

**Institutional Vulnerability to Corruption
Assessments
(VCA-I)
Guide**

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INTRODUCTION

The Institutional Vulnerability to Corruption Assessments (VCA-I) Guide provides guidance for conducting assessment corruption prevention systems and corruption risks within an institution and developing risk mitigation plans. VCA-I can be used in any public or private organization.

The VCA-I methodology uses a two-fold approach:

Institutional Integrity Framework Assessment (IIFA)	Institutional Corruption Risk Assessment (ICRA)
<p>IIFA assesses the institutional integrity framework defined as the systems and measures that control and prevent corruption.</p> <p>IIFA uses ten dimensions:</p> <ol style="list-style-type: none"> 1. Leadership and Commitment 2. Decision Making and Discretionary Power 3. Conflicts of Interest 4. Code of Conduct 5. Gifts and Benefits 6. Whistleblowing and Internal Reporting 7. Complaint Management 8. Management and Internal Control 9. Internal Audit 10. Transparency and Access to Information <p>The Guide provides description of each dimension and a list of illustrative institutional, operational, and human indicators to measure the status of the integrity framework.</p>	<p>ICRA is a process-centered approach that assesses corruption risks in functions and processes of an institution. The ICRA methodology utilizes the assessment framework provided by the international standard <i>ISO 31000:2009, Risk Management – Principles and Guidelines</i>. This ISO defines key components of the risk assessment such as:</p> <ol style="list-style-type: none"> a) analysis of the external and internal environment; b) identifying, analyzing and evaluating risks; c) development of the risk treatment approaches, and d) communicating and monitoring the risks and their treatment. <p>The Guide describes each step of the assessment process and provides templates and examples.</p>

IIFA and ICRA have different assessment objects – overall institution versus functions and processes. While IIFA and ICRA can be conducted independently they complement each other. Corruption risks in functions and processes which are assessed by ICRA are often the results of weaknesses of the overall institutional integrity systems (poor internal controls, wide discretionary powers, lack of transparency, etc.) which is assessed by IIFA.

IIFA and ICRA can and should be adapted to a particular country context taking into consideration applicable legislation and standards.

IIFA and ICRA can be implemented an independent party knowledgeable in corruption prevention measures and public sector operations. They can also be implemented as a self-assessment by the institution itself or with the help of an independent party that facilitates the data gathering and analysis. In this case, it is useful for the public institution to designate a team to conduct the assessment and to provide the team with training of the assessment process and corruption prevention measures.

IIFA and ICRA do not have objective (and should not be used) to detect and investigate any specific corruption abuses or crimes. If during the assessment any abuses or crimes are unintentionally discovered or suspected the assessment team should take actions according to the applicable legislation.

The VCA-I Guide describes IIFA and ICRA in the separate sub-sections below and provides templates, samples and other supporting documents in the Annex.

I. INSTITUTIONAL INTEGRITY FRAMEWORK ASSESSMENT (IIFA)

I.1. IIFA objective

The objective of IFA is, through a rigorous assessment process, to enable a public institution to develop or enhance institutional cross-functional policies and procedures that prevent corruption and promote ethical values and behavior.

I.2. IIFA approach

The IIFA is conducted by assessing ten dimensions of integrity – how effectively they have been developed in laws or regulations and whether they have been implemented successfully in practice:

IFA assesses ten dimensions¹ of the integrity framework and each dimension plays distinctive role in preventing corruption:

1. **Leadership and Commitment** - Leadership and commitment is a key factor for setting values and directions for the entire public institution, promoting, practicing, and rewarding good governance, using performance management in proactively addressing ethical and accountability requirements.
2. **Decision Making and Discretionary Power** – Decisions should be based on the principles of fairness, transparency, and accountability and should be reached lawfully, based on relevant considerations, or based on the merits of the case. Discretionary powers as a part of the decision making process should be exercised by public officials in good faith and in accordance with the provisions of the law with appropriate checks and balances.
3. **Conflicts of Interest** - Understanding and managing conflict of interests are the important aspects for preventing corruption in an organization. Management should have in place an appropriate mechanism where: conflicts of interests are addressed in relevant administrative and operational policies and procedures; staff understand, accept and comply with the policy; those who would do business with the organization understand, accept and comply with the policy.
4. **Code of Conduct** - A code of conduct sets out the standards of behavior expected of staff. It defines desirable behavior for all types of work in the agency. For the code of conduct to become

¹ The list of the IIF dimensions can be revised, and some of the dimensions aggregated (for example Gifts and Benefits can be aggregated with the Code of Conduct) while others can be subdivided into separate dimensions (for example, asset declaration that is currently included in the Code of Conduct can constitute a separate dimension).

an effective integrity enhancement measure, its form and content must be appropriate and relevant for the agency. The end goal of a code of conduct is to define the behavior of officers and employees and should therefore be communicated, promoted and taught to all personnel of the agency and integrated in the various aspects of its operation.

5. **Gifts and Benefits** - Gifts and benefits are offered innocently or as bribes. Agencies need to have policies and procedures in place to deal with gifts and also need to promote their policies and procedures to their staff/officials and clients. An agency should have a gift register that documents information such as: name of the person and/or organization offering the gift, the type of gift, value of the gift, decision taken regarding what should happen to the gift.
6. **Whistleblowing and Internal Reporting** - Whistleblowing and internal reporting should be encouraged in every agency as a way of detecting corruption. Incentives and protection should be in place to encourage employees to report corrupt behavior or practices. Protected disclosures and easy procedures for internal reporting and a sufficient witness protection approaches should be established within the agencies.
7. **Complaint Management** - A complaint handling system is an appropriate mechanism for recording and responding to complaints. A complaint handling system should enable citizens to report unethical behaviors by public officials of an agency. Citizens filed complaint should be confident that their complaints will be addressed.
8. **Management and Internal Control** - A well-structured management and internal control system in a public sector organization help to detect and prevent public sector corruption and unethical behavior. This includes establishing standardized procedures for the essential operations for staff compliance, segregation of duties and functions to allow for proper checks and balances particularly for positions which are susceptible to abuse or corruption, effective supervisory control, and information security among other measures. Management and internal control should also have effective enforcement policies and procedures to make punishment for corruption and wrongdoings predictable and unavoidable.
9. **Internal Audit** - Internal audit provides for systematic scrutiny of an organization's operations, systems and performance and, as such, is an essential corruption prevention function. Internal auditing needs to be independent, and internal auditors should be able to conduct their work objectively. Management should follow up on the audit recommendations.
10. **Transparency and Access to Information** – Operating transparently and disclosing key information to public governmental institution enhances public scrutiny of an agency and disincentives officials to get engaged in corruption. FOIA prescribes public agencies to provide citizens with information in user-friendly format on timely basis using variety of channels. FOIA also specifies type of information that is not subject to public disclosure. Each agency is required to have an authorized person/s to implement FOIA. The independent Information Commissioner appointed by the President with the advice and consent of the Liberian Senate oversees the implementation of the FOIA. The statements below are largely aligned with the FOIA requirements. Citizens should have right to receive public information from any public agency regarding its core functions, nature of its activities and operations, and the information it possesses.

