

# The status and financial operations of state agencies in Croatia

---

**Bajo, Anto; Kolarec, Maja**

*Source / Izvornik:* **Newsletter : an occasional publication of the Institute of Public Finance, 2014, 16, 1 - 11**

**Journal article, Published version**

**Rad u časopisu, Objavljena verzija rada (izdavačev PDF)**

<https://doi.org/10.3326/nle.2014.85>

*Permanent link / Trajna poveznica:* <https://urn.nsk.hr/urn:nbn:hr:242:934680>

*Rights / Prava:* [Attribution-NonCommercial-NoDerivatives 4.0 International/Imenovanje-Nekomercijalno-Bez prerada 4.0 međunarodna](#)

*Download date / Datum preuzimanja:* **2024-11-10**



*Repository / Repozitorij:*

[Institute of Public Finance Repository](#)



# The status and financial operations of state agencies in Croatia

ANTO BAJO, Institute of Public Finance

MAJA KOLAREC, Faculty of Economic and Business Zagreb

## 1 INTRODUCTION

After numerous changes in the status of state agencies in Croatia (RC), their number stood at 44 at the beginning of 2014. Most of them (34) were budget users, eight were non-profit organisations financed off the budget and two were companies. The Government has planned to include five out of eight non-profit agencies<sup>1</sup> in the state budget during 2014. But instead of this, it has established two new agencies (the Hydrocarbons Agency and Agency for the Legalisation of Illegally Constructed Buildings). All 44 agencies employ about 6,000 persons; their annual budgets amount to over HRK 4bn and their financial assets considerably exceed their liabilities. Regrettably, there is little information on the agencies' financial operations, particularly as concerns their business performance and service provision efficiency. This is more than enough reason to analyse, based on the available information, and give more attention to their transparency, financial operations and influence on government finances. An analysis of the agencies' financial operations has been carried out for the period from 2010 to 2012.

## 2 SOME NOTES ON AGENCIES

Agencies are semi-autonomous administrative bodies conducting public affairs such as regulation, the provision of services and implementation of relevant policies. Compared with the state administration, agencies have a less developed hierarchy and their daily operations are less exposed to political influence. Hence, they have greater autonomy in managerial and financial decision making, as well as in the hiring policy. In spite of dilemmas about the definition of agency, there is general agreement that agencies are, by their structure, not state administration bodies because they operate in a considerably larger business environment. Due to different levels of autonomy, agencies are differently organised in other countries as well, which makes it impossible to define them precisely (Van Thiel, 2012: 18). An

---

<sup>1</sup> Available at:

[http://www.vlada.hr/naslovnica/novosti\\_i\\_najave/2013/rujan/predstavljene\\_smjernice\\_ekonomske\\_i\\_fiskalne\\_politike\\_reformskim\\_mjerama\\_do\\_smanjenja\\_proracunskog\\_deficita](http://www.vlada.hr/naslovnica/novosti_i_najave/2013/rujan/predstavljene_smjernice_ekonomske_i_fiskalne_politike_reformskim_mjerama_do_smanjenja_proracunskog_deficita)

agency is usually defined as a public institution outside a ministry, but supervised to a certain extent by the competent ministry (Radma-Liiv, Nakrošis and Hajnal, 2012).

In most Central and East European countries, agencies are not developed through actual reforms but their development is a continuous process with no coherent strategy or detailed action plan. Important motives for the shaping up of agencies and growth in their number were the restructuring of the "old" government functions inherited from the socialist times and the EU accession process (which was particularly important for establishing regulatory agencies and structural funds management agencies (Radma-Liiv, Nakrošis and Hajnal, 2012).

### 3 THE NUMBER AND STATUS OF STATE AGENCIES

There are 44 state agencies in Croatia (Table 1). As many as thirty-five of them were established from 2004 to 2013, mainly due to Croatia's EU accession. An analysis of the agencies' financial statements, statutes and annual activity reports clearly shows the considerable difference in their status compared to other public sector institutions (see Table 2 in the Annexes). According to their status in the financial reporting system, of the 44 agencies, seven are non-profit organisations, 34 are budget users, two are companies and one is a non-profit organisation with the status of an extra-budgetary user.

