PROJECT AGAINST CORRUPTION IN ALBANIA (PACA)

TECHNICAL PAPER

CORRUPTION RISK ASSESSMENT METHODOLOGY GUIDE

Opinion of the Department of the Information Society and Action against Crime (DGHL), Council of Europe, prepared on the basis of the expertise by Quentin Reed, PACA Team Leader, with assistance from Mark Philp, Council of Europe Expert

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INTRODUCTION/EXECUTIVE SUMMARY

This paper proposes a general guide to the methodological issues underlying risk assessments in public sector institutions (such as a ministry), and on how to design a risk assessment. The guide may also be used for the conduct of risk assessments on wider targets, such as a sector (for example healthcare), as it can be used in the assessment of specific institutions within that sector. For the purposes of this paper, a corruption risk assessment is understood as an exercise undertaken to identify factors associated with or contributing to or facilitating corruption in a particular institutions. Such assessments may be used as a basis for the design and implementation of policies to address such factors.

The methodology is designed to provide guidance on the following:

1. How to assess the incidence and seriousness of corruption in a given institution.

2. How to identify the factors that cause, or create risks of corruption occurring in the institution, in order to inform the design of policies to address those factors

The methodology presented draws on a range of existing work in the field, both in the area of measuring/assessing levels of corruption and identifying factors that increase the risk of corruption. The guide may be used by line ministries or other institutions as a self-assessment tool. It may also be regarded as an elaboration of the relevant section of a Manual on Suggested Guidelines, Procedures and Rules on the Operations of the Department for Internal Administrative Control and Anti-Corruption (DIACA) provided by the Council of Europe in 2006 within the framework of the PACO Impact Project (see Annex 1). In this respect, it is also – and PACA recommends it as - a tool that may be used by DIACA to conduct administrative audits of selected institutions as a part of its inspection functions.

1   ASSESSING THE INCIDENCE AND SERIOUSNESS OF CORRUPTION

A risk assessment should usually make an assessment of the actual incidence of corruption in the institution under scrutiny. Such an assessment complements the screening of corruption risks and can make a clear contribution to the risk assessment in two ways:

- By identifying actual problems of corruption, it can provide a basis for identifying the factors that cause such corruption.

- Identifying such factors helps us to assess the seriousness of any risks of further and future corruption, and to assess the extent to which such risks actually result in corruption in practice.

To assess the incidence of corruption in an institution, the following issues need to be clarified or taken into account.

1.1   What is meant by 'corruption'

Corruption is a generic term that is the subject of endless definitional debate. This is not 'idle academic debate' but arises because the term corruption is both:

- Descriptive. That is, it is used to identify actions or practices based on a set of existing criteria – for example existing law such as bribery provisions.

- Evaluative. What we regard as corruption is also based on our underlying assumptions of how a sound political process or public administration should function.

This is important because a purely descriptive approach – for example stipulating that corruption simply constitutes the breaking of rules against bribery and similar offences - fails to accommodate political systems where the rules themselves are designed to protect certain forms of corrupt enrichment or influence. In the context of conducting a corruption risk assessment, we may need to identify certain practices within an institution as legal but corrupt, or indeed to identify as corrupt the very fact that they are legal!

Not withstanding these difficulties, corruption is manifested through a wide range of specific practices, and there is usually broad agreement on the illicit nature of most such practices. Where there is disagreement/debate about the acceptability of a practice this should be articulated.

For the purposes of a risk assessment, this paper advises strongly that the assessments should not focus directly on corruption but, instead, to

- focus on specific practices within an institution that compromise that institution's capacity to perform its public service function in an impartial and accountable manner.

These practices might be direct examples of corruption, for example bribery or trading in influence. They might also however include other practices such as unfair or unequal treatment, failure to follow particular requirements of law or other legal norms/procedures, etc. So the concern would not just be over core cases of corruption, but also more broadly with activities in which, with or without corrupt intentions:

- Individuals with a public service role act in ways that serve their own interests rather than those of the public. Examples of this might be where officials engage in bureaucratic obstructionism (with or without any corrupt intent), or otherwise perform their role in such a way that 'turn means into ends'.

- Individuals respond to pressures that ensure that the institution in various ways fails to perform its functions in a manner that appropriately serves its public service role. Such pressures would include not only corrupt incentives, but just as importantly for example political pressure. Such actions might also include decisions by officials that help to secure their own future interests without any clear exchange of favours taking place – for example granting benefits to a particular company with an implicit understanding that the favour will be returned at some future time.