Each dimension is described by a set of indicators grouped into three categories:

- 1) Institutional: established policies and procedures and their compliance with the applicable legislation or/and best practices and standards;
- 2) Operational: implementation of the established policies and procedures; and
- 3) Human/behavioral: personnel competencies, values and behavior.

The level of implementation for each indicator should be described and then rated using the following scale:

- 0 – Not implemented
- 1– Poorly implemented
- 2– Partially implemented
- 3 – Largely implemented
- 4 – Implemented completely.

The level of achievement in each dimension is calculated then as a percent of the total possible highest score of a given dimension.

Annex 2 provides templates with brief discussion about the dimension and a list of suggested indicators grouped in three categories – institutional, operational and behavioral. Each template also has suggested or illustrative sources of information that can be used for the assessment. These lists of sources should be expanded and customized when necessary.

The assessment should result in a report that summarizes key findings and points out at the most critical deficiencies. The summary can be supplemented with a graphical presentation of the dimensional scores for better visualization as it is provided in the Figure 1.

The assessment report should also have the summary recommendations to address the key deficiencies. The recommendations should be prioritized.

Finally, the report should include an annex with the filled out assessment forms that detail findings against each indicator, provide scores, and recommendations for each dimension.

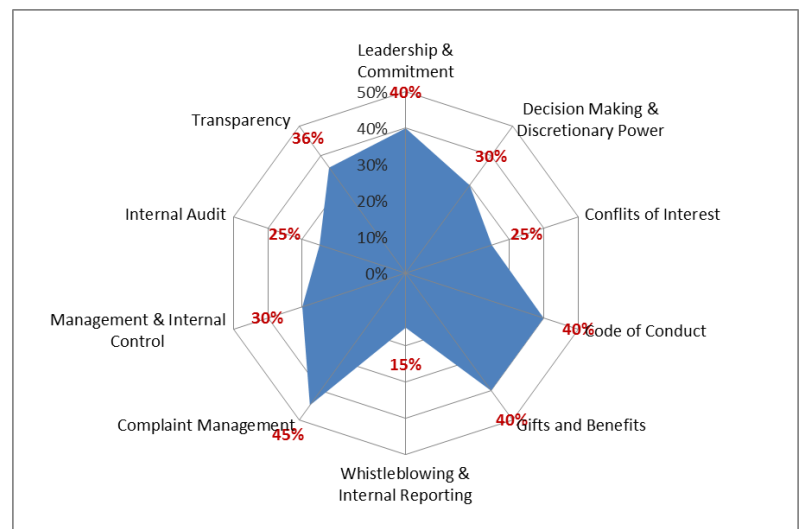


Figure 1. Graphical presentation of the Integrity Framework dimension

1.3. IIFA process

The assessment can be conducted by an independent party or any other qualified organizations or individuals knowledgeable in corruption prevention measures and public sector operations. It also can be used by a public

agency as a self-assessment providing that a designated team for conducting it has sufficient understanding of the corruption prevention measures and can maintain objectivity and independence in their conclusions.

Preparation and planning

Prior conducting an assessment, an assessment team must:

1. Review and update or modify indicators in each dimension ensuring that they are aligned with the current legislation and best practices
2. Identify sources of information and approaches for collecting information, and
3. Develop assessment plan and assign responsibilities for each member of the assessment team.

Data collection and recording

The assessment team should use appropriate sources including document review, interviews, focus groups and other relevant information to find evidence of the level of implementation of each indicator. This should enable them to substantiate their conclusion and formulate recommendations. Sources and collected information should be documented in the assessment form.

Coming up to conclusions and rating

Upon collecting evidence and information, the team formulates conclusions and rates the level of implementation of each indicator using established scale. It is advisable, that each member of the assessment team would rate the level of the implementation individually first. The team should discuss then the scores together and come to a consensus about the score and the description of the evidence for each indicator.

Upon reaching a consensus the assessment team calculates the total score for each dimension and the percent of the level of the implementation compared to the highest possible score for a dimension.

Developing and communicating recommendations

The assessment team should summarize and prioritize overall key recommendations and recommendations for each dimension in the assessment report. The summary report should be supplemented with the assessment forms that detail assessment finding and provide more specific recommendations for each dimension.

The assessment team should discuss findings and recommendations with the agency management and, if requested, assist with the development of the implementation plan for the recommendations. The implementation plan should detail activities to implement recommendations, establish targets to measure progress and achievements, set monitoring approach and schedule, identify responsible persons, and assess required resources.

2. INSTITUTIONAL CORRUPTION RISK ASSESSMENT (ICRA)

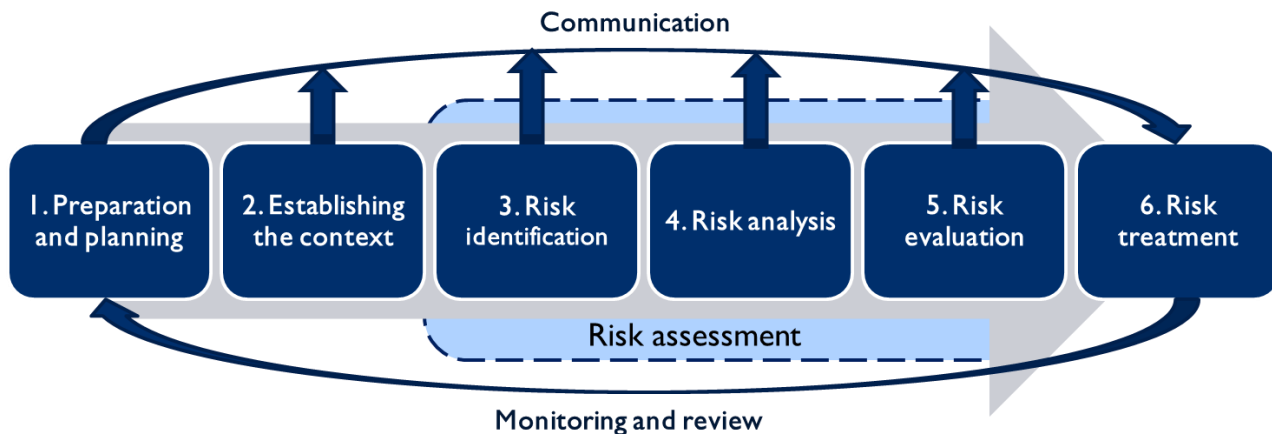
2.1. ICRA objective

ICRA objective is to enable public institutions to design and implement corruption prevention measures within functions and processes based on the detailed corruption risk assessment.