**Table 1**

*Number of state agencies, 2010-2013*

	2010	2011	2012	2013
Budget users	32	32	33	34
Extra-budgetary users		1	1	1
Non-profit	8	8	8	7
Companies	2	2	2	2
<b>Total</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>44</b>

*Source: Data from the agencies' annual reports and financial statements, processed by authors.*

Most of the agencies are financed from the state budget and have the status of budget users. They are usually classified under the budget section of a competent Ministry of: Finance (2), Economy (6), Agriculture (7), Maritime Affairs, Transport and Infrastructure (4), Environmental and Nature Protection (2), Science, Education and Sports (4), and Labour and Pension System (1). They operate within the State Treasury and keep their business books and records within the state budget accounting system. Eight agencies have the status of non-profit organisations, operating outside the budget and are enrolled in the (Non-profit Organisations) Register, kept by the Ministry of Finance. The financial operations of non-profit agencies are monitored by the competent ministry or a legal entity publicly authorised to do so. In the period 2010-2011, the Government moved the majority of non-profit regulatory agencies to the state budget. According to its Economic and Fiscal Policy Guidelines for 2014-16<sup>2</sup>, the same has been planned for most of the remaining non-profit agencies. The State Agency for Deposit Insurance and Bank Rehabilitation (DAB) is the only non-profit agency, having the status of an extra-budgetary user. It is funded from dedicated revenues and applies the accounting standards for non-profit organisations. The DAB can also be classified under the non-profit agencies.

Two agencies (the Financial agency – FINA and Agency for Medicinal Products and Medical Devices – ALMED) enjoy the status of state-owned companies; they are funded from earmarked revenues and keep their accounts as entrepreneurs, sharing their profits with the state budget. They enjoy great autonomy

<sup>2</sup> They include: Electronic Media Agency (AEM), Agency for Explosive Atmosphere (EX-Agency), Croatian Financial Services Supervisory Agency (HANFA), Croatian Compulsory Oil Stocks Agency (HANDA), Croatian Post and Electronic Communications Agency (HAKOM) and Croatian Civil Aviation Agency (CCAA).

and carry out part of their public activities (payment transactions, central wages calculation, treasury operations) in the name and for the account of the government.

#### **4 EMPLOYEES AND EMPLOYEE EXPENSES**

Agencies employ about 6,000 persons in total (see Tables 3 and 4). The annual numbers of employees differ widely, because they depend on the availability of data (Table 4). Nevertheless, employment rose in most of the agencies during the observed three-year period.

At end-2012, there were 5,952 employees in 39 agencies. In 28 agencies enjoying the status of budget users there were 2,060 employees. One extra-budgetary agency (State assets management agency) had a staff of 216; eight non-profit agencies and two companies had 552 and 3,124 employees respectively (Table 3). The numbers of employees in budget agencies varied greatly, from 563 to 5 persons. Nine budget agencies had less than 15 employees. The largest employer among the non-profit agencies was the Croatian Post and Electronic Communications Agency (HAKOM) with a staff of 173, and the smallest the Croatian Compulsory Oil Stocks Agency (HANDA) (8). The FINA reported the largest number of employees (2,961), accounting for 50% of total employment in agencies.

The level of gross wages. Based on the available information from annual reports and financial statements, monthly gross wages per employee were calculated, whose growth followed the growth in the number of employees (Table 6).

The average gross wages per employee in 30 state agencies having the status of budget users stood at about HRK 10,000 and was much below the gross wages in non-profit (extra-budgetary) agencies and agencies enjoying the status of companies. In 2012, the highest gross wages in the budget-using agencies were paid in the Croatian Railway Safety Agency and Agency for Public Private Partnership (AJPP), and the lowest in the Agency for Mobility and EU Programmes (AMPEU) and Croatian Agricultural agency (HPA).

Considerably higher gross wages were paid out in non-profit agencies (about HRK 16,000 on average). The highest were reported by the Croatian Civil Aviation Agency (CCAA) and Croatian Post and Electronic Communications Agency (HAKOM), and the lowest (but still high) gross wages were those in the Croatian Energy Regulatory Agency (HERA) and Croatian Financial Services Supervisory Agency (HANFA). For three agencies (DAB, E-Agencija and HANDA) there were no available data on employee expenses. There are also substantial differences in gross wages between the two agencies having the status of companies: FINA (HRK 7.806) and ALMED (as much as HRK 18,296).