With this broader remit, it becomes important, where possible, to use less 'moral' terminology and to avoid the word 'corruption', especially where evidence is sought through face-to-face assessments (surveys, interviews). For example, questions designed to yield information on bribery in the health sector might be better phrased as questions about 'considerations' or 'gifts' provided to doctors rather than 'bribes'. In this particular example, questions would also have to be designed to distinguish between gifts of genuine appreciation, gifts that are compulsory, ,cases where the provision of the service is conditional on or influenced in various ways by the gift (such as reducing waiting times), and so on.

Above all, the methods used should not only – or at least not always – be aimed only at trying to assess the incidence of the practices selected. It is also recommended that they are designed to create in those involved a greater awareness of the character of the public service ethos and the inappropriateness of conduct that does not serve the public interest. Direct questions on corruption are unlikely to elicit open responses; and they establish an adversarial spirit between the investigator and the subject. In other words, the aim should be not only to obtain information, but also - through the very process and manner in which information is obtained - to develop an ethos that employees in the public service are able to espouse and endorse, which comes to guide their assessment of how they should act and their understanding of their professional responsibilities and of what it is appropriate for others to expect of them.

1.2 Methods for assessment

A variety of methods exist that attempt to assess the incidence and loci of corruption. The main ones are the following:

1.2.1 Direct observation

In general, the very nature of corruption means that it can rarely be observed directly for research purposes. However, in at least three cases corruption may be directly observed:

- The obvious example is criminal proceedings (prosecutions and convictions). This method is likely to be the least revealing due to the inherent difficulties of observing corruption directly, and the difficulties of interpreting the

phenomena observed (for example, whether a low number of convictions means low levels of corruption or poorly functioning law enforcement). While such data is clearly of relevance, its relevance as an indicator of corruption is limited.

- There may be cases where research can be conducted through 'direct experience', for example sending a participant in the risk assessment to apply for a passport, establish a business etc. While potentially yielding useful information, such exercises are clearly controversial (involving 'entrapment'),. Moreover, such methods may compromise its targets (where they do not solicit payments) – many who do not take bribes may nonetheless be reluctant to expose those who offer them, but to treat the failure to report such offers as itself criminal behaviour does seem to be a case of entrapment, or at least not entirely fair.

- There are instances where practices that subvert the capacity of an organisation to fulfil its public service responsibilities are legal, for example where bribery is not adequately criminalised, where appointments procedures contain no restrictions to prevent nepotism or similar practices, where election campaign finance is very poorly regulated, and so on. This may result in some instances of corruption being conducted openly. Moreover, any formal set of criteria for corruption (e.g. provisions of the criminal law or other prohibitions) will fall short of identifying in full the expectation of probity. There is a difference between what the rules say, and what the spirit of the rules require, and in so far as we are concerned in the most general sense with a culture of corruption, the spirit of the rules is a crucial component.

In short, direct observation can only play a small part in assessing the incidence of corruption.

1.2.2   Proxies

Another way of obtaining indications of corruption is through observation of phenomena that are assumed to be proxies or near-proxies of corruption – for example comparing the difference between customs revenue on imported items and domestic sales figures for the same items; or observing the length of time taken to secure certain decisions or rights (such as a license or permit).

Whether to pursue a proxy method must be decided on a case-by-case basis. However, the key point here is not to confuse proxies (i.e. variables that are assumed to be direct indicators of corruption itself) with causal conditions (that may give rise to corruption). The most obvious example of a confusion between the two is the 'Klitgaard formula', according to which

CORRUPTION = MONOPOLY + DISCRETION – ACCOUNTABILITY

In other words, the amount of corruption will be determined by the extent of monopoly and discretion in the provision of a particular public service, combined with the level of accountability of those responsible for provision. In other words, the less competition and more discretion providers enjoy, the more corrupt they will be, while the more accountable they are the less corrupt they will be.

While this formula has been very influential, its limitations as a proxy definition of corruption are fundamental.[1] The formula implies that corruption, monopoly, discretion and accountability can be measured and that there is literally a mathematical equation between them. This is clearly not true: some institutions must have a monopoly of a particular activity in order to function (the police is an example), all officials need a degree of discretion to perform their job well, and accountability is a complicated notion that may not be an unqualified good under all circumstances (consider the direct political accountability of judges; or the answerability of police investigators to the government they are meant to be investigating, and so on.).

