documents by the municipalities to the central authorities is not carried out only for information purposes, but mainly in compliance with legal provisions and for the needs of the administrative control.

Croatia – Local and regional self - government units are required to submit its financial statements, budget, act on implementation of a budget, and fiscal responsibility statement to Ministry of Finance.

Estonia – Local governments submit to the Ministry of Finance the budget strategy by functional groups and the budget, supplementary budget, and information on the implementation of the budget by functions by the last date of the month following each quarter.

If a central authority asks any documents during supervision from local municipalities, then they are required to submit asked documents. For example, the Social Insurance Board and the Ministry of Education and Research may require documents when following up complaints.

Greece – Yes, the Independent Supervision Authorities and the Ministry of Interior can request any type of document for information purposes.

Israel – Yes.

Italy – Yes, the annual budget and financial statement. The local governments must also demonstrate that they comply with the limits set for financial and human resource acquisition.

Latvia – local governments have a duty to provide information to the Cabinet of Ministers and ministers on issues related to activities of the relevant local government.

Lithuania – Yes. The representative of the Government has the right:

1) to get acquainted with the administrative acts adopted by the local government administrative entities,

2) to request copies of legal acts adopted by local government administrative entities as well as copies of minutes of meetings of municipal collegial administrative entities that are not publicly announced in the Register of Legal Acts,

3) to apply to municipal administrative entities regarding the submission of the information about their activities in the implementation of laws and the Government resolutions/decisions.

Malta – Local governments submit certain documents to the Minister responsible for local governments as well as the Minister for Finance: five-year working plan (including framework for the annual budget), annual budget (including estimates for income and expenditure, capital expenditure budget and a case budget), quarterly returns illustrating actual expenditure in comparison with the budget.

Montenegro – At the request of the state bodies, local governments are obliged to submit data and information important for execution of the functions of these bodies.

North Macedonia – Local governments are not obligated to submit any documents to the ministry for information purposes.

Poland – Yes.

Portugal – Local governments are required to provide information to various entities of the central administration, namely, information of financial nature. Municipalities, parishes, and other local public entities are required to submit their annual accounts to the Court of Auditors.

Serbia – Local governments must submit the requested data and documents to the authority of the Republic and/or autonomous province, which supervises lawfulness of work and legal acts of local governments.

Slovakia – Yes. Local governments also submit some strategic documents to state authorities for approval.

Slovenia – Yes. Such requirements exist in several areas, for example, local governments must submit information on local government finances, public-private partnerships, and local public environment protection to the relevant ministries.

Spain – Yes. The Administrations of the State and of the Autonomous Communities may collect and obtain specific information on municipal activity and may even request the exhibition of files and the issuing of reports.

Local governments must report regularly to the Ministry of Finance and, in the event of non-compliance, must draw up plans to return to the path of compliance with the objectives. These plans are monitored by the Ministry of Finance through follow-up reports.

Turkey – Each year the mayor of the local government prepares an activity report, which indicates activities conducted in accordance with the strategic plan and performance programme, the goals and the extent of their achievement, the state of local government's debts, as well as information on affiliated entities and municipal enterprises. A copy of this report is submitted to the Ministry of Environment and Urbanization as well as made public.

5. Does a central authority official/minister have the power, by reasoned order, to suspend unlawful by-laws or other legal acts, or their parts thereof (excluding administrative acts)?

Albania – No.

Bulgaria – The district governor may return illegal acts of the local government bodies for review and to challenge the before the respective administrative court.

Croatia – The Ministry of Administration may instruct the representative body of local or regional self-government unit to eliminate deficiencies.

Estonia – The minister can suggest or recommend changing local government legal acts or activities to bring them into line with the law.

Greece – The independent supervision authorities can suspend local government decisions if they are considered unlawful.

Israel – The Ministry of the Interior provides opinion on local government by laws - in case of a negative opinion the by-law is disqualified or returned to the local government for review.

Italy – The government may ask the region to modify the law and challenge the law before the Constitutional Court. The government may act directly to remove the legal act only if it limits freedom of movement of persons.

Latvia – The Minister for Environment and Regional Development may suspend unlawful legal acts or their parts with a substantiated order. The order is published in the official gazette within three days of its issue and sent to the relevant local government council. If the local government disagrees with the order and refuses to revoke the relevant legal acts, the local government can challenge the Minister's order at the Constitutional Court.

Lithuania – The representative of the government can propose to the relevant local government entity to amend or repeal the legal act; if the local government refuses, the representative of the government challenges the act before the relevant court.

Malta – The Minister for the National Heritage, the Arts and Local government has the right to object to any by-laws brought to his attention and forward to the respective local government council justifications in respect of the related objections.

Montenegro – When the state administration body competent for particular administrative area notices non-compliance with the law, it warns the local government to eliminate deficiencies in a certain deadline. If the local government does not comply, the state administration body informs the ministry that is obliged to suspend the execution of the disputed regulation and initiate the procedure of assessment of its constitutionality and lawfulness no later than 30 days from the date when the suspension decision is adopted.