#### **5 TRANSPARENCY OF OPERATIONS**

The transparency of agencies' operations in 2013 depended markedly on the type of agency. Generally, agencies are reluctant to reveal their financial performance data. This conclusion is based on checking the availability of the websites, annual activity reports and financial reports (Table 5).

In 2013, of 44 agencies, 42 (95%) had websites, 27 (61%) made their annual reports publicly available and 29 (66%) published their financial statements. Most agencies that are budget users had their own websites. Regrettably, however, only 20-21 agencies (63% on average) made their annual reports and financial statements publicly available. Seven state budget-using agencies failed to publish their annual reports and financial statements in the last three years. Only few agencies include complete key financial statements, or at least their summaries, in their annual reports. The reason for less information may be their status as budget users, because the expenditures of and sources of funding for these agencies are publicly disclosed within the budget.

The situation is similar in agencies that are non-profit organisations, but most of them still make their financial statements available. Admittedly, the financially strongest agencies (e.g. HANDA and DAB) publish only the summaries of their financial statements which are insufficient for any thorough analysis. Interestingly, the Government discloses no detailed information on its website either. Both agencies having the status of companies (FINA and ALMED) have websites, but the latter publishes neither the annual reports nor financial statements on its website.

In short, lack of detailed business information hampers the assessment of their efficiency and the actual resources needed for their operation. Therefore, it is necessary to make a more detailed analysis of their financial statements.

## 6 FINANCIAL OPERATION

The financial position of agencies is very good. This can be concluded on the basis of an analysis of surpluses or deficits (from regular operations and total surpluses/deficits), and of the level and structure of the agencies' financial assets and liabilities.

Agencies generate revenues of about HRK 4.5bn and create annual surpluses of about HRK 1bn (Table 7). This is enough reason for the Government to review the policy of determining the level of fees collected from legal persons, part of which is used for the financing of an agency's operations, whereas the other part is paid into the state budget or used for other less-known financial operations.

The largest revenues (about HRK 2bn) were generated by eight non-profit agencies in the last two observed years. The agencies budget users derived annual revenues worth about HRK 1.5bn (most of which were paid into the state budget), and the agencies having the status of companies about HRK 880m.

Agencies also accumulated significant surpluses at the end of each business year (Table 8). Non-profit agencies were again leaders in the amount of surpluses (about HRK 1bn annually). The surpluses of budget users agencies amounted to about HRK 4m. The bulk of these agencies are financed from the budget and the surpluses actually come from own revenues generated in the market. Also worth noting is that the two agencies with the status of companies make annual surpluses of about HRK 80m.

The stock and amount of surpluses are reason enough to give more attention to the structure of agencies' assets and liabilities. Regrettably, there is no complete information for all the agencies, but the available financial statement data still point to some interesting trends. As mentioned before, most agencies do not publicly disclose detailed data from their financial statements that could provide a basis for the assessment of their financial positions. Analyses are mainly based on the annual financial statements of 10 to 12 agencies. A more thorough examination of all the reports remains a challenge for future research.

The stock of surpluses grew by about HRK 1bn per year, which led to the accumulation of surpluses in the agencies' accounts (the stock on the balance sheet) in the amount of HRK 7bn (Table 9). The financial assets of agencies were considerable, exceeding HRK 10bn in the observed period. The financial asset structure was dominated by equity and stakes (HRK 2.5bn), and high receivables for revenues (HRK 2.6bn). Securities and loans represented an important receivable item, with total receivables standing at about HRK 4bn. Cash in bank stood at about HRK 750m. Hence, together with deposits worth about HRK 330m, the agencies' liquid financial assets amounted to about HRK 1bn in early 2013 (Table 9). Non-profit agencies deserve special attention, as they hold almost 70% of the financial assets (Table 10). The HANDA, DAB and HAKOM stood out for good financial positions, the amounts of revenues and the values of financial assets. At end-2012, the revenue surpluses of six non-profit agencies stood at HRK 6.5bn. The largest year-end revenue surpluses were reported by HANDA (HRK 3.2bn) and DAB (HRK 3.1bn). Given the large surpluses run by the non-profit agencies, as well as their valuable financial assets

and good financial positions, their inclusion in the state budget system would have a powerful financial impact on government.

## 7 CONCLUSION

Most of the state agencies in the RC have been established as a result of the country's EU accession, without a coherent strategy and an elaborate Government's action plan for the state administration reform and development. Instead of making a thorough assessment of their justifiability, the Government established two additional agencies in 2014.