The Klitgaard model – and other similar approaches - should be taken as one attempt to identify factors that may facilitate corruption, not as a means for identifying corruption itself. The factors that it identifies – monopoly, discretion and accountability – may be linked to corruption under certain circumstances, but they will not have the effects assumed by the model in all circumstances.[2] To think that there is a strict causal relationship between any one factor and the occurrence of corruption is to fail to recognise that causal factors are mediated through the intentional actions of particular agents, and are, in all but the most extreme cases, a matter of choice and decision, rather than one of causal necessity. In other words, for example, an official who works in a situation where he enjoys a monopoly of the provision of a particular service (for example issuing certain documents needed by citizens) and has wide discretion about whether to provide them or not, would appear to enjoy considerable opportunities to engage in corruption. Whether s/he does engage in corruption, however, will depend on a whole range of other factors, including whether the purpose of issuing such documents (and therefore the objective for which discretion should be exercised) is clear, his/her own personal integrity, as well as less measurable but equally important factors such as institutional culture.

1.2.3   Surveys

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[1] See for example Philp M., 'Corruption Definition and Measurement', in Sampford C., Shacklock A., Connors C. and Galtung F. (eds.), *Measuring Corruption*, Ashgate Publishing, 2006, pp. 52-53.
[2] The example of the United States Supreme Court appears to be a clear counterexample, for example - where a monopoly of decision-making, wide discretion and little if any formal accountability do not appear to result in corruption.

Surveys of users of public services, of the officials that provide them, or of the public in general are one widely-used method of seeking information on corruption. Surveys vary in the following ways:

- Surveys may focus on either:

    o <u>Perceptions</u> of corruption, usually meaning people's stated beliefs about the incidence of corruption

    o <u>Experience</u> of corruption – people's statements concerning their own experience of the experience of persons or entities that are closely related to them (family, companies in the same sector, etc).

    o <u>Attitudes</u> towards corruption – people's statements about what practices they regard as corrupt, and/or how negatively or positively they evaluate certain types of corrupt practices.

- Surveys vary from mass surveys designed to obtain statistical data (large sample, simple questions) to smaller targeted user surveys designed to secure qualitative/descriptive evidence on the other (smaller sample, more detailed questions, focus groups etc).

Many surveys are mass surveys of corruption perceptions or experience, with a sample sufficiently large to ensure statistically accurate results, meaning that the questionnaire responses are representative of the views of the population or target group (e.g. patients, students). It is important to note that statistical accuracy in this sense does not imply that the survey results are accurate in any other sense, and especially in the following senses:

- If (as seems widely to be the case) people answer questions about their perceptions of the incidence of corruption on the basis of factors other than their actual perception (for example, if answers effectively express people's dissatisfaction with living standards combined with blaming this on the political elite), the survey will to that extent show perceptions not of corruption but of something else.

- To the extent that perceptions of corruption are not correlated with actual corruption, surveys may not be used to make assessments of the incidence of corruption. Moreover, a good deal of evidence suggests that there is substantial gap between people's actual experience of corruption and the level of corruption they say exists.

- To the extent that responses to questions on experience of corruption are inaccurate (for example due to fear of prosecution, reprisals or shame), surveys of experience also cannot be used to make accurate assessments of the incidence of corruption.

In addition, conducting mass surveys at an acceptable quality level can be prohibitively expensive. Unless questionnaire design is highly sophisticated, the survey is administered with highly trained interviewers, and the interpretation of the results is conducted by independent respected experts, the benefits gained through mass surveys may be small. On the basis of the Council of Europe's work on corruption surveys in other countries, the recommendation of PACA is that surveys conducted at a reasonable cost should be designed as smaller-scale exercises targeting specific groups of users or providers of public services, with questions and means of posing them (for example focus groups) that allow more in-depth information to be gained. While such exercises will provide information that is less 'statistically accurate', the PACA position is that this kind of 'accuracy' is less valuable than obtaining detailed information on the functioning of institutions under scrutiny. Moreover, as the general recommendation of this briefing document is for risk assessment work to be institutionally specific, the targeted focus group approach appears more appropriate.

1.2.4   Interviews

A key source of information for any risk assessment is the conduct of targeted interviews with relevant persons: users, officials, experts and/or other members of the public. In practice, interviews are often the most important method for securing information on corrupt practices or other malfeasance. However, it is of very high importance to follow certain rules when pursuing this approach:

- In general, selection of interviewees should strive to avoid selection bias. However, it is unavoidable that selection will sometimes be 'biased', for example by targeting complainants to particular institutions. This may imply that the information gathered will indicate more extensive problems than in fact exist. In these circumstance, it is important for the interpretation of the information obtained to take into account such bias, to avoid unjustified generalisation, and to seek access to those who experience no difficulties with the institution.