It is advisable to limit conducting ICRA to functions and processes that are more prone to corruption and/or corruption in which could have the most significant impact. Suggested criteria for selection functions or processes for ICRA are described in section 2.3.

2.2. ICRA approach

ICRA approach is based on the *ISO 31000:2009, Risk Management – Principles and Guidelines* which offers a framework for conducting risk assessment and management and is applicable for any industry and sector. The risk assessment includes three key steps: risk identification, risk analysis, and risk evaluation. The framework also suggests conducting external and internal context prior commencing an assessment. The assessment results in the development of the risk treatment approaches. The framework also emphasizes the need to communicating risks at each step of the assessment and management and monitoring the risks and their treatment. The chart **XX** provides a visual presentation of the risk assessment process.



ICRA terms and definitions

The following terms and definitions are drawn from the 31000:2009, Risk Management -- Principles and Guidelines.

- **Corruption risk** - the term corruption risk is used widely and not consistently. For the purposes of this Guide we will use a definition that is derived from the one provided by the 31000:2009, Risk Management -- Principles and Guidelines. The ISO 31000: 2009 defines risk as “effect of uncertainty on

objectives.” Therefore, we define corruption risk as effect of possible corruption on objectives.

Corruption vulnerability - is another term that is used frequently and often as a synonymous for corruption risk. In this Guide, we use term corruption vulnerability as a synonymous for the causes of corruption risk.

- **Risk assessment** - overall process of risk identification, risk analysis, and risk evaluation
- **Risk identification** - process of finding, recognizing and describing risks including risk vulnerabilities (or causes), stakeholders that can be involved in corruption, and potential consequences.
- **Consequence (or impact)** - outcome of corruption risk affecting objectives that can be expressed qualitatively or quantitatively.
- **Likelihood** - chance for corruption risk to occur whether defined, measured or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically (such as a probability or a frequency over a given time period).
- **Risk analysis** - process to comprehend the nature of risk and to determine the level of risk.
- **Risk criteria** - terms of reference against which the significance of a risk is evaluated.
- **Level of risk** - magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood.
- **Risk evaluation** - process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable.
- **Risk treatment** - process to modify risk by mitigating, eliminating, preventing, or reducing the risk.
- **Control** - measure (process, policy, device, practice, or other actions) that is modifying or preventing or mitigating occurrence of a risk.
- **Residual risk** - risk remaining after risk treatment.
- **Risk management** - coordinated activities to direct and control an organization with regard to risk.
- **Stakeholder** - person or organization that can affect, be affected by, or perceive themselves to be affected by a decision or activity.

2.3. ICRA Process

ICRA process includes several stages, such as: planning and preparation, conducting risk assessment, and developing risk treatment plan.

I. Preparation and planning

Preparation and planning include several tasks:

1. Select functions or processes for the assessment
2. Establish the assessment team
3. Develop assessment plan and assign responsibilities for each member of the assessment team
4. Identify and collect initial documents and information
5. Model processes
6. Design diagnostic questions
7. Select assessment methods and tools
8. Map stakeholders

9. Define and analyze internal and external context

1. **Select functions or processes for the assessment.** – It is more productive and realistic to limit assessment to functions and processes that are more conducive to corruption and abuse. Typically, these are functions that involve making critical decisions with high level of discretion and when those decisions can result in significant personal gains (monetary, power or others). There are two types of functions within public institutions: general and specific. In addition, there are cross-functional policies important for preventing corruption - Integrity Framework - with processes that also can be considered for corruption risk assessment. Table below provides examples of such functions.

General (common) functions	Special functions (examples)	Cross-functional policies – Integrity Framework
Operational management	Registration	Ethics policies
Financial management	Inspections	Conflict of interest policies
Human resource management	Service delivery	Gift and benefits reporting
Procurement	Licensing and permitting	Decision making process
Document management	Bank liquidation	Transparency (including FOIA)
Asset management	Regulations	Management and internal control
Internal Control	Others	Whistleblower reporting
Audit		Complaint management
Security		
Others		

2. **Establish the assessment team.** – If the assessment is conducted internally (self-assessment) the assessment team should include high and mid-level managers with the authority to make decisions, representatives of the internal controls or internal audit departments, and personnel or independent consultants with expertise in selected for the assessment functions or/and risk assessment methodology. Training (initial or refreshment) in the assessment methodology is always advisable.

If the assessment is conducted by a third party familiar with the assessment methodology, the team should also have subject-matter experts.

3. **Develop assessment plan and assign responsibilities for each member of the assessment team.** – The assessment team should draft and agree on the assessment plan which includes key tasks, activities, responsible persons within the team, start and end dates. The tasks reflect the assessment process steps (plan and prepare, define external and internal context, identify risks, analyze risks, evaluate risks, develop risk mitigation plan) as well as communication.

No	Activities	Responsible	Start Date	End Date
A.	Plan and prepare			
1	Model processes			
2	Design diagnostic questions			
3	Select information sources and data collection methods			
4	Map stakeholders			
5	Analyze external context (jurisdiction, legal, regulatory, financial, etc.)			

6	Analyze internal context (governance, organizational structure, roles, etc.)			
B.	Identify risks			
9	Review documents			
10	Collect data and information			
11	Verify process models			
12	Describe risks, causes, and risk controls			
	Etc.			

4. **Identify and collect initial documents and information.** – Key documents at this stage are legislation, regulations, manuals, standard operating procedures, organizational charts, and other documents that help to understand functions and processes to be assessed as well as the place of the functions within the agency and relative to third parties.
5. **Model processes.** – Mapping (modelling) functions or processes is a very useful approach to better understand where within the process vulnerabilities to corruption are, who is likely involved, and how corruption can occur. The initial models can be developed based on the review of the documents describing the processes, such regulations, manuals, SOPs, etc. There are many software applications for mapping processes. At the same time, it can be done manually. When modelling the process, it is important to identify who is involved in the process and where the decision making points. This information helps to pin point **where** in the process vulnerabilities to corruption are **who** likely could be involved.
6. **Design diagnostic questions.** – While process mapping helps to understand where in the process corruption can happen and who can be involved, diagnostic questions should be formulated to understand **how** corruption can happen, **why** it can happen, and if there are corruption control mechanisms and how effective they are.
7. **Select information sources and data collection methods.** – The assessment team may use different sources of information to answer diagnostic questions and verify process models. Table below provides some examples for information type and sources. Then team should identify what kind of information is needed, the sources of information, and methods for collecting information.