The status of agencies within the government finance system is ambiguous, and their establishment criteria and business results are very often unknown. The transparency of operations of the agencies was not satisfactory in 2013. A large number of agencies failed to make their annual reports and financial statements publicly available, and very often, the available reports did not provide even basic information about the agencies' operations.

The observed three-year period saw a significant increase in the number of employees, employee expenses and gross wages.

The agencies generate large surpluses which they carry over from year to year; they have large amounts of (mainly financial) assets and low financial liabilities, which is an indicator of good financial position. The fees charged do not reflect the actual cost of service delivery, as the agencies accumulate HRK 1bn annually in surpluses from operations.

### *Recommendations to the Government and Parliament:*

- improving the transparency of agencies' operations by requesting that the annual reports and financial statements be regularly disclosed on the Internet sites of the Government and Parliament;
- organising annual Government and parliamentary discussions about the business operations and effects of state agencies;
- examining the possibility of mergers between related agencies in order to achieve budget savings (e.g. in agriculture, transport, etc.);
- reviewing the policy determining the amount of fees charged to legal persons, which are used for financing the agencies' operations, partly paid into the state budget or used for other less known financial operations;
- comparing the agencies' operations with those of similar agencies in the EU Member States;
- carrying out (through the State Audit Office) financial and efficiency audits of the agencies and determining their role and importance in the process of Croatia's EU accession and the process of funds withdrawal from the Structural Funds.

Based on the analysis carried out, the following recommendations can be made to new EU accession candidates:

- do not establish new agencies.
- your regulatory activities can also be financed through the Budget.
- do not impose additional fees and levies (whatever the requests from the EU), as they increase the cost of state administration and total financial (fiscal and non-fiscal) burden on enterprises and households.



## ANNEXES

**Table 2**

*List and statuses of state agencies*

	<b>Name</b>	<b>Abbreviation</b>	<b>Established</b>	<b>Status</b>
1	Agency for Inland Waterways	AVP	2007	budget user
2	Security and Intelligence Agency	SOA	2006	budget user
3	Military Security and Intelligence Agency	VSOA	2006	budget user
4	Agency for Regional Development of the Republic of Croatia	ARR	2008	budget user
5	Croatian Accreditation Agency	HAA	2004	budget user
6	Agency for Quality and Accreditation in Health Care	AAZ	2007	budget user
7	Croatian Information-Documentation Referral Agency	HIDRA	1994	budget user
8	Croatian Agency for SMEs	HAMAG	2002	budget user
9	Croatian Competition Agency	AZTN	1995	budget user
10	Agency for Public Private Partnership	AJPP	2008	budget user
11	Pressure Equipment Agency	OPT	2008	budget user
12	Agency for Insurance of Workers' Claims in Case of Employer's Bankruptcy	AORPS	2008	budget user
13	Agency for Transactions and Mediation in Immovable Properties	APN	1997	budget user
14	Education and Teacher Training Agency	AZOO	2006	budget user
15	Agency for Adult Education/Agency for Vocational Education and Training and Adult Education	ASOO	2006	budget user
16	Agency for Science and High Education	AZVO	2004	budget user
17	Croatian Anti-doping Agency	HADA	2007	merged with the Croatian Institute for Toxicology and Anti-doping on 8 November 2010
18	Croatian Environment Agency	AZO	2002	budget user
19	Croatian Food Agency	HAH	2003	budget user
20	Agency for Aircraft Accident and Serious Incident Investigation	AZI	2009	budget user
21	Agency for Coastal Lines and Maritime Traffic	ZOLPP	2006	budget user
22	Croatian Railway Safety Agency	ASZ	2009	budget user
23	Rail Market Regulatory Agency	ARTZU	2007	budget user
24	Personal Data Protection Agency	AZOP	2003	budget user
25	Agency for Vocational Education and Training	ASO	2005	merged with the Agency for Vocational Education and Training and Adult Education on 2 March 2010
26	Central Finance and Contracting Agency	SAFU	2007	budget user
27	Agency for the Audit of European Union Programmes Implementation System	ARPA	2008	budget user
28	Paying Agency for Agriculture, Fisheries and Rural Development	APPRRR	2009	budget user
29	Agricultural Land Agency	APZ	2009	budget user
30	Croatian Agricultural Agency	HPA	1994	budget user
31	Business Innovation Agency	BIGRO	2010	budget user
32	Agency for Mobility and EU programmes	AMPEU	2007	budget user
33	Rail Market Regulatory Agency	ARTZU	2007	budget user
34	State Agency for Deposit Insurance and Bank Rehabilitation	DAB	1994	non-profit agency/ extra-budgetary user
35	Financial Agency	FINA	2002	company
36	Croatian Compulsory Oil Stocks Agency	HANDA	2006	non-profit