- Likewise, interview questionnaires should be designed in such a way that they will not elicit systematically biased responses, for example through 'leading questions' that implicitly suggest there is corruption whether this is the case or not ('putting words into the mouths of the interviewed'). Moreover, the standards of evidence need to be symmetrical between complainants and those accused, rather than assuming that there is 'no smoke without fire!'

- Questionnaires should strike a balance between focusing specifically on issues identified by the risk assessment team, and providing interviewees with the opportunity to speak outside of certain constraints. Having said that, complaints and concerns that arise in the more open-ended parts of the

interview need subsequently to be investigated with a similar degree of rigour as those identified by the risk assessment team, lest casual remarks are given disproportionate weight.

1.3   What is meant by 'the incidence and seriousness of corruption'

A key weakness of attempts to measure corruption (such as the Transparency International Corruption Perceptions Index) is that they implicitly assume that all cases of corruption are equally damaging. This is clearly not the case – an institution may suffer from very few cases of corruption, but if these are at the highest level and affect key decisions the impact may be as serious as or more serious than where there are widespread incidence of minor petty corruption.

More generally, uni-dimensional efforts to assess corruption levels do not provide much useful information for those wishing to design policies to tackle corruption. Anti-corruption activity – namely, the development of policies to tackle corruption problems - needs to be focussed. To determine what needs to be focused on, we need to know what types of cases occur, who are the targets and who are the victims. Whichever method is used to try and assess corruption in a selected institution, it is of crucial importance for any risk assessment to distinguish between a number of different aspects of the 'incidence and seriousness' of corruption, and to make an assessment of each of them:

- The frequency of corrupt exchanges or acts, i.e. how common corrupt exchange are, what proportion of users have engaged in them, whether particular decisions can always be bought or whether they can only be bought occasionally etc. In other words, how far and in what ways corrupt practices distort the provision of the particular service or the implantation of particular policies.

- The 'size' of corrupt exchanges or acts: for example the average size of bribes or of gifts solicited, and to what extent the provision of services is conditional on the bribe/gift being provided. Do people not receive the service unless they bribe, or is this a payment to speed the process?

- The 'breadth' of corruption within an institution, in particular the proportion of officials involved, and the incidence of corruption at the different levels of the organisation.

- The 'depth' of corruption within an institution, i.e. the importance of the processes which are corrupted. For example, being able to pay MPs to ask certain questions in Parliament is less serious than being able to pay MPs to write and pass a law.

- The nature of corrupt exchanges:

o Corruption may take the simple form of cash bribes, but may also encompass a wide range of other direct and indirect advantages, involving networks of relationships and exchanges (such as ownership rights) that are more entrenched.

o Whether corruption is voluntary on the one hand, or is embedded in a wider context of intimidation or coercion on the other. An example of the latter is where officials are instructed from above to collect bribes and risk their jobs or opportunities for promotion if they refuse or fail to do so. Even more serious is the presence of a culture of intimidation in which officials pre-emptively behave corruptly in order to prevent sanctions being taken against them. – without any explicit instruction to take bribes even being given. Such practices are deeply corrosive and unfortunately very difficult to identify.

o Whether the primary initiative for corruption is external to the organisation or internal – in particular whether the impetus for corrupt exchanges or acts comes from citizens/users or associated interests, or from the officials themselves.

o The extent to which corruption reflects individual acts of opportunism (by users and/or officials) *vs* patterns of behaviour entrenched in the culture of the institution.

Clearly, the answers to the above issues/questions in the institution under scrutiny are of key importance if well-targeted policies are to be designed.

2 IDENTIFYING CORRUPTION RISK FACTORS

The second possible component of a risk assessment is to try and identify the contributory and facilitating factors underlying corruption in the particular institution under assessment. An assessment of risk factors may be conducted with or without an assessment of the incidence of corruption.

Risk assessments may range between the following two extremes:

- identifying on the basis of a general methodology/questionnaire 'risk factors' that are assumed to increase the risk of corruption;

- focusing on the identified preconditions for corruption in a particular institution under scrutiny.