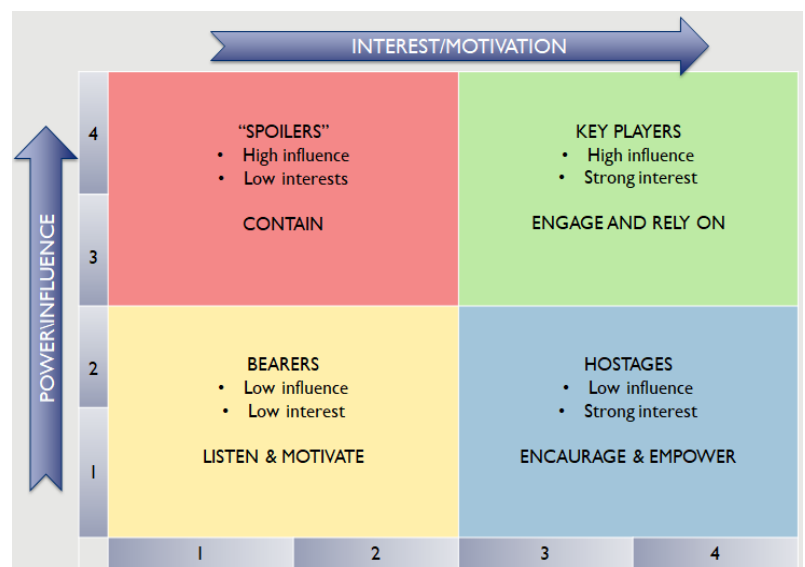
Documentary: READ	Testimonial: HEAR	Physical: SEE	Analytical: THINK
<ul style="list-style-type: none"> • Laws, regulations, manuals • Reports, audits, studies • Databases, records • Correspondence. • Media reports including social media • Surveys, customer feedback 	<ul style="list-style-type: none"> • Interviews • Focus groups, discussion groups • Surveys 	<ul style="list-style-type: none"> • Observation of the staff performance • Observation of staff interacting 	<ul style="list-style-type: none"> • Information analysis • Comparisons of information versus requirements • Synthesis of different kind of information and reports • Use of the particular assessment tools, for example: Scenario Analysis, Structured

			“What-if” Technique (SWIFT), Fault Tree Analysis, etc.
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8. Map stakeholders. – It is rather common to use a stakeholder matrix when analyzing stakeholders. The assessment team can assess stakeholders against their power/influence and interest/motivation to fight corruption. Such matrix can be drafted prior the assessment but would need to be refined as a results of the assessment you will be conducting, e.g. after you interview people and review documents. Below is an example of the stakeholder matrix.

The matrix above helps identify four categories of stakeholders and define what can be expected from them based on their interests and motivations and how the assessment team should approach them.

- **KEY PLAYERS** – those who have strong power and influence as well as interest. These are people that should be the major partners and who you would need to engage as much as possible.
- **SPOILERS** – those who have strong power and influence but don’t have any interest. These are the most dangerous category of stakeholders. You should try to find a way how to contain, change their motivation or overpower/remove them.
- **BEARERS** – those who has little motivation and interest in changing the things are done and have little power of influence to make those changes.
- **HOSTAGES** – are those who want what thing to be changed but have little power to make it happen.



The results of the mapping can be summarized in a table that lists key stakeholders, their role, power/influence, and interest/motivation. In addition, the summary could define how to involve each stakeholder in the assessment process and what the best applicable assessment tools are.

9. Define and analyze internal and external environment. – The ISO 31000 guides the need to analyze both internal and external environments (or contexts).

The Standard defines the internal and external environment as an environment in which the organization seeks to achieve its objectives. The internal environment includes governance, organizational structure, roles and accountabilities, policies, objectives, and the strategies that are in place to achieve them, etc. The external environment includes cultural, social, political, legal, regulatory, financial, technological, economic, natural and competitive environment, key drivers and trends having impact on the organization, and relationships with, and perceptions and values of external stakeholders.

Understanding internal and external context helps not only understand the influence of different forces on corruption risks but also helps to design relevant and feasible corruption risk mitigation plans.

With regards to corruption risk assessment, IIFA could serve as a comprehensive tool for analyzing the internal context. If IIFA is not conducted, analysis of the internal context can be organized around organizational structure, leadership, overall governance, and key policies and standards within an institution relevant to selected for the assessment functions or processes. As for the external context, the assessment team should analyze jurisdiction of the organizations, relationships with other agencies and organizations, legislation and standards, and individuals with [power and influence of the organization or functions under assessment. The context analysis should be summarized and documented accordingly.

2. Identify corruption risks

Provide an overview of the corruption risk detection process.

Verify description and models of the functions and processes

Describe how the description and the process flowchart can be verified using different sources (regulations, instructions, interview with the implementers).

Verify corruptions vulnerabilities

Describe how using different information and assessment tool vulnerabilities can be identified and verified.

Collect information and data

XXXX

Identify and describe corruption risks

Explain how corruption risks should be described and recorded in the corruption risk register.

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation.

Risk identification

The organization should identify sources of risk, areas of impacts, events (including changes in circumstances) and their causes and their potential consequences. The aim of this step is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives. It is important to identify the risks associated with not pursuing an opportunity. Comprehensive identification is critical, because a risk that is not identified at this stage will not be included in further analysis.

Identification should include risks whether or not their source is under the control of the organization, even though the risk source or cause may not be evident. Risk identification should include examination of the knock-on effects of particular consequences, including cascade and cumulative effects. It should also consider a wide range of consequences even if the risk source or cause may not be evident. As well as identifying what might happen, it is necessary to consider possible causes and scenarios that show what consequences can occur. All significant causes and consequences should be considered.

The organization should apply risk identification tools and techniques that are suited to its objectives and capabilities, and to the risks faced. Relevant and up-to-date information is important in identifying risks. This should include appropriate background information where possible. People with appropriate knowledge should be involved in identifying risks.

Identify existing controls

Describe how controls can be identified and described.

3. Analyze corruption risks

Provide an overview of the corruption risk analysis and evaluation process

Risk analysis involves developing an understanding of the risk. Risk analysis provides an input to risk evaluation and to decisions on whether risks need to be treated, and on the most appropriate risk treatment strategies and methods. Risk analysis can also provide an input into making decisions where choices must be made and the options involve different types and levels of risk.

Risk analysis involves consideration of the causes and sources of risk, their positive and negative consequences, and the likelihood that those consequences can occur. Factors that affect consequences and likelihood should be identified. Risk is analyzed by determining consequences and their likelihood, and other attributes of the risk. An event can have multiple consequences and can affect multiple objectives. Existing controls and their effectiveness and efficiency should also be taken into account.

The way in which consequences and likelihood are expressed and the way in which they are combined to determine a level of risk should reflect the type of risk, the information available and the purpose for which the risk assessment output is to be used. These should all be consistent with the risk criteria. It is also important to consider the interdependence of different risks and their sources.