47	Agency for Explosive Atmosphere	EX-Agency	2002	non-profit
38	Croatian Civil Aviation Agency.	HACZ	2007	non-profit
39	Agency for Medicinal Products and Medical Devices	ALMED	2003	company
40	Croatian Financial Services Supervisory Agency	HANFA	2005	non-profit
41	Croatian Energy Regulatory Agency	HERA	2004	non-profit
42	Electronic Media Agency	E-Agency	2007	non-profit
43	Croatian Post and Electronic Communications Agency	HAKOM	2008	non-profit
44	Croatian Hydrocarbons Agency	HAU	2013	budget user

Source: Data from the agencies' annual reports, statuses and financial statements, processed by authors.

**Table 3**

Number of employees in state agencies, 2010-2012

	2010	Number of agencies	2011	Number of agencies	2012	Number of agencies
Budget-users	1,631	31	2,052	29	2,060	28
Extra-budgetary			199	1	216	1
Non-profit	518	8	541	8	552	8
Companies	3,161	2	3,060	2	3,124	2
<b>Total</b>	<b>5,310</b>	<b>41</b>	<b>5,852</b>	<b>40</b>	<b>5,952</b>	<b>39</b>

Source: Annual activity reports and financial statements of agencies, 2010-2013.

**Table 4**

Number of employees in state agencies, 2010-2012

	Agency	2010	2011	2012
1	Paying Agency for Agriculture, Fisheries and Rural Development	378	498	563
2	Croatian Agricultural Agency	-	382	361
3	Croatian News Agency	159	158	154
4	Government Asset Management Agency	-	199	216
5	Central Finance and Contracting Agency	110	133	123
6	Education and Teacher Training Agency	131	142	122
7	Agency for Vocational Education and Training and Adult Education	86	92	87
8	Agency for Transactions and Mediation in Immovable Properties	71	71	71
9	Agency for Science and High Education	62	64	64
10	Environment Agency	52	60	63
11	Competition Agency	50	55	55
12	Agency for Mobility and EU programmes	28	42	52
13	Croatian Agency for SMEs and Investment	47	47	50
14	Croatian Information-Documentation Referral Agency	38	36	35
15	Agency for the Audit of European Union Programmes Implementation System	27	30	34
16	Personal Data Protection Agency	27	31	32
17	Agency for Regional Development of the RC	24	30	29
18	Agency for Inland Waterways	25	25	27
19	Croatian Accreditation Agency	25	26	26
20	Croatian Food Agency	21	21	20
21	Pressure Equipment Agency	14	14	14
22	Agency for Insurance of Workers' Claims in Case of Employer's Bankruptcy	12	12	13
23	Agency for Public Private Partnership	14	14	12
24	Agency for Quality and Accreditation in Health Care	7	11	12



25	Agency for Coastal Lines and Maritime Traffic	9	10	10
26	Rail Market Regulatory Agency	7	9	10
27	Agricultural Land Agency		0	8
28	Agency for Aircraft Accident and Serious Incident Investigation	4	7	8
29	Croatian Railway Safety Agency	0	3	5
30	Investment and Competition Agency			
31	Business Innovation Agency (BICRO)	28	29	
32	Adult Education Agency	86		
33	Agency for Vocational Education and Training	51		
34	Export and Investment Promotion Agency	32		
35	Croatian Hydrocarbons Agency			
36	Croatian Anti-doping Agency	6		
37	Agency for the Legalisation of Illegally Constructed buildings			
38	Security and Intelligence Agency			
39	Military Security and Intelligence Agency			
40	Agency for the Restoration of the Osijek Fort			
	<b>Total budget users agencies</b>	<b>1,631</b>	<b>2,251</b>	<b>2,276</b>
41	Croatian Post and Electronic Communications Agency	168	169	173
42	Croatian Financial Services Supervisory Agency	133	140	140
43	Croatian Civil Aviation Agency	67	74	74
44	Croatian Energy Regulatory Agency	47	56	60
45	State Agency for Deposit Insurance and Bank Rehabilitation	23	23	23
46	Agency for Explosive Atmosphere	55	53	52
47	Electronic Media Agency	18	19	22
48	Croatian Compulsory Oil Stocks Agency	7	7	8
	<b>Total non-profit agencies</b>	<b>518</b>	<b>541</b>	<b>552</b>
49	Financial Agency	3,041	2,930	2,961
50	Agency for Medicinal Products and Medical Devices	120	130	163
	<b>Total companies</b>	<b>3,161</b>	<b>3,060</b>	<b>3,124</b>
	<b>Total</b>	<b>5,310</b>	<b>5,852</b>	<b>5,952</b>