A well-designed risk assessment will in fact do both of these things. Conducting an assessment based on the 'blind' application of a set of external criteria risks missing or failing to focus sufficiently on issues that are of particular importance in the

institution being assessed and neglects the crucial role of the institutions informal culture in mediating between organisational objectives and individual motives. At the same time, it is important to balance the focus on the institution 'from within' with an attempt to identify some external standards of assessment, if we are to avoid the assessment process from 'going native' For example, in the case of some police functions (for example dealing with certain small-scale offences) the existence of discretion may be justified for a range of reasons (every case is different), and these 'internal factors' must be taken into account. However, in the case of other police functions (such as the handling of complaints or notifications of suspected criminal acts), the existence of excessive discretion or monopoly may be rightly identified as a corruption risk in certain circumstances, and an assessment 'from within' might not readily identify these as a problem.

2.1   Institutional risk questionnaire

The identification of risk factors should be pursued through an analysis/screening of characteristics/aspects of the institution. For this, an <u>institutional risk questionnaire</u> should be used. The basis for such a questionnaire may be found for example in the sample questionnaire presented by PACA at the June 2010 training provided to line ministries and DIACA (see Annex 1). The questionnaire was developed based on a briefer questionnaire provided to DIACA in 2006 for the conduct of 'institutional audits', and covers a wide range of issues. The questionnaire is divided into the following sections:

- Organisational role
- Budget
- Human resources management
- Training
- Procedures and decision-making processes
- Record-keeping
- Transparency
- Access to Information
- Ethics and integrity framework
- Accountability mechanisms
- Internal notification of ethics breaches
- Complaints mechanisms
- Disciplinary procedures and sanctions
- Vulnerable areas
- Anti-corruption policies, codes of conduct, and ethical regulation

It should be noted that the <u>Common Assessment Framework</u> (CAF) of the European Institute for Public Administration[3], which may be regarded as the European standard for the assessment of 'quality management' in institutions of public administration is currently being advocated for use in Albania by the GTZ project of

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[3] See http://www.eipa.nl/files/File/CAF/Brochure2006/English_2006.pdf

Support to the Albanian Department of Public Administration funded by the EU and German Federal Government. The CAF may be seen as an assessment with a broader focus than the questionnaire provided by PACA in Annex 1; the PACA questionnaire, conversely may be seen as a tool for focusing in more depth on certain issues covered by the CAF framework, for example Section 2 (Strategy and Planning), Section 5 (Processes), or Section 6 (Citizen/customer-oriented results).

2.2   Identifying causes of corruption in a specific context

On the assumption that a questionnaire is used to attempt to identify corruption risks, different components of the questionnaire will have varying degrees of relevance for different organisations. A corruption risk assessment needs to take this into account on a case-by-case basis. For example,:

- Section B (Budget) may be of key anti-corruption relevance for institutions such as a transport ministry, where the size and complexity of procurements (especially for infrastructure projects) are likely to be important factors encouraging corruption.

- Section C (Human Resources Management) may be the key section of relevance for sectors such as healthcare or education in which human resources are both huge and central to the quality of service provision.

- Section D (Procedures and decision-making process) is likely to be key in areas such as licensing where application processes are the key location of corruption.

In general, a number of different aspects of the questionnaire used will be relevant for any institution.

2.3   Checklists for deeper analysis

On the basis of the issues identified through the use of the risk questionnaire, a checklist of issues on which to focus in more depth should be formulated. For example, on the basis of the examples provided above, if the questionnaire identifies problems in the planning cycle then a more detailed analysis of the planning cycle should be a next step in the risk assessment, and so on. In determining the content and the style of the questionnaire it is important to determine whether the questionnaire is to function as an externally applied institutional audit or whether the objective of the design is to develop a tool for internal self-examination. Different elements of the risk assessment process may fall into one or other of these two aspects of assessment. For example, the use of interviews is much more likely in the case of an external assessment, though it may also be used internally.

2.4   Sources of information

In order to generate the answers to a risk assessment questionnaire, it will be necessary to collect information from a range of sources. The following are the main sources:

- Documentary

  - Existing reports and studies (including surveys) on the areas under assessment
  - Relevant legal norms, statutes, internal rules and guidelines
  - Relevant procedures and processes

- Interviews

  - Relevant officials of the institution concerned, plus, potentially, some group interviews and discussions
  - Officials from other institutions as appropriate, e.g. external audit, Ombudsman
  - Users of the relevant public service/clients of the institution
  - Other organisations – for example NGOs specialising in areas relevant to the activities of the institution

3 CONDUCTING RISK ASSESSMENTS

3.1 Who should conduct risk assessments: internal vs external assessment

In principle, institutional risk assessments may be conducted by any entity with the necessary expertise. The focus of this Methodology Guide is to provide DIACA with guidelines that it may use to conduct assessments of target institutions, or that institutions themselves may use for self-assessment.