The confidence in determination of the level of risk and its sensitivity to preconditions and assumptions should be considered in the analysis, and communicated effectively to decision makers

and, as appropriate, other stakeholders. Factors such as divergence of opinion among experts, uncertainty, availability, quality, quantity and ongoing relevance of information, or limitations on modelling should be stated and can be highlighted.

Risk analysis can be undertaken with varying degrees of detail, depending on the risk, the purpose of the analysis, and the information, data and resources available. Analysis can be qualitative, semi-quantitative or quantitative, or a combination of these, depending on the circumstances.

Consequences and their likelihood can be determined by modelling the outcomes of an event or set of events, or by extrapolation from experimental studies or from available data. Consequences can be expressed in terms of tangible and intangible impacts. In some cases, more than one numerical value or descriptor is required to specify consequences and their likelihood for different times, places, groups or situations.

Analyze risk likelihood

Describe how to analyze risk likelihood

Analyze risk impact

Describe how to analyze risk impact

4. Evaluate corruption risks

The purpose of risk evaluation is to assist in making decisions, based on the outcomes of risk analysis, about which risks need treatment and the priority for treatment implementation.

Risk evaluation involves comparing the level of risk found during the analysis process with risk criteria established when the context was considered. Based on this comparison, the need for treatment can be considered.

Decisions should take account of the wider context of the risk and include consideration of the tolerance of the risks borne by parties other than the organization that benefits from the risk. Decisions should be made in accordance with legal, regulatory and other requirements.

In some circumstances, the risk evaluation can lead to a decision to undertake further analysis. The risk evaluation can also lead to a decision not to treat the risk in any way other than maintaining existing controls.

This decision will be influenced by the organization's risk attitude and the risk criteria that have been established.

5. Develop corruption risk response plan

Select risk response options

Describe response options

Describe content, provide template and example of the corruption risk assessment report.

Risk treatment involves selecting one or more options for modifying risks, and implementing those options. Once implemented, treatments provide or modify the controls.

Risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances. The options can include the following:

- a) avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
- b) taking or increasing the risk in order to pursue an opportunity;
- c) removing the risk source;
- d) changing the likelihood;
- e) changing the consequences;
- f) sharing the risk with another party or parties (including contracts and risk financing); and
- g) retaining the risk by informed decision.

Selection of risk treatment options

Selecting the most appropriate risk treatment option involves balancing the costs and efforts of implementation against the benefits derived, with regard to legal, regulatory, and other requirements such as social responsibility and the protection of the natural environment. Decisions should also take into account risks which can warrant risk treatment that is not justifiable on economic grounds, e.g. severe (high negative consequence) but rare (low likelihood) risks.

A number of treatment options can be considered and applied either individually or in combination. The organization can normally benefit from the adoption of a combination of treatment options.

When selecting risk treatment options, the organization should consider the values and perceptions of stakeholders and the most appropriate ways to communicate with them. Where risk treatment options can impact on risk elsewhere in the organization or with stakeholders, these should be involved in the decision.

Though equally effective, some risk treatments can be more acceptable to some stakeholders than to others.

The treatment plan should clearly identify the priority order in which individual risk treatments should be implemented.

Risk treatment itself can introduce risks. A significant risk can be the failure or ineffectiveness of the risk treatment measures. Monitoring needs to be an integral part of the risk treatment plan to give assurance that the measures remain effective.

Risk treatment can also introduce secondary risks that need to be assessed, treated, monitored and reviewed.

These secondary risks should be incorporated into the same treatment plan as the original risk and not treated as a new risk. The link between the two risks should be identified and maintained.

Identify residual risk

Describe how to identify residual risk

Develop corruption response plan

Describe the content of the plan, provide template and a sample of the plan.

5.5.3 Preparing and implementing risk treatment plans

The purpose of risk treatment plans is to document how the chosen treatment options will be implemented.

The information provided in treatment plans should include:

- the reasons for selection of treatment options, including expected benefits to be gained;
- those who are accountable for approving the plan and those responsible for implementing the plan;
- proposed actions;
- resource requirements including contingencies;
- performance measures and constraints;
- reporting and monitoring requirements; and

– timing and schedule.

Treatment plans should be integrated with the management processes of the organization and discussed with appropriate stakeholders.

Decision makers and other stakeholders should be aware of the nature and extent of the residual risk after risk treatment. The residual risk should be documented and subjected to monitoring, review and, where appropriate, further treatment.

6. Communication and consulting

Internal Communication

Describe how the assessment should be communicated to the staff during the assessment and the implementation of the plan.

External Communication

Describe how the assessment should be communicated to the external stakeholders during the assessment and the implementation of the plan.

7. Monitoring and review

Describe corruption risk monitoring plan

ANNEXES

ANNEX I - CORRUPTION MANIFESTATION

In designing an anti-corruption program, the institution should define what it understands to be corruption and its various forms, as this will provide the reference for the risk assessment process. Transparency International defines corruption broadly as the abuse of entrusted power for private gain, but corruption can show itself in many ways. Some of the main forms are described below.

Bribery: This is the offering, promising, giving, accepting, or soliciting of an advantage as an inducement for an action, which is illegal, unethical, or a breach of trust or to refrain from acting. Bribery can be a financial or in-kind undue advantage that can be paid directly or through intermediaries.

Kickbacks: These are bribes fulfilled after an enterprise has awarded a contract to a customer. They take place in purchasing, contracting, or other departments responsible for decisions to award contracts. The supplier provides the bribe by kicking part of the contract fee back to the buyer, either directly or through an intermediary.

Facilitation payments: These are typically small payments made to secure or expedite the performance of a routine or necessary action to which the payer is entitled, legally or otherwise. They present concerns for entities as often payments are extorted in circumstances such as obtaining release of perishable goods from customs or seeking entry at the immigration desk.

Charitable and political donations, sponsorship, travel, and promotional expenses: These are legitimate activities for entities but can be abused by being used as a subterfuge for bribery. It should be noted that under the foreign bribery offences of many countries (in particular countries that are Party to the OECD Anti-Bribery Convention), there are risks attached to such transactions where it could be judged that an advantage has been given to a Foreign Public Official to obtain or retain business.

Conflict of interest: A conflict of interest occurs where a person or entity with a duty to the enterprise has a conflicting interest, duty, or commitment. Having a conflict of interest is not in itself corrupt, but corruption can arise where a director, employee, or contracted third party breaches the duty due to the entity by acting in regard to another interest.

Collusion: This can take various forms, of which the most common include bid rigging, cartels, and price-fixing:

Bid rigging: The way that conspiring competitors effectively raise prices in situations where purchasers acquire goods or services by soliciting competing bids. Essentially, competitors agree in advance who will submit the winning bid on a contract let through the competitive bidding process. As with price fixing (see below), it is not necessary that all bidders participate in the conspiracy.