Source: Annual activity reports, financial statements and Internet sites.

**Table 5**  
Transparency of operations of agencies in 2013

	Number of agencies	Internet sites	Annual Reports	Financial statements
Budget users	33	31	21	20
Extra-budgetary user	1	1	0	1
Non-profit agencies	8	8	5	7
Companies	2	2	1	1
<b>Total</b>	<b>44</b>	<b>42</b>	<b>27</b>	<b>29</b>

Source: Data from the agencies' annual activity reports and financial statements, processed by authors.

**Table 6***Gross wages of employees in state agencies, 2010-2012 (in kuna)*

	<b>Agency</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
1	Croatian Railway Safety Agency	0	9,180	19,663
2	Agency for Public Private Partnership	18,324	16,356	17,743
3	Agency for Regional Development of the Republic of Croatia	13,246	12,835	14,124
4	Agency for Coastal Lines and Maritime Traffic	15,086	13,181	14,737
5	Agency for Quality and Accreditation in Health Care	13,794	11,661	13,142
6	Croatian Competition Agency	12,543	11,785	12,659
7	Central Finance and Contracting Agency	11,118	10,775	12,169
8	Agency for the Audit of European Union Programmes Implementation System	12,578	13,388	12,181
9	Government Asset Management Agency	-	8,493	11,915
10	Agency for Aircraft Accident and Serious Incident Investigation	14,685	14,580	11,905
11	Rail Market Regulatory Agency	11,097	11,907	10,942
12	Personal Data Protection Agency	10,404	10,156	10,444
13	Pressure Equipment Agency	9,884	10,025	10,107
14	Croatian Agency for SMEs and Investment		8,416	10,021
15	Croatian News Agency	11,461	10,458	9,968
16	Croatian Food Agency	9,068	8,923	9,282
17	Agency for Science and High Education	9,873	9,991	9,007
18	Agency for Insurance of Workers' Claims in Case of Employer's Bankruptcy	8,421	11,871	9,973
19	Croatian Accreditation Agency	9,824	9,834	8,979
20	Education and Teacher Training Agency	8,734	7,756	8,973
21	Paying Agency for Agriculture, Fisheries and Rural Development	10,055	9,443	8,702
22	Agricultural Land Agency			8,849
23	Environment Agency	7,956	7,993	8,165
24	Agency for Inland Waterways	7,994	7,447	8,029
25	Croatian Information-Documentation Referral Agency	7,455	8,068	7,795
26	Agency for Vocational Education and Training and Adult Education	2,400	7,129	7,472
27	Agency for Transactions and Mediation in Immovable Properties	8,325	8,597	7,141
28	Agency for Mobility and EU programmes	7,425	6,843	6,769
29	Croatian Agricultural Agency		1,858	2,429
30	Export and Investment Promotion Agency	16,788		
31	Croatian Anti-doping Agency	9,672		
32	Agency for Vocational Education and Training	5,154		
33	Adult Education Agency	2,020		
34	Investment and Competition Agency			
35	Croatian Hydrocarbons Agency			
36	Agency for the Legalisation of Illegally Constructed buildings			
37	Business Innovation Agency (BICRO)			
38	Security and Intelligence Agency			
39	Military Security and Intelligence Agency			
40	Agency for the Restoration of the Osijek Fort			
	<b>Budget users agencies average</b>	<b>9,841</b>	<b>9,962</b>	<b>10,458</b>
42	Croatian Civil Aviation Agency	19,444	17,994	20,659
42	Croatian Post and Electronic Communications Agency	15,851	17,549	17,385
43	Agency for Explosive Atmosphere	15,513	15,645	
44	Croatian Energy Regulatory Agency	15,163	13,504	13,904
45	Croatian Financial Services Supervisory Agency	13,243		
46	State Agency for Deposit Insurance and Bank Rehabilitation			
47	Electronic Media Agency			
48	Croatian Compulsory Oil Stocks Agency			
	<b>Non-profit agencies average</b>	<b>15,843</b>	<b>16,173</b>	<b>17,316</b>
50	Agency for Medicinal Products and Medical Devices	14,142	14,569	18,296
51	Financial Agency	8,047	8,223	7,806
	<b>Companies average</b>	<b>11,095</b>	<b>11,396</b>	<b>13,051</b>