North Macedonia – The mayor of the local government must submit municipal regulations to the Ministry of Local Self-government within 10 days of their publication. If the Ministry considers a certain regulation to be non-compliant with the law, the ministry suspends the implementation of the regulation. The ministry must then challenge the regulation before the Constitutional Court within a certain deadline; otherwise the regulation will enter into force.

Poland – No.

Portugal – No.

Serbia – If the government considers a local government act to be in breach of the Constitution or the law, the government must suspend its implementation by issuing a resolution. The government must then within five days initiate the procedure for assessment of the disputed legal act at the Constitution Court or else the resolution loses its force. The competent authority of territorial autonomy may also initiate the assessment procedure if it deems that the legal act does not comply with the Provincial regulation.

Slovakia – The lawfulness of by-laws/legal acts as well as local government resolutions is reviewed by prosecutor ex officio or on the basis of a suggestion. If he finds unlawful by-law/legal act, he can place a protest. If the municipal representatives believe that the protest is justified, the municipality is obliged to cancel it or, if the nature of the matter allows, change or replace unlawful by-laws/regulatory with another, which will be in accordance with the law.

If the municipality does not comply with the prosecutor's protest, the prosecutor is entitled to file a lawsuit in the administrative court. If the court declares by a resolution the inconsistency of by-laws/legal acts, its part or any of its provisions, these shall cease to be effective on the day, when the court resolution will enter into force.

Slovenia – Only the Constitution Court may suspend legal acts of local government. Ministries may warn the local government that a certain legal act does not comply with the Constitution or the law and propose suitable solutions. If the local government does not comply, the ministry proposes to the government to initiate

proceedings before the Constitutional Court.

Spain – Only the courts have the power to declare a legal act unlawful.

Turkey – No. However, if the governorship determines that the municipality and its affiliated administrative facilities are used to directly or indirectly support terrorist or violent incidents, their movables can be seized and the personnel can be suspended from duty by the governor.

6. Does a central authority official/minister have a right to request the convening of a local government council meeting?

Albania – The prefect may request the convening of the meeting for issues related to the functions of his office (supervision of the lawfulness of decisions and legal acts of local government bodies)

Bulgaria – The first meeting of the newly elected local government council is convened by the district governor.

Croatia – The Ministry of Administration can convene the meeting if the local government fails to organize council meetings within the term specified by law (at least once every three months).

Estonia – No. A minister may propose to attend a local government meeting, but the government/ministers do not have the right to request convening of the meeting.

Greece – No. The government/ministers do not have the right to request convening of the local government council meeting.

Israel – The Minister of the Interior may request to convene a meeting within seven days.

Italy – The central authority/minister can request to convene a local government meeting, but they can't order the meeting of the local government representative assembly.

Latvia – The Minister of Environmental Protection and Regional Development as well as the Cabinet of Ministers can request the convening of the local government council meeting.

Lithuania – No. The government/ministers do not have the right to request convening of the local government council meeting.

Malta – Local Council and Regional Council meetings are to be held at least once a month.

Montenegro – The government can convene the meeting if the local government fails to organize council meetings within the term specified by law (at least once every three months).

North Macedonia – No. The government/ministers do not have the right to request convening of the local government council meeting.

Poland – No. The government/ministers do not have the right to request convening of the local government council meeting.

Portugal – No. The principle of autonomy does not allow the interference of other actors, namely, from the central administration.

Serbia – No. The government/ministers do not have the right to request convening of the local government council meeting.

Slovakia – No. The government/ministers do not have the right to request convening of the local government council meeting.

Slovenia – No. The government/ministers do not have the right to request convening of the local government council meeting.

Spain – No. The government/ministers do not have the right to request convening of the local government council meeting.

Turkey – No. The government/ministers do not have the right to request convening of the local government council meeting.

7. Does a central authority official/minister have a right to request an explanation from the chairperson if the local government council or other local government bodies do not comply with the Constitution, laws, regulations, or court judgements? What are the consequences if an explanation is not provided, or the explanation is not justified?

Albania – No. There is no such practice or power.

Bulgaria – The head of government or a minister may request information/explanations from the local government bodies in relation to the implementation of the powers regulated by the law. If the local government refuses to obey the law and does not provide explanations, such inaction can be challenged in court within 14 days from the submission of the request.

Croatia – No. Ministers can warn local government of possible conflicts of interest, report to the Constitutional Court on certain issues related to the activities of local government units as well as report local officials to the Anti-Corruption Office.

Estonia – No.

Greece – The independent supervision authorities can request explanations. Failure to comply with this obligation within the time limits set by the law constitutes a serious breach of duty, which can be subject to disciplinary action.

Israel – The Minister of the Interior can request explanations through the formation of an enquiry committee. The possible consequences are the dispersion of the local government elected body.

Italy – Yes. There is a general possibility to ask for explanation.

Latvia – If the chairperson of a local government council fails to fulfil the duties specified by the law, the Minister for Environmental Protection and Regional Development can request an explanation. After receiving the explanation, the minister may dismiss the chairperson with a substantiated order. Failure to submit an explanation within the specified term will be considered as refusal to submit an explanation.

The minister can also request an explanation from the chairperson if the local government council or other local government institutions do not fulfil or violate the law or do not fulfil court judgements.