The recommendation of PACA in this respect is the following:

- Line ministries and other public institutions should complete the risk assessment questionnaire.

- In addition, a broader external assessment of selected institutions should be conducted. Such an assessment might be conducted by DIACA, using not only the questionnaire approach to identify risk factors, but also making an assessment of the incidence of corruption as descibed in Section 1 of this Guide and examining in more depth issues identified as important through the risk assessment questionnaire.

- Given the tasks already performed by DIACA, PACA regards an ideal solution to be the commissioning by DIACA of external organisations (such as NGOs or other research bodies) to conduct such assessments.

3.2   Risk assessment schedule

The schedule for conducting a full external risk assessment should be as follows:

- Define the precise objective of assessment, in particular whether the incidence of corruption is to be assessed
- Select methods of data collection
- Review existing reports on the institutions/sectors being covered
- Request documentation from the relevant institutions, review and collect relevant and selected literature and documents, including relevant laws and regulations and statutes
- Identify issues in risk questionnaire likely to be of particular relevance to the institution under scrutiny
- develop interview questions for the completion of the risk questionnaire
- complete the questionnaire

4   USING THE RESULTS: CORRUPTION RISKS vs ISLANDS OF INTEGRITY

Once a risk assessment has been completed, the results may be used to identify steps that need to be taken to address the risks and problems identified by the assessment. However, and we wish to underline this point as strongly as possible, risk assessments may also identify institutions or processes/units within institutions that work effectively and with integrity. These might be termed 'islands of integrity'. Where such islands are identified, the analysis should identify why it is that they function in such a way. The lessons drawn – which are based on an objective analysis yet draw deeply on the functioning of an institution in the local context – may then be used as one source of inspiration when formulating policies to improve the situation in other institutions that do not function as well.

5   ANNEX 1: SAMPLE INSTITUTIONAL RISK QUESTIONNAIRE

Introduction

The following questionnaire is proposed as a means for conducting a basic corruption risk assessment or good governance risk assessment. The questionnaire, should be completed either on a self-assessment basis (by the line ministry of institution itself) or externally (for example by DIACA).

A. Organisational role

1. What are the core functions of the organisation (e.g. ministry, sub-unit within ministry)?

2. Does the organisation have a 'mission statement' or similar description of its function/role? Are staff aware of these? Do staff consider them accurate and appropriate?

3. Do the major sub-units of the organisation have 'mission statements' or a clear definition of their function/role? Are staff aware of these? Do staff consider them accurate and appropriate?

4. Do all staff of the organisation have a clear job description/terms of reference and are staff aware of this?

B. Budget

5. What is the size of the organisation's budget?

6. What is the rough breakdown of spending between salaries, investment, purchases of goods and services and other types of spending?

7. What is the average size of a purchase/investment made by the organisation: are there a significant number of very large purchases/investments in an average year (or last year)?

8. What percentage of purchases/investment made by the organisation are put out to open tender?

9. How technically complex are the spending decisions made by the organisation? Who takes the more complex decisions and on what basis?

10. Are spending decisions on major items highly centralised (e.g. requiring the signature of one senior official) or highly decentralised?

11. Are spending decisions on minor items highly centralised (e.g. requiring the signature of one senior official) or highly decentralised?

12. Does the organization receive income from the public, or designated clients (taxation, customs levies, payments for services or rents etc.) What is the process for recording, banking and auditing these payments? In what form are such payments received?

C. Human resources management

13. How many staff does the organisation employ?

14. How many of these are employed centrally (e.g. in a ministry), and how many indirectly (e.g. public servants such as teachers)?

15. What percentage of the following categories (or equivalent categories) of your staff have the status of civil servant, what proportion are currently within the one-year probation period, and what percentage are employed on short-term contracts?:

    a. Secretary-General
    b. Directors of departments or directors general
    c. Directors of directorates or sector/office chiefs
    d. Specialists

16. Is there any monitoring and statistics to show the rate of staff turnover within the organisation. If so, what are the is turnover regarded by the organisation as high, low, or about right?

17. Are there any internal recruitment guidelines in addition to the provisions of the Law on Status of a Civil Servant?

18. In what percentage of recruitments is the selection decision of the relevant superior contrary to the recommendation of the ad hoc recruitment committee, i.e. selects a candidate that was not one of those recommended?

19. Do recruitment procedures for staff in positions that might be regarded as high-risk from a corruption point of view include criteria to attempt to ensure the integrity of those appointed?