Cartels: A secret agreement or collusion between enterprises to commit illicit actions or fraud. Typically this will involve price fixing, information sharing, or market rigging by setting quotas for production and supply.

Price fixing: An agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold. It is not necessary that the competitors agree to charge exactly the same price, or that every competitor in a given industry join the conspiracy. Price fixing can take many forms, and any agreement that restricts price competition may violate applicable competition laws.

Revolving door: This is corruption linked to the movement of high-level employees from public sector jobs to private sector jobs and vice versa. The main concerns relate to how the practice by an enterprise can compromise the impartiality and integrity of public office. For enterprises, there may be risks in discussing or promising future employment to public officials or using former public officials as board members, employees, or consultants.

Patronage: Favoritism in which a person is selected, regardless of qualifications, merit, or entitlement, for a job or benefit because of affiliations or connections.

Illegal information brokering: The brokering of corporate confidential information obtained by illegal methods.

Insider trading: Any securities transaction made when the person behind the trade is aware of non-public material information, and is hence violating his or her duty to maintain confidentiality of such knowledge.

Tax evasion: The illegal non-payment of tax to the government of a jurisdiction to which it is owed by a person, enterprise, or trust who should be a taxpayer in that place.

Annex I- IIFA TEMPLATES



I. Leadership and Commitment

The role that leadership plays in promoting integrity in the organization cannot be overemphasized. In a society where institutions need to be strengthened, leadership can determine the way an organization deals with the issue of integrity building. This dimension considers the importance of what a leader says and does. Senior leaders and officials are key in setting values and directions, in promoting, practicing and rewarding good governance, and in using performance management to proactively address ethical and accountability requirements.

The resolve of leadership to follow through on its statements and values determines the success of corruption prevention initiatives. Opportunities for abuse of authority should be carefully monitored. The agency should set clear organizational policies and structure in decision-making and accountability for senior leaders and officials.

(NOTE: If there is any legislation that requires public institutions to develop and implement dedicated anti-corruption or ethics strategies/programs/plans, it will need to be reflected in the table below.)

#	Indicators	Score	Source	Evidence
A. Institutional				
1.	Senior leadership issued and renews regularly (at least annually) written and verbal statements of the organization's commitment to anticorruption principles and ensures that the message filters down to all employees			
2.	Senior leadership ensures that key integrity and anticorruption agency-wide policies are developed and implemented (e.g. code of conduct, conflict of interest (COI), whistleblower reporting, complaint management, internal control, independence of the internal audit, and transparency and public accountability)			
3.	Senior leadership initiated the development, implementation, and monitoring of the achievements of an agency-wide integrity and anticorruption strategy and plan			
4.	Senior leadership allocates sufficient resources to ensure implementation or review of the anticorruption commitment			

5.	Senior leadership sets an example/right tone regarding integrity and ethical behavior (by making asset declaration known to staff, participating in ethics training, publicly recusing him/herself from decision making when in Col, etc.)			
B. Operational				
6.	Management demonstrates the importance of integrity and ethical values to all concerned by regular reminders to the staff and setting an example/right tone			
7.	Integrity and anticorruption measures within the agency are adopted through policies, guidance and training programs (e.g. code of conduct, conflict of interest, whistleblower reporting, complaint management, internal control, independence of the internal audit, and transparency and public accountability)			
8.	Integrity and anticorruption measures are operationalized throughout the agency in operational functions and key departments (e.g. stipulation of Col in procurement, verification of asset declaration in recruitment and promotion, ethical behaviors as part of the personnel performance evaluation, etc.)			
9.	Punishment for violation of integrity and ethics standards is inevitable and made public while good ethical behavior is encouraged and rewarded			
C. Human/Behavioral				
10.	In recruiting senior managers, their commitment to ethical leadership and high ethical standards is established			
11.	Employees are fully aware of the ethics and anticorruption policies and standards			
12.	Employees are regularly (at least once a year) trained in ethics and anticorruption			
13.	Employees strongly believe and value that the leadership is committed to integrity and anticorruption			
TOTAL SCORE				
Total possible highest score (multiply number of indicators used by 4 to get the highest possible score)				
% achieved				

Summary of findings:

Recommendations:

Possible sources for validation:

- Agency mandate
- Organizational structure/functional chart
- Agency Manual of Operations and Staff Handbook



2. Decision Making and Discretionary Power

Decision-making is an integral part of the administrative mechanism of any organization. The premise is that all decisions should be based on the principles of fairness, transparency, and accountability. Decisions should be reached lawfully, based on relevant considerations, or based on the merits of the case.

Discretionary power is power conferred upon an individual/body by statute or authority, and the exercise of these powers depends on judgment.

Discretionary powers should be exercised by public officials promptly, in good faith and in accordance with the provisions of the law. Accountability in the form of appropriate checks and balances should be present within the system to avoid corrupt practices going unchecked. The higher the discretion, the higher should be the level of accountability.

(NOTE: if there is any legislation that stipulates decision making processes or the exercise of discretionary powers, it will need to be reflected in the table below.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
1.	Policies and procedures for decision making process are established and in compliance with legal requirements [specify applicable legislation if in place]			
2.	Delegation of authority for decision making and division of tasks and responsibilities are clearly stipulated			
3.	Policy to guide decision-makers in exercising discretionary powers appropriately, consistently and fairly are established.			
B. Operational				
4.	Delegation of authority for decision making and division of tasks and responsibilities are documented, implemented and controlled			
5.	Discretionary powers in decision making process is exercised using sufficient criteria and procedures			
6.	Those exercising discretionary powers and making key decisions provide justifications in writing for all decisions that are based on acknowledged facts, without bias and observing the rules of procedural fairness			
7.	Proper records are kept on the decision making and the exercise of discretionary powers			
8.	The agency effectively uses an agency-wide comprehensive electronic document management system to log and track decisions			

9.	The decision making and the exercise of discretionary power is closely supervised			
10.	Reasons are provided to a party affected by a decision upon request			
11.	Parties affected by a decision is duly informed of their right of appeal and objections			
12.	A person affected by a decision is enabled to exercise any right of appeal and objections			
C. Human/behavioral				
13.	Managers and staff entrusted with the decision making and the discretionary powers have sufficient knowledge and experience in exercising discretionary powers			
14.	Managers and staff entrusted with the decision making and the discretionary powers are trained regularly			
15.	Improper use of discretionary powers is sanctioned (e.g. reprimand, withholding of performance incentive bonus)			
16.	Decision making and discretionary power policies are communicated to relevant staff			
<div style="text-align: right;">TOTAL SCORE</div> <hr/> <div style="text-align: right;"> Total possible highest score (multiply number of indicators used by 4 to get the highest possible score) </div> <hr/> <div style="text-align: right;">% achieved</div>				

Summary of findings:

Recommendations:

Possible sources for validation:

- Relevant legislation, executive orders or similar documents
- Agency policies, manuals, operating procedures
- Agency Manual of Operations and Staff Handbook
- Complaint records



3. Conflicts of Interest

Conflicts of interest (Col) are situations where the private or personal interests of a public official compete or conflict with his/her official duties. Understanding and managing conflict of interests are the most important aspects of building corruption resistance in an organization. Corruption in most cases arises because of conflicts between the public interest and private, professional or commercial interests. As such, management should have in place an appropriate mechanism where: conflicts of interest are addressed in relevant administrative and operational policies and procedures; staff understand, accept and comply with the policy; and those who would do business with the organization understand, accept and comply with the policy.