Lithuania – No. The representative of the government only has a right to request information on local government activities in implementation of laws the government resolutions/decisions.

Malta – Any Mayor, Deputy Mayor or Councillor who undertakes a function incompatible with his oath of office shall be dismissed by the President of the Republic of Malta, acting in accordance with the advice of the Prime Minister, unless within thirty days from the receipt of a written notice by the Minister, such member shall have renounced to the incompatible function.

A Local Council can dismiss its Mayor following a vote of no confidence delivered by a majority of Councillors in office. A motion proposing a vote of no confidence in the Mayor shall be signed by at least one third of the Councillors in office and shall specify the reason for such motion and propose another Councillor to be elected as Mayor.

Montenegro – There is no specific procedure for requesting an official explanation, but the government may dismiss the president of the local government assembly if the president fails to perform the duties for a period longer than six months.

North Macedonia – No. The government/ministers do not have such rights.

Poland – No. The government/ministers do not have such rights.

Portugal – The competent departments, mostly the General Inspection of Finance, carry out inspections, inquiries and inquests that aim to assess the compliance of local government regulations, acts and contracts with the applicable law. The reports are presented to the ministers. The reports may be sent to a public prosecutor, which may lead to the dismissal of members of local government organs or to the dissolution of the organs.

Serbia – No. There is no specific procedure for requesting an official explanation, but the competent Ministry or authority of territorial autonomy can recommend the local government to take appropriate actions and propose to the government to suspend implementation of a certain legal act.

Slovakia – No.

Slovenia – Ministries can receive explanations from local governments, but this is not defined as much as a right of the ministry, but rather a right of the municipality in this process. For supervising the lawfulness of work of local government bodies, the ministries must ensure adequate co-operation, mutual exchange of information and professional assistance to local government bodies. The law does not provide any special consequence if the explanation itself is not provided but states the possible measures the ministry has to ensure the lawfulness of the local government acts.

Spain – No. The government/ministers do not have such rights.

Turkey – No. The government/ministers do not have such rights.

8. Is a central authority official/ minister entitled to suspend and/or dismiss a chairperson of a local government council by reasoned order? For what period? What action can follow thereafter?

Albania – The Council of Ministries has the right to dismiss the mayor of the local government if the mayor infringes the Constitution or carries out an illegal and penal action.

Bulgaria – The law does not provide the possibility for a specific head of a central body or a minister to dismiss a chairman of a local government council with a motivated order or other type of act.

The chairman can be dismissed with a local government council decision on grounds specified in the law, including the case of systematic non-fulfillment of the duties as chairman for more than three months or entry into force of an act by which a conflict of interests has been established.

Croatia – No. A local official (chairperson) should resign in case of non-adoption of the budget in the procedure prescribed by law, in case of proven corruption against him, and in cases of other criminal offence committed.

Estonia – No. The government/ministers do not have such rights.

Greece – Disciplinary actions against elected members of local councils can have as a result a six-month suspension or dismissal. The elected member can appeal against the convicting decision at the State Council.

Israel – The Minister of the Interior can suspend either the head of the local government, the local government council or both of them.

The appointed body or chairperson will act until the next elections, but in any case, - no less than 3 years (by consultations with the Internal Affairs and Environment Committee of the Knesset (the Israeli Parliament), the Minister may prolong the mandate of that body even more). It's impossible to appoint a chairperson or a body less than a year prior to the statutory date of the municipal elections.

Italy – The local government can be dismissed on several grounds:

- in case there is consistent evidence of infiltration of organized crime affecting the decision-making process; in this case not only the chairman but all the representative organs are dismissed, and new elections are scheduled; this is a Government decision with a very strict procedure;

- in case of bankruptcy the local government is suspended, and the municipality is operated by a government commissioner appointed by the government and, after this period, elections are scheduled;
- in case of delay in the approval of the budget or the financial statement it is possible for the government to appoint a Commissioner to schedule a general political vote.

Latvia –If the chairperson of a local government council fails to fulfil the duties specified by the laws, the Minister for Environmental Protection and Regional Development, after the receipt of an explanation of the chairperson, may with a substantiated order relieve the chairperson from performing the duties of office. The chairperson is considered relieved from performance of the duties of office from the day that the order of the Minister is published in the official gazette.

The chairperson of the local government council has the right, within 30 days after publication of the order of the Minister, to file a submission in court regarding revocation of the order of the Minister. If the chairperson has not utilised these rights or the court rejects the submission, the chairperson is considered dismissed.

Lithuania – No. The government/ministers do not have such rights.

Malta – Any Mayor, Deputy Mayor or Councillor who undertakes a function incompatible with his oath of office shall be dismissed by the President of the Republic of Malta, acting in accordance with the advice of the Prime Minister, unless within thirty days from the receipt of a written notice by the Minister, such member shall have renounced to the incompatible function.

Montenegro –The government may dismiss the president of the local government assembly if the assembly fails to perform its duties for a period longer than six months.

North Macedonia –The Ministry of Local Self-Government can submit a proposal to the Government to dismiss the local government council in cases specified by the law (for example, the local government adopts a decision that may threaten the sovereignty and territorial integrity of the country or fails to have a session for a period longer than six months). The government, within a month from the day of the receipt of the proposal, make a decision on dismissal of the council.