20. Are applicants for staff positions questioned/screened to ensure they do not engage in external activities or hold external interests that may conflict with or impair the proper performance of their official duties?

21. Do staff have a clear understanding of what situations constitute conflicts of interest?

22. Do new staff go through any induction process such as initial training?

23. If so, does such training cover integrity issues? Is this repeated perhaps in more specific ways on promotion or when staff move to new roles?

24. Do staff regard their training as adequate to manage the situations that they face?

25. Who is designated as the person to whom staff should turn for advice. In cases of uncertainty would they seek advice from other colleagues on an informal basis before turning to their line manager, or seek advice elsewhere?

26. Do staff feel that their salaries are adequate, just sufficient or insufficient to ensure a reasonable standard of living?

27. To what extent do staff feel valued by (i) the organisation, ii) their direct superior, in their role?

D. Procedures and decision-making processes

28. Does the organisation do any of the following?

    a. Issue or provide items such as licenses, permits, permissions, certificates, passports or other documents to citizens or entities.
    b. Allocate any financial or other benefits to citizens (for example social security benefits).
    c. Allocate any financial or other benefits to legal entities (for example subsidies).
    d. Receive payments from members of the public (such as fees, taxes, etc).

29. Where it does so, are there clear procedures and clear criteria for the provision of such items and/or receipt of payments?

30. Where can these procedures and criteria be found?

31. Where officials have to exercise discretion in the exercise of decisions on such items, are their clear guidelines on how they should exercise that discretion (e.g. that it should serve a particular objective)?

32. If the organisation does not make a decision on items that are the subject of an application period (e.g. for a license or permission) within the deadline defined, is the issue automatically resolved to the benefit of the citizen/entity?

33. Is the procedure for provision of such items organised in such as to minimise the number of contacts citizens need to have with the organisation or other organisations (one-stop shop).

34. Are there multiple locations at which such items may be secured (e.g. different branches of the same institution, post office, etc) or does one office have a monopoly?

E. Record-keeping

35. Does the organisation have clear rules for the management of records and files?

36. Are individual decisions of the organisation recorded and filed according to clear rules and for a clearly defined and binding minimum period?

37. Who has access to these files, who is authorised to amend them or review them?

38. What degree of freedom of information exists with respect to the institution's files and documentation, both in terms of which decisions/files/documents are made public automatically (and how), and which ones are available on request? To what extent is such access guaranteed in practice?

F. Transparency

39. Does the organisation have a formal policy or rules on the automatic dissemination of information? Does this include automatic provision on the website of the following?:

    a. Organisational structure of Ministry and contact persons
    b. Ministry policies and policy documents
    c. Laws and sub-legal acts
    d. Draft laws and regulations
    e. Procedures of relevance to citizens and legal entities, such as for applications for items mentioned in Section D.

G. Access to information

40. Does the organisation have an official clearly designated to process and respond to requests for information filed under the Law on Right to Information on Official Documents

41. How many requests were filed last year?

42. How many requests were refused or are currently in dispute?

H. Ethics and integrity framework

43. Does the organisation have its own specific code of conduct or code of ethics?

44. Are staff informed about the existence of the Code when assuming their position?

45. How often do staff receive training on ethics?

46. Are staff familiar with the Code? What steps are taken to ensure this?

47. Are there, either in such a code, or in guidelines or other regulations or staff rules, provisions that instruct staff how to proceed in situations where they find themselves subject to a conflict of interests?

I. Accountability mechanisms

48. Do staff members have clearly-defined work procedures and routines for reporting to superiors – either on a periodic basis (e.g. weekly staff meeting) and on particular decisions or activities?

49. Is there an internal inspection or control department?

50. Approximately how many inspections/controls did the department carry out last year?

51. Is there an internal audit department?

52. What were the most important findings of the department last year?

53. How often is the organisation assessed by an external inspectorate or control body?

54. How often is the organisation audited by an external audit body?

55. Were there any important findings on the organisation by such external bodies last year (or at the last assessment)?

J. Internal notification of ethics breaches

56. Is there a formal procedure by which staff members may notify a designated official or unit of the organisation of suspected breaches of integrity or contravention of the code of conduct within the organisation?

57. Where the designated official is also the official that is the subject of the complaint, is there an alternative channel by which staff may file complaints – e.g. to an external organisation or to a higher superior?