Source: *Financial statements of agencies.*

**Table 7**

Total revenues of agencies, 2010-2012 (in billion kuna)

	2010	Number of agencies	2011	Number of agencies	2012	Number of agencies
Budget-users	1.57	33	1.58	31	1.58	32
Extra-budgetary	1.56	8	2.19	8	1.99	7
Profit-making	0.91	2	0.88	2	0.86	2
<b>Total</b>	<b>4.04</b>	<b>43</b>	<b>4.65</b>	<b>41</b>	<b>4.42</b>	<b>41</b>

Source: Financial statements of agencies.

**Table 8**

Total surplus/deficit of agencies, 2010-2012 (in billion kuna)

	2010	Number of agencies	2011	Number of agencies	2012	Number of agencies
Budget-users	0.004	33	-0.018	31	0.004	32
Non-profit	1.142	8	0.917	8	1.060	7
Profit-making	0.097	2	0.076	2	0.078	2
<b>Total</b>	<b>1.244</b>	<b>43</b>	<b>0.975</b>	<b>41</b>	<b>1.142</b>	<b>41</b>

Source: Financial statements of agencies.

**Table 9**

Total financial assets and liabilities, 2010-2012 (in billion kuna)

	2010	Number of agencies	2011	Number of agencies	2012	Number of agencies
<b>Current year revenue surplus</b>	<b>5.29</b>	<b>17</b>	<b>6.21</b>	<b>16</b>	<b>7.00</b>	<b>12</b>
<b>Assets</b>	<b>15.12</b>	<b>16</b>	<b>14.66</b>	<b>#</b>	<b>15.98</b>	<b>13</b>
<b>Financial assets</b>	<b>10.82</b>	<b>15</b>	<b>9.95</b>	<b>#</b>	<b>10.60</b>	<b>11</b>
Cash in bank and on hand	0.46	14	0.60	13	0.75	10
Deposits	0.89	13	0.43	12	0.33	10
Loans	1.35	13	1.61	12	1.73	10
Securities	1.94	13	2.07	12	2.26	10
Equity and stakes	2.89	13	2.42	12	2.48	10
Claims for revenues	2.92	13	2.45	12	2.62	10
<b>Liabilities</b>	<b>0.89</b>	<b>15</b>	<b>0.42</b>		<b>0.33</b>	<b>12</b>
to suppliers	0.05	10	0.06	9	0.06	7
to banks	0.08	14	0.04	13	0.02	10

Source: Financial statements of agencies.

**Table 10**

Total financial assets and liabilities in 2012, by type of agency (in billion kuna)

	Total for all agencies	Total	Budget -users	No of budget -users	Non -profit	No of non-profit	Profit-making	No of profit-making
<b>Current year revenue surplus</b>	<b>7.00</b>	<b>12</b>	<b>0.22</b>	<b>4</b>	<b>6.55</b>	<b>6</b>	<b>0.23</b>	<b>2</b>
<b>Financial assets</b>	<b>10.60</b>	<b>11</b>	<b>1.61</b>	<b>3</b>	<b>7.90</b>	<b>6</b>	<b>1.09</b>	<b>2</b>
Cash in bank and on hand	0.75	10	0.06	3	0.64	5	0.05	2
Deposits	0.33	10	0.01	3	0.14	5	0.19	2
Loans	1.73	10	0.84	3	0.89	5	0.00	2
Securities	2.26	10	0.00	3	2.24	5	0.02	2
Equity and stakes	2.48	10	0.00	3	2.44	5	0.04	2
Claims for revenues	2.62	10	0.69	3	1.53	5	0.40	2
<b>Liabilities</b>	<b>0.33</b>	<b>12</b>	<b>0.05</b>	<b>4</b>	<b>0.09</b>	<b>6</b>	<b>0.20</b>	<b>2</b>
to suppliers	0.06	7	0.00	1	0.01	4	0.05	2
to banks	0.02	10	0.00	3	0.00	5	0.02	2

Source: Financial statements of agencies.