Poland – No. The government/ministers do not have such rights.

Portugal – No.

Serbia –The government adopts the decision on dismissal of the local government council, following a proposal of the ministry supervising local government affairs and/or the ministry supervising territorial autonomies. The local government can be dismissed only in cases specified by the law, for example, the local government assembly does not hold council for more than three months.

Slovakia – No.

Slovenia – No. Only the National Assembly can decide on the local government mayor's early dismissal from the office. The reason for this dismissal can be failure to implement decisions of the Constitutional Court of judgements of the Administrative Court, imposing on him/her to act in compliance with the law.

Spain –The Government (Council of Ministers) can dismiss the local government council if the management of the local government is seriously harmful to the general interests and entails a breach of constitutional obligations. The dissolution is carried out through a royal decree (law). The dismissal can be carried out by the government's own initiative or at the request of the Government of the Autonomous Community where the local government is located.

Turkey. As a provisional measure until the final court judgment, the Minister of Internal Affairs may suspend from office municipal organs or members in respect of which or whom an investigation or prosecution is initiated on account on an offence connected with their duties.

dismiss its chairperson if the latter does not comply with his/ her duties, local government decisions, court decisions, laws, or regulations?

Albania – No. The government/ministers do not have such rights.

Bulgaria – No. The government/ministers do not have such rights.

Croatia – Yes. This applies to failure to adopt budget in the procedure prescribed by law, in case of proven corruption against the chairperson, and in cases of other criminal offence committed.

Estonia – No. The government/ministers do not have such rights.

Greece – No. Chairpersons are dismissed when disciplinary actions are taken against them.

Israel – No. The dismissal process is carried out solely by the Ministry of Interior.

Italy – No. The government/ministers do not have such rights.

Latvia – Yes. If the chairperson of the local government council fails to fulfil the duties specified in law, to execute decisions of the local government council and court decisions, The Minister for Environmental Protection and Regional development has the right to request removal of the chairperson from office. The decision is made by the local government council.

In this case the chairperson must convene an extraordinary meeting of the local government council not later than within two weeks. The meeting is chaired by the vice-chairperson of the local government council.

Lithuania – No. The government/ministers do not have such rights.

Malta – Any Mayor, Deputy Mayor or Councillor who undertakes a function incompatible with his oath of office shall be dismissed by the President of the Republic of Malta, acting in accordance with the advice of the Prime Minister, unless within thirty days from the receipt of a written notice by the Minister, such member shall have renounced to the incompatible function.

Montenegro – If the mayor of the local government breaches the law or does not perform the tasks that are transferred and entrusted by the government, the government notifies the local government assembly and proposes adequate measures. If the measures are not undertaken, the Government warns the local government about the consequences and may initiate the procedure for dismissal of the mayor of the local government.

North Macedonia – No. The government/ministers do not have such rights.

Poland – No. The government/ministers do not have such rights.

Portugal – No.

Serbia – No. The government/ministers do not have such rights.

Slovakia – No.

Slovenia – No. The government/ministers do not have such rights.

Spain – The Government (Council of Ministers) can dismiss the local government council if the management of the local government is seriously harmful to the general interests and entails a breach of constitutional obligations. The dissolution is carried out through a royal decree (law). The dismissal can be carried out by the government's own initiative or at the request of the Government of the Autonomous Community where the local government is located.

Turkey – if the governorship determines that the municipality and its affiliated administrative facilities are used to directly or indirectly support terrorist or violent incidents, their movables can be seized and the personnel can be suspended from duty by the governor.

10. Is a central authority official/minister entitled to initiate legal proceedings if a local government

official has, intentionally or through gross negligence, caused damages to a local government and failed to fulfil his/her obligation to pay damages? Are the recovered funds transferred to the budget of the relevant local government?

Albania – No. The government/ministers do not have such rights.

Bulgaria – Yes. The State Financial Inspection Agency, which is subordinated to the Minister of Finance, can hold local government officials accountable for administrative and civil (property law) offences.

Croatia – Yes. Ministries, each within its scope, can conduct supervision of local government activities and initiate legal proceedings. Based on the ministry's decision, the local official might have to repay the funds to the budget.

Estonia – If the competent minister or an official authorised by the minister discovers that a local government has possessed, used, or disposed of state assets unlawfully or inexpediently, he/she will file a report with the State Audit Office, an investigative body or other competent authority.

Greece – Yes. The funds are transferred to the budget of the relevant local government.

Israel – Yes. The Minister of Interior can request to recover the funds. The recovered funds are then transferred to the budget of the relevant local government.

Italy – The damage is judged by the SAI and the recovered funds are given to the local authority.

Latvia – No. Local governments themselves may take actions in order to recover the funds, and since 2019 the State Audit Office also has the right to initiate damage recovery in certain cases of unlawful conduct.