58. Are staff informed through training of these procedures and the official/unit to whom they should file complaints?

59. Are there any mechanisms in place to protect those who file such notifications form retaliation?

60. How many cases of such notifications by staff have there been in the last 12 months, and what was the outcome of these notifications for both sides involved (the official notifying, and the subject of the notification)?

K. Complaints mechanisms

61. Are there clear procedures by which citizens may file complaints against actions of our organisation or its officials?

62. Where can these procedures be found?

63. Are decisions on complaints taken by the same person or unit in the organisation at which the complaint was directed?

64. How many complaints did the organisation receive last year?

65. How many complaints were upheld as well-founded?

L. Disciplinary procedures and sanctions

66. How many disciplinary proceedings were conducted against staff of your organisation last year in connection with breaches of ethics rules?

67. How many of these proceedings resulted in sanctions being applied?

68. What was the breakdown in sanctions applied (number of cases for each type of sanction)?

M. Vulnerable areas

69. Can you identify which areas of your organisation or its activities are most vulnerable to misconduct?

70. Has a risk analysis been conducted on your organisation to identify areas vulnerable to misconduct?

71. Does your organisation's Anti-corruption Action Plan contain specific measures to tackle these vulnerabilities?

N. Anti-corruption policies

72. Who in your organisation has formal and specific responsibility for development, implementation, monitoring and coordination of anti-corruption policy?

73. Is this responsibility stated in that staff member's job description (see Question 4)?

74. Is there a working group within the organisation tasked with formulation, coordination, monitoring and reporting on anti-corruption policy?

75. How often does the working group meet?

6   ANNEX 2: EXAMPLES OF ISSUE CHECKLISTS FOR RISK ANALYSES CONDUCTED BY COUNCIL OF EUROPE PROJECTS

The table shows the checklists of issues selected for coverage in two different Council of Europe projects. The two different education system assessments are an interesting example of differing perspectives on the factors underlying corruption. Example 1 is based more on an analysis of accountability mechanisms and direct vulnerabilities to corruption and other malfeasance. Example 2, an assessment led by former teachers, places overwhelming emphasis on the importance of a system in which the professionalism of teachers is the central priority, the assumption being that this will exclude many forms of corruption a priori.

Education sector (example 1)	Education (example 2)	Healthcare
• Finance and budgetary issues – Decisions on central budget earmarked funds for education sector – Investment decisions on building or renovating schools – Selling off schools assets – Funds transfers from central level to regions and schools – Management of funds at regional and school level – Budget autonomy at school level – Audit and control – Pilot reforms (World Bank project)	Assessment of the following areas, with an underpinning concern for the intrinsic place of professional ethics. • The Higher education system: – Legal basis – Systems of governance, including validation and the accreditation for professional programmes; • The Teacher education system: – Its place within education – Its format and organisation and the possibility	• Finance and budgetary issues – Criteria for allocation of funds to healthcare establishments – Application of the criteria in practice – Allocation and transfers of budget funds to healthcare establishments (polyclinics and hospitals) • Investment decisions and procurement – Hospital building and other works contracts – Supply contracts • Patient-doctor interaction

• Procurement – At central level – At local level – Public works – Supply contracts – Reforms of textbook procurement • Recruitment and personnel policy – Status of teachers – Recruitment and appointment processes – Salary levels – Payment of teacher salaries – Integrity of personnel policy in educational institutions • Educational process and policy issues – Student admissions to schools – Student transfers between educational institutions	of it influencing professional demeanours, approaches and behaviours; • The Professional Body system: – Its influence in terms of quality assurance and professional accountability through registration mechanisms; • The school system: – Governance – The position, status and role of teachers; – The Teacher appointment system:	– Patient registration – Payments for treatment (formal or informal) – Referrals of patients by doctors in public health institutions to private practices • Interaction between health staff, health regulator and suppliers – Criteria for prescribing medicines and corruption therein – Processes/permissions for production, registration, import and/or distribution of medicines – Registration/inclusion of medicines on list of those provided for free • Recruitment and personnel policy – Status of healthcare personnel – Criteria for recruitment (number of doctors, procedures for recruitment of individual doctors) – Integrity of personnel policy

– Tests, school/university leaving exams and entrance exams – Informal payments to cover administrative expenses, and embezzlement thereof. • Other regulatory issues – Accreditation of private schools and universities – Inspection processes		• Internal ethics framework at Ministry of Health – Rules relating to ethics and conflict of interest – Guidelines/rules for monitoring assets/incomes and lifestyles • Other regulatory issues – Licensing of private health establishments – Licensing of other healthcare establishments (e.g. pharmacies)