Private interests that constitute potential conflict of interest vulnerabilities include: financial and economic interests; family or private businesses; secondary employment; affiliations with for-profit and non-profit organizations, sporting bodies, clubs and associations; affiliations with political, trade union or professional organizations and other personal capacity interests; obligations to professional, community, ethnic, family or religious groups in a personal or professional capacity or relationships to people living in the same household; enmity or competition with another person or group; significant family or other relationships with clients, contractors or other staff working in the same (or a related) organization; high specialist skills in an area where demand for the skills frequently exceeds supply; and future employment prospects or plans (post-separation employment).

(NOTE: If there is any legislation regarding conflicts of interest, it will need to be added to the table below.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
1.	The agency has written Col policy that is consistent with the current code of conduct (CoC) national legislation			
2.	The agency's Col policies exceeds the current requirements of legislation and meets international best practices (indicate which)			
3.	The agency developed clear guidelines/manual that clearly stipulates specific types of Col and established procedures for managing (disclosing, recording and dealing) Col			
4.	Procedures for managing Col are included in the organization's administrative and organizational activities			
5.	The agency assigned a responsible officer to maintain the policy and manage Col			
6.	The duties of the agency's Col officer are clearly determined			

7.	The agency allocated sufficient resources for implementing Col			
8.	Col policy includes sanctions for any breach of the policy and procedures			
9.	Col policy and guidelines are reviewed and updated annually			
10.	Information on processes for managing Col is included in documents aimed at external stakeholders (such as a statement			
	of business ethics, client service charter)			
11.	Employees are required to complete a statement of private interests on commencement, annually or at another appropriate time			
B. Operational				
12.	The agency Col policy/guidance are regularly reviewed for effectiveness and updated			
13.	Col policy/guidance and procedures are made available and easily accessible (including in hard copies and on the intranet) to everyone within the agency			
14.	Col information and discussions on Col are included in induction process			
15.	The Col policy is actively promoted inside the agency and with external stakeholders			
16.	The Col officer provides advice and guidance to personnel on Col			
17.	The Col officer conducts annual training for all personnel on Col and how such conflicts should be managed in the context of their work			
18.	The Col is consistently enforced by a designated Col officer			
19.	Col is managed across and tailored to all organization's administrative and organizational activities			
20.	The consideration of Col issues are taken into consideration during the recruitment and promotion processes			
21.	Col disclosures are recorded properly and acted upon			
22.	The agency maintains proper channels for disclosing Col			
23.	Failure to disclose Col is sanctioned according to the established policies and procedures (e.g. reprimand, demotion, etc.)			
24.	Applicable provisions of the Col are included in contracts with external parties (e.g. suppliers)			

25.	Col policy is wide disseminated among relevant stakeholders			
26.	Procedures for disclosing and dealing with Col are included in the agency's procurement and disposal policy, recruitment and selection process, regulatory functions and secondary employment policy			
27.	Arrangements for addressing each Col are formally recorded so that the agency can demonstrate how each conflict of interest was managed			
C. Human/Behavioral				
28.	Personnel are aware and fully understand the Col provisions, as well as consequences for non-compliance.			
29.	All personnel attend annual training on Col and how such conflicts should be managed in the context of their work			
30.	Employees are confident they won't be vindicated for disclosing Col			
31.	Personnel disclose promptly any situation of Col			
32.	Personnel know where to seek advice about the Col policy and seek for such advice routinely			
<div style="text-align: right;">TOTAL SCORE</div> <hr/> <div style="text-align: right;"> Total possible highest score (multiply number of indicators used by 4 to get the highest possible score) </div> <hr/> <div style="text-align: right;">% achieved</div>				

Summary of findings:

Recommendations:

Possible sources for validation:

- Report on last orientation or training on the Col implemented and who attended
- Integration of the Col in specific functions of the agency, e.g. in bidding documents/contracts issued by the agency



4. Code of Conduct

A code of conduct (CoC) sets out the standards of behavior expected of staff. It defines desirable behavior for all types of work in the agency.

For the code of conduct to become an effective integrity enhancement measure, its form and content must be appropriate and relevant for the agency. The end goal of a code of conduct is to define the behavior of officers and employees and should therefore be communicated, promoted and taught to all personnel of the agency and integrated in the various aspects of its operation.

(NOTE: If there is any legislation regarding codes of conduct or a published CoC for the targeted agency, it will need to be added to the table below.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
1.	The agency has a written CoC policy			
2.	The agency's CoC policies exceeds the current requirements of current laws and meets international best practices			
3.	The agency developed clear guidelines/manual that includes concrete examples of ethically acceptable practices relevant to the different types of work carried out by the agency, particularly for high risk functions			
4.	A person(s) or a division is assigned to operationalize, oversee and enforce the implementation of CoC.			
5.	The duties of the agency's CoC officer(s) or a division are clearly determined			
6.	The agency allocated sufficient resources for implementing CoC			
7.	CoC policy includes sanctions for any breach of the policy and procedures			
8.	CoC policy and guidelines are reviewed and updated annually			
9.	Information on processes for managing CoC is included in documents aimed at external stakeholders (such as a statement of business ethics, client service charter)			
B. Operational				
10.	The agency CoC is regularly reviewed for effectiveness in			

	specifying and promoting the desired behavior of employees			
11.	The policy is available to everyone within the organization			
12.	All employees sign the CoC at their induction into the public service or at the commencement of their orientation program.			
13.	Personnel are trained annually on CoC			
14.	Each employee is provided with a copy of the code for which s/he should acknowledge receipt			
15.	The CoC included in an employee handbook or policy manual or some other formal document so that it can be referred to when needed			
16.	The CoC is actively promoted inside the agency and featured in agency publications			
17.	The CoC is consistently enforced, with managers having clear tasks of promoting and monitoring compliance			
18.	The agency CoC is integrated in all the operating systems of the agency (e.g. human resource management, performance management, procurement, internal reporting and investigation, and line operations)			
19.	Disclosures of employees from Asset Declarations are taken into consideration in decision-making (e.g. staff movement).			
20.	Compliance with the prohibition of political participation is sufficiently monitored according to the established procedure			
21.	Sensitive information is safeguarded and official information is managed properly according to the established policies and procedures			
22.	Use of public funds, properties and facilities effectively monitored and managed according to the established procedures			
23.	Filing complaints related to sexual harassments enabled sufficiently by established policies and procedures			
24.	Ethical misconduct is sanctioned according to the established policies and procedures (e.g. reprimand, demotion, firing, etc.)			
25.	Employees' record of adherence to or violation of the agency CoC is taken into consideration during promotion			
26.	Good ethical behavior performance is rewarded (e.g. commendation, cash bonus, promotion, etc.)			