Lithuania – If a local government transaction is based on an unlawful legal act and such transaction violates public interests, the representative of the Government can bring an action in court for the defence of public interests. If municipal administration entities have adopted the legal acts on the basis of which illegal transactions which violate the public interest can be concluded, or if municipal administration entities have adopted the legal acts which can be concluded, or if municipal administration entities have adopted the legal acts which can be concluded, the representative of the Government may, in accordance with the procedure laid down in law, suspend with his ordinance the execution of the mentioned legal acts of the municipal administration entities and the conclusion of the said transactions.

Malta – Behaviour of local government officials is governed by the Code of Ethics of Elected Representatives to Local Government, which is a Schedule in the Local Government Act. A breach of the Code of Ethics may result in a referral to the respective case to the Local Governance Board, established by the Minister for the National Heritage, the Arts and Local Government to deal with cases of breaches and ethics. The Local Governance Board has the right to investigate and decide on alleged breaches of ethics as well as alleged abuse of powers, irregularities, or maladministration (not of criminal nature).

Montenegro – The head of the local/municipal body or head managing the public service is responsible for legal and cost-effective management and use of the state property owned by the municipality. Employees of the municipal bodies and public services are responsible for conscientious and earmarked use of the property being used in performing the activities. The State (Government or /and municipality) has the right on recourse action for damages caused intentionally by state employees/officials.

North Macedonia – The government/ministers do not have such rights.

Poland – No. The government/ministers do not have such rights.

Portugal – In such cases, local governments themselves may take actions in order to recover the funds, either by determining the obligation of reimbursement or by appealing to Criminal Courts if it is the case.

If the misconduct is a part of the subject matter of an inspection, inquiry or inquest, the General Inspection of Finance will report it and, if it considers that the misconduct generates financial liability, the report may be sent by the competent member of the central government to the Court of Auditors. This Court is the only one that, according to the Constitution and the law, has the power to determine the existence of financial liability and apply the inherent sanctions, which may be fines or the reimbursement of funds or

assets misused or lost.

If the misconduct constitutes the subject matter of an audit carried by the Court of Auditors, it will be assessed in the audit report and if there is sufficient and adequate, evidence of non-compliance the report will be communicated to the Public Prosecutor in the Court. It will be up to the Public Prosecutor to decide if there is enough evidence to start a judicial process within another Chamber of the Court that may lead to the application of financial liability, in the form of a financial sanction and/or in the form of a total or partial reimbursement.

Serbia – If a local government fails to comply with budgetary rules (for example, exceeds the limit for deficit in a certain year), the Ministry of Finance may temporarily suspend transfer of funds from the state budget.

Slovakia – No. The government/ministers do not have such rights.

Slovenia – In the case of a justified suspicion that a violation or criminal offence has been committed, it can propose the commencement of proceedings against such violation or file the motion for prosecution, as appropriate.

Spain – Yes, the recovered funds are transferred to the budget of the local government.

Turkey – The central authority/minister has rights to initiate an administrative investigation. However, only the Turkish Court of Audit can decide the amount of damages with judicial reports.

11. Can the legislator dismiss a local government council if it repeatedly fails to comply with or violates the Constitution, laws, regulations, court judgments, or due to other important reasons? If yes, please describe the procedure.

Albania – No. The local government council can be dismissed by the Council of Ministers, which is not a legislator.

Bulgaria – No. The law does not prescribe such rights for the legislator.

Croatia – No. The government can dismiss a local government council in cases prescribed by the law.

Estonia – No. The law does not prescribe such rights for the legislator.

Greece – No. The Minister of the Interior can dismiss regional governors, deputy mayors, mayors, municipal and regional councillors, community presidents and members of community councils for serious reasons of public interest, following a special reasoned report of the Independent supervision authority and the consent of a disciplinary board.

Israel – No. Only the Minister of Interior has the authority to dismiss local government councils.

Italy – No. The law does not prescribe such rights for the legislator.

Latvia – The parliament may dismiss the local government council in several cases specified by the law, for example, the council repeatedly fails to observe or violates the law, or fails to execute court judgments, or repeatedly takes decisions and performs activities on issues that are not within the competence of local governments.

Lithuania – The National Assembly can decide to dismiss the local government council in several cases specified by the law, for example, council's actions encroach the integrity of the state territory and the constitutional order, or the council grossly violates the Constitution and the laws.

Malta – The president, acting in accordance with the advice of the prime minister, can dissolve a local government council with an order. The law prescribes several reasons for the dissolution: a report of the Auditor General concerning persistent breach of financial responsibilities, persistent non-regard to the provisions of the Local Council Act on report by the Local Governance Board, lack of agreement in electing a mayor. lack of agreement in approving annual estimates, a recommendation to that effect in a report by a

board appointed under the Inquiries Act.

Montenegro – No. The law does not prescribe such rights for the legislator.

North Macedonia – No. The local government can be dismissed only by the government.

Poland – Yes.

Portugal – No. Only the court of law may dismiss members of elected organs or dissolve the organs, following the due process.

Serbia – No. The government adopts the decision on dismissal of the local government council, following a proposal of the ministry supervising local government affairs and/or the ministry supervising territorial autonomies.

Slovakia – No.

Slovenia – The parliament can decide to dismiss the local government council in several cases specified by the law, for example, the council does not implement decisions of the Constitution Court imposing on it a duty to comply with the Constitution or the laws.