**Table 11***Financial performance of non-profit agencies in 2012 (in billion kuna)*

	Revenues	Expendit.	Surplus / deficit	Revenue surplus carried over	Current year revenue surplus
Croatian Compulsory Oil Stocks Agency (HANDA)	1.15	0.62	0.53	2.68	3.21
State Agency for Deposit Insurance and Bank Rehabilitation (DAB)	0.58	0.09	0.49	2.61	3.10
Agency for Explosive Atmosphere (EX-Agency)					
Croatian Civil Aviation Agency (HACZ)	0.06	0.06	0.01	0.00	0.01
Croatian Financial Services Supervisory Agency (HANFA)	0.04	0.04	0.00	N/A	N/A
Croatian Energy Regulatory Agency (HERA)	0.03	0.02	0.01	0.07	0.08
Electronic Media Agency (E-Agency)	0.01	0.01	0.00	0.02	0.03
Croatian Post and Electronic Communications Agency (HAKOM)	0.11	0.10	0.01	0.11	0.12
<b>Total</b>	<b>1.99</b>	<b>0.93</b>	<b>1.06</b>	<b>5.49</b>	<b>6.55</b>

*Source: Financial statements of agencies.***Table 12***Financial assets and liabilities of agencies in 2012 (in billion kuna)*

	HANDA	DAB	EX-Agency	HACZ	HANFA	HERA	E-Agency	HAKOM	Total
<b>Revenues</b>	<b>1.15</b>	<b>0.58</b>		<b>0.06</b>	<b>0.04</b>	<b>0.03</b>	<b>0.01</b>	<b>0.11</b>	<b>1.99</b>
<b>Assets</b>	<b>3.52</b>	<b>7.96</b>		<b>0.04</b>	<b>0.03</b>	<b>0.08</b>	<b>0.03</b>	<b>0.18</b>	<b>11.85</b>
<b>Financial assets</b>		<b>7.64</b>		<b>0.04</b>	<b>0.02</b>	<b>0.04</b>	<b>0.03</b>	<b>0.12</b>	<b>7.90</b>
Cash in bank and on hand		0.57		0.00	0.00	0.00	0.01	0.05	0.64
Deposits		0.01		0.03	0.00	0.04	0.01	0.05	0.14
Loans		0.89							0.89
Securities		2.24							2.24
Equity and stakes		2.44							2.44
Claims for revenues		1.50		0.00	0.00	0.01	0.00	0.02	1.53
<b>Liabilities</b>		<b>0.01</b>		<b>0.01</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.05</b>	<b>0.09</b>
Liabilities to suppliers		0.00		0.01	0.00	0.00	0.00	0.00	0.01
Financial liabilities		0.01		0.00	0.00	0.00	0.00	0.05	0.06

*Source: Financial statements of agencies.***LITERATURE**

Pravilnik o proračunskom računovodstvu i financijskom izvještavanju proračunskih korisnika, NN 32/11.  
Radma-Liiv, T., Nakrošis, V. and Hajnal, G., 2012. Comparing Agencification in Central and Eastern Europe in: K. Verhoest (et al.), eds. Government Agencies – Practice and Lessons from 30 Countries. Hampshire: Palgrave : Macmillan, pp. 335-340.

Van Thiel, S., 2012. Comparing Agencies across Countries in: K. Verhoest (et al.), eds. Government Agencies – Practice and Lessons from 30 Countries. Hampshire: Palgrave : Macmillan, pp. 18-26.

Verhoest, K. [et al.], eds., 2012. Government Agencies – Practice and Lessons from 30 Countries Hampshire: Palgrave : Macmillan

Zakon o računovodstvu, NN 109/07 i 54/13.

Annual Activity Reports of agencies, 2008-2013.

Financial Reports of state agencies, 2008-2013.

Ministry of Finance of the RC. **Registar neprofitnih organizacija**. Zagreb: Ministry of Finance.

Internet sites of state agencies.

Uredba o računovodstvu neprofitnih organizacija, NN 10/08, 7/09, 158/13.