27.	Applicable provisions of the CoC are included in contracts with external parties (e.g. suppliers)			
28.	Suppliers who have violated applicable provisions of the CoC are blacklisted and disqualified from participating in all procurement related activities of the agency			
C. Human/Behavioral				
29.	Personnel are aware and fully understand provisions of the CoC, as well as consequences for non-compliance.			
30.	All personnel attend annual training on CoC			
31.	Employees are confident they won't be vindicated for reporting violations of CoC			
32.	Personnel routinely submit their annual Asset Declarations			
33.	Personnel promptly report on violation of CoC when observe it			
34.	Personnel know where to seek advice about the CoC policy			
TOTAL SCORE				
Total possible highest score (multiply number of indicators used by 4 to get the highest possible score)				
% achieved				

Summary of findings:

Recommendations:

Possible sources for validation:

- Report on last orientation or training on the code of conduct implemented and who attended
- Agency Manual of Operations and Staff Handbook
- Integration of the Code in specific functions of the agency, e.g. in bidding documents/contracts issued by the agency



5. Gifts and Benefits

Gifts and benefits are offered innocently or as bribes. Similarly, the public officials' work may place them in a situation where they could give or receive personal benefits, which might include preferential treatment, promotion or access to information. The acceptance of a gift or benefit can in some circumstances create a sense of obligation that may compromise the employee's honesty and impartiality. Agencies need to have policies and procedures in place to deal with gifts and benefits and also need to promote their policies and procedures to their

staff/officials and clients. A step in ensuring that agencies deal effectively with offers of gifts and benefits is to establish a gift register and ensure that all staff (and where necessary, the community and clients as well) is fully aware of it. The register should document information such as: name of the person and/or organization offering the gift, the type of gift, value of the gift, and decision taken regarding what should happen to the gift.

(NOTE: If there is any legislation or regulations regarding gifts and benefits, it will need to be added to the table below.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
1.	The agency has a written policy on receiving and reporting gifts and benefits with relevant examples that is consistent with the law			
2.	A person(s) or a division is assigned to operationalize, oversee and enforce the implementation of the gifts and benefits policies.			
3.	Gifts and benefits register is established			
4.	The agency allocated sufficient resources for implementing gifts and benefit management system			
B. Operational				
5.	The gifts and benefits policy is made known to all officials and staff of the agency periodically			
6.	The policies on acceptance of gifts and benefits and offers of bribe are consistently enforced			
7.	Responsible persons for monitoring compliance with the policies implement their responsibilities properly in accordance with the CoC and the agency's policies.			
8.	The gifts and benefits policy is made known to clients and suppliers and other stakeholders of the agency			
9.	Bidding documents issued by the agency inform potential suppliers/contractors that gifts and benefits should not be			

	offered to employees			
10.	The gifts and benefits received by the agency or through any of its officials and staff are routinely documented in an official register			
11.	The gifts and benefits received and documented are disposed of according to procedures defined in the policy			
12.	The register and manner of disposal of gifts and benefits are available for examination by internal and external stakeholders			
13.	Rewards are given to officials and staff who report offers of bribes			
14.	Sanctions are applied to officials and staff who fail to comply with the policy on gifts and benefits			
15.	The gifts and benefits in register and reported bribes are regularly reviewed and examined vis-à-vis treatment of agency's stakeholders			
16.	Results of the review are considered in strengthening the gifts and benefits policy of the agency			
C. Human/Behavioral				
17.	Personnel are aware and fully understand the bribery, gifts and benefits policies and procedures, as well as consequences for non-compliance			
18.	Personnel are trained on annual basis on the bribery, gifts and benefits policies and procedures.			
19.	Each employee is provided with a copy of the CoC that has provision regarding bribery, gifts and benefits			
20.	Personnel report gifts and offered benefits according to the established policies and procedures			
21.	Employees are confident there will be no reprisal against them for reporting offered bribes, gifts and benefits			
<div>TOTAL SCORE</div> <div> Total possible highest score (multiply number of indicators used by 4 to get the highest possible score) </div> <div>% achieved</div>				

Summary of findings:

Recommendations:

Possible sources for validation:

- Agency Manual of Operations
- Agency policies (memo, orders on gifts, benefits, and bribery)



6. Whistleblowing and Internal Reporting

Whistleblowing should be encouraged in every agency, as it is one of the fastest ways of detecting corruption, though admittedly it is one of the most difficult things officials and staff can do. Many times, reporting has led to harassment of the whistleblower, or worse, complete reversal of the case where the whistleblower becomes the offender. Incentives and whistleblower protection are therefore necessary to encourage employees to report corrupt behavior or practices. Protected disclosures and easy procedures for internal reporting and a good witness protection scheme should be established within the agencies.

(NOTE: If there is any legislation or regulation regarding whistleblowing, protections for whistleblowers or internal reporting, it will need to be added to the table below.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
1.	The agency has a written policy/guideline that is in compliance with the current legislation on whistleblowing and internal reporting			
2.	The policy/guideline provides clear procedures for reporting corruption and malpractices			
3.	The agency assigned a designated personnel to manage and implement internal reporting system			
4.	The policy/guideline provides sufficient level of independence and authority for the personnel managing internal reporting system			

5.	The policy/guideline sets a standard processing time and specifies roles and responsibilities for accepting reports, conducting investigations, and giving advice to employees who want to report corruption			
6.	Confidentiality clauses are provided to ensure the protection of employees who report on corruption and malpractices			
7.	Provisions are in place for disciplinary actions against staff who unnecessarily breach the confidentiality of a disclosure			
8.	The agency allocated sufficient resources for implementing internal complaint management systems			
9.	The agency set requirements for regularly assessment whether the internal reporting and investigation system is being used or perceived as an effective mechanism to prevent corrupt practices			
B. Operational				
10.	The agency regularly (at least annually) disseminates information among personnel on how to report corruption and how reports are handled including the disposition of complaints or cases			
11.	The agency provides convenient and confidential channels and means for lodging reports (such as dedicated consultation rooms, telephone line/s, e-mail)			
12.	Personnel managing internal reporting system