Spain – No. Dismissal of the local government council is carried out by the government (Council of Ministers).

Turkey – The Minister of Interior may suspend municipal organs or members in respect of which or whom an investigation or prosecution is initiated on account of an offence connected with their duties. This decision must be reviewed every two months and lifted if it no longer serves the public interest.

12. Does a central authority official/minister have a right to hire external auditors to carry out an extraordinary financial audit of a local government?

Albania – External auditors can be hired to carry out financial audits in local governments. However, this procedure can be initiated only when The Minister of Finance and the Head of the Supreme State Audit determine in a joint order cases when the audit is performed by other statutory auditors, as well as procedures, deadlines and external audit standards that must be implemented by these auditors.

Bulgaria – External financial audits of local governments are carried out by the National Audit Office. The National Assembly may assign to the National Audit Office to perform up to five audits per year beyond those provided for in the National Audit Office's annual program.

Croatia – There is no legal obligation to hire external auditors to carry out extraordinary financial audits in local governments.

Estonia – No.

Greece – Yes.

Israel – The Ministry of the Interior makes an intensive and wide-ranging use of private auditors to carry out the audit of the annual financial statements of local authorities as well as all other external audits required by the Ministry.

Italy – Audits are possible but are carried out by the staff of the competent ministry.

Latvia – Yes. Typically, such audits are organised by the Ministry for Environmental Protection and Regional Development, which selects the external auditor in a public procurement procedure.

Lithuania – No.

Malta – Yes. Extraordinary audits may be conducted either on the Auditor General's own initiative, or at the request of the Minister, or at least three members of the Public Accounts Committee.

If the audit is to be carried out by the Auditor General, it is up to him to decide whether such audit is to be

carried out internally or outsourced. By way of example year-end financial audits are subcontracted to five private firms following a public call for tenders.

In the event of a suggested or potential irregularity, abuse of control, weakness, fraud or embezzlement in the Council's financial affairs, the Minister may request an investigation to be carried out by any means as the latter deems fit.

Montenegro – The Ministry of Finance has the right to control lawfulness of use and earmarked use of budgetary funds of the local government.

North Macedonia – No.

Poland – No.

Portugal – The law defines that inspective actions are carried out by the competent departments and does not mention the possibility of external audits.

Serbia – No.

Slovakia – No.

Slovenia – No.

Spain – The law does not prescribe such rights for the central authority/minister. However, the Congress and the Senate can ask the Spanish Court of Audit to carry out an audit of the local governments. Likewise, the legislative assemblies of the Autonomous Regions may require the Regional Audit Offices and the Tribunal de Cuentas to carry out audits of entities in their territory.

Turkey – No. The law does not prescribe such rights for the central authority/minister.

13. Is a central authority official/minister entitled to request and receive information about activities of the local government in any area?

Albania – The Agency for the Assistance of Local-Self Governance is entitled to request and receive information as well as the Ministry of Finance regarding the financial information of the central funds distributed to the local budget.

Bulgaria – Mayors and the chairmen of the local government councils provide the information and documents requested by the district governor, except when they constitute a state or official secret. Likewise, the Minister of Finance has the right to request and receive information on the activities of the local government.

Croatia – Yes. For example: Ministry of Finance, based on The Budget Act, has the right/obligation to monitor local governments' debt, borrowing, Annual Budget Implementation Report, etc.

Estonia – Authorities are entitled to request information about activities in the area they are supervising and in justified cases information about other areas.

Greece – Yes.

Israel – The Ministry of the Interior may request and receive information about local government activities in any area. Other ministries and government agencies may do so in their respective areas of responsibility.

Italy – Yes.

Latvia – Yes. Local government must provide information to the government (Cabinet of Ministers) and ministers on issues related to activities of the relevant local government.

Lithuania – The representative of the government has the right to receive information on administrative acts adopted by the local government entities, legal acts adopted by local government entities, minutes of local government council meetings, as well as information about their activities in the implementation of laws and government decisions/resolution.

Malta – Yes. Since local governments depend on central government funding, the Local Government Division has the right to request and receive information on all activities organised by local councils. Additionally, the Local Government Division occasionally organises a cultural activities scheme with the aim of helping local councils to promote their localities. It is in the interest of local councils to inform the Local Government Division of the related activities and apply to benefit from such funds accordingly.

Montenegro – The state bodies at the central government level have the right to request reports, information and data related to the performance of affairs that fall under the scope of rights and duties of the local self-government, as well as other issues necessary for functioning of the state bodies.

North Macedonia – No. The minister has the right to request information at his discretion, but local governments have no legal obligation to inform him/her.

Poland – Yes.

Portugal – local authorities have a general duty of information and cooperation prescribed by law.

Serbia – Local governments must submit the requested data and documents to the supervising authorities.

Slovakia – Yes. Municipalities provide data to the respective ministry/state authority in the area of transferred duties (for example, statistical information), provide the state authorities with the necessary data for records kept by state authorities or for official proceedings, as well as inform the Ministry of Finance in the case of violation of budgetary rules.

Slovenia – The supervising authorities have a right to receive information about activities in the area they are supervising. For example, the local government must submit the budget and the proposal for the annual financial statements to the ministry responsible for finance.

Spain – The supervising authorities have a right to receive information about activities in the area they are supervising.

Turkey – No. The law does not prescribe such rights for the central authority/minister.

14. Are there any other mechanisms in your country (for obtaining information, limiting execution of functions, suspending decisions, imposing personal liability, etc.) that are available to the central government for supervising local governments?

Albania – No.

Bulgaria – The central government exercises control over local authorities through the mechanisms provided for in the Act on the State Financial Inspection, which stipulates that financial inspections be carried out at the request of several institutions (for example, the Council of Ministers, the Public Procurement Agency), when there are signals for violations affecting the financial interests of the European Union, on received requests, complaints and signals for violations of the budgetary, financial-economic or reporting activity of the budgetary organizations, including local governments and district administrations, local government enterprises.

Croatia – Yes. Such mechanism is, for example, monitoring procurement procedures of local governments, carried out by the Directorate for the Public Procurement System under the Ministry of Economy, Entrepreneurship and Craft.

Estonia – Yes. There are other mechanisms in Estonia for supervising local governments:

- local Governments submit the detailed spatial/comprehensive plan for ratification to the Ministry of Finance;
- local governments must notify the Ministry of Finance of entry into service concession agreements;
- local governments every month submit their financial data into the web-based infosystem.

Greece – Yes. In the Ministry of Interior, there is the Fiscal Observatory for local government. In case of non-compliance with the instructions of the Fiscal Observatory, the responsible elected bodies, as well as the employees of the local governments are subject to civil and disciplinary liability for serious breach of duty.

Israel – Yes. There are other mechanisms, for example:

- The Minister of the Interior may demand the local government to prepare a financial recovery program; to restrict hiring of new employees; to disapprove the annual budget of the authority or municipal tax act; to appoint an accompanying accountant that supervises every spending made by the authority; to appoint a local rate collector; to request the return of excess wages paid to the employees; to request to dismiss redundant employees.
- in rare cases, the Land Planning Administration may appoint an accompanying engineer to the local planning and building committee. As mentioned above, it can also cancel a Statutory Master Plan of that committee.
- The Ministry of Labor, Social Affairs and Social Services may intervene in professional decisions made by social services departments of local authorities, can prevent hiring employees who are not meeting the conditions established by the Ministry. It can also delay budgets.

Italy – No.

Latvia – No.

Lithuania – The division of state territory into administrative units is aimed at the development of the preconditions necessary for optimum management, improved service for residents, and more effective satisfaction of their needs. In this regard, the state and municipalities have shared goals. This leads to the need for both cooperation and for the combination of centralized state governance and decentralization. The implementation of the cooperation principle creates the preconditions for state authorities and municipalities, both striving to perform their mandates which have been specified in the law, to seek a common goal, namely – the assurance of effective management of the state and of local communities.

In general, all the entities of public administration including municipalities must take responsibility for the consequences of the administrative decisions taken. Local authorities shall act according to the provisions of the Constitution of the Republic of Lithuania and the European Charter of Local Self-Government.

Malta – Any member of the public may also make a claim to the administrative tribunal if they feel aggrieved by an administrative act of a local council including the issue of any orders, licences, permits, warrants, authorisations concessions, decisions or refusal of any request made by applicants.

Montenegro – When the individual acts or activities of the state bodies, state administration bodies or legal entities performing the public affairs restrict the rights of citizens to local self-government, the local self-government bodies, with the aim to protect local self-government may file a constitutional appeal to the Constitutional Court of Montenegro.

North Macedonia – Central public administration bodies may delegate the execution of certain tasks to the mayor of the local government. They also may revoke the competencies that are delegated to local governments, for example, education, urbanism e.t.c, by decision, for a certain period, until weaknesses and mistakes are overcome.

Poland – No.

Portugal – No.

Serbia – There are other control mechanisms, such as rules regarding prevention of conflict of interest when exercising public office, reporting assets of persons exercising public office, rights to access information of public importance.

Slovakia – No.

Slovenia – Administrative Units¹ must warn the competent Ministry if they find that local government bodies act contrary to the law when performing tasks within local government competence or that local government bodies act inadequately and unprofessionally in performing tasks falling within state competence.

Spain – No.

Turkey – If the municipality or its administrative facilities are used to support terrorist or violent incidents, the governorship can seize the movables that are used for illegal actions and suspend the personnel. The central administration also has the power of administrative tutelage over the local administrations.

15. Has your institution carried out audits or any type of evaluation/ research on the topic of administrative supervision of local governments?

Albania – In 2018, ALSAI carried out a performance audit on the effectiveness of the new territorial reform. We found that the new larger 61 municipalities continue remaining largely dependent on central government funding and their further decentralization and fiscal autonomy remains at risk.

Regarding the supervising, we found that central institutions often surpass the autonomy line of the municipalities. We expressed concern over the frequent and groundless central government intervention in the local tax system destabilizing local government finances. The report shows that local government units lost about 1.7 billion lek (€13.5 mln) in 2017 after the central government scrapped local taxes on small businesses in 2015.

Bulgaria – The audits for compliance in the management of public funds and municipal activities, which are carried out in the local governments, in their scope contain an inspection of the compliance of the activities with the legislation, including inspection for lawfulness of decisions and ordinances of the municipal council and acts of the mayor of the municipality. The audits checked whether the legal requirements for sending the acts of the local government council to the district governor were met and necessary actions taken by the district governor or prosecutor to challenge the lawfulness of the acts.

Croatia – The State Audit Office would have authority to perform such audit. Additionally, the State Audit Office indirectly evaluates supervision issues since some of the audit procedures in ministries correspond to local government units (for example, debts, borrowing).

Estonia – In some audits the issue of supervision of local governments has been addressed. Some examples:

- 2018, Memo on the preparation of state institutes after the reform of municipalities to exercise effective supervision of municipalities, <https://www.riigikontroll.ee/tabid/206/Audit/2465/language/et-EE/Default.aspx>
- 2018, Implementation of system of IT security measures in local governments, <https://www.riigikontroll.ee/tabid/206/Audit/2466/OtherArea/1/language/et-EE/Default.aspx>
- 2017, Overview of databases kept in municipalities, towns and cities, <https://www.riigikontroll.ee/tabid/206/Audit/2420/OtherArea/1/language/et-EE/Default.aspx>
- 2015, Financing general education schools with parents money, <https://www.riigikontroll.ee/tabid/206/Audit/2369/language/et-EE/Default.aspx>
- 2014, Organisation of welfare of the elderly in general nursing homes of municipalities and cities, <https://www.riigikontroll.ee/tabid/206/Audit/2316/language/et-EE/Default.aspx>
- 2013, Organisation of child welfare in municipalities, towns and cities, <https://www.riigikontroll.ee/tabid/206/Audit/2272/OtherArea/1/language/et-EE/Default.aspx>

[EE/Default.aspx](#)

Greece – No. However, the Hellenic Court of Audit forms a part of the administrative supervision of local governments. Members of the Hellenic Court are part of disciplinary boards and of the Fiscal Observatory.

Israel – Yes. a) In 2013 our Office had published a large-scale report about the Ministry of Interior as a regulator of local government. Among the findings was lack of comprehensive document that presents the policy and the targets of the Ministry in upholding its mission as a regulator. Attempts to make a reform of relationships between the Ministry and the local government failed. The Ministry didn't make periodical assessment of the effectivity, cost and efficiency of its regulation. The fragmentation of the regulative authorities within the Ministry didn't allow sophisticated functioning. Another important aspect that was audited in the Ministry's activity is insufficient supervision of financial stability of local authorities and a flaw auditing of their financial reports, as well as Ministry's inaction when the reports show distortions and problems in local authority's financial conditions.

b) A thorough audit report about the hiring and employment of private auditors by the Ministry of the Interior was published by our Office in 2015. Main findings were shortcomings and failings in the process of selecting and hiring those private auditors, payments they have received, monitoring their work and performance by the Ministry, which also touched, albeit shortly, the quality of the reports they produced, and the defects rectification follow-up activity carried out by the Ministry's Division of Local Authorities Audit. The report dealt with that Division's management and operations' flaws too. It should be added however that the report also noted the positive shortening of audit timelines.

c) In 2012 our Office did an important deep-digging report concerning the arrangement of activities of municipal corporations. Among other findings, it was found that the Ministry of the Interior had no comprehensive list of all these corporations, as well as not their financial data. The Ministry also didn't supervise and audit the corporations' activities to ensure their withstanding the existing legislation.

d) In 2016 we did an audit of by-laws' legislation. Findings concerning the Ministry of Interior: Delays by the Ministry in approval of by-laws; lack and irrelevance of templates of by-laws published by the Ministry (the last one was published in 1998!); and inappropriate and inconsistent assessment of fees and levies that the local authorities intend to collect by these by-laws.

Italy – Yes. This is a topic of the SAI's audit.

Latvia – No.

Lithuania – The NAOL carried out an audit on the topic of Administrative supervision of local governments in 2010. The objective of the audit was to assess whether the administrative supervision of municipalities implemented by the Government representatives is efficient and effective. Therefore, during the audit, we examined all areas of municipal administrative supervision, focusing on the supervision of municipalities regarding the implementation of laws and the implementation of the Government resolutions/decisions.

Malta – No.

Montenegro – No. However, the State Audit Office regularly submits all findings related to administrative supervision to the relevant supervisory authorities.

North Macedonia – No.

Poland – Yes, two audits:

- Voivods' supervision over making laws by local government units: <https://bip.nik.gov.pl/kontrola/P/19/103/>;
- Performing tasks of regional accounting chambers in the field of counteracting threats resulting from excessive indebtedness of local government units: <https://bip.nik.gov.pl/kontrola/P/14/066/>.

Portugal – Some audits carried out (for instance, recent audits on forest protection and on firefighters

funding) included in their objectives the evaluation of the frequency and quality of administrative supervision of the activity of local governments.

Serbia – No.

Slovakia – No.

Slovenia – No. However, the State Audit Office has been considering carrying out an audit on this topic.

Spain – No.

Turkey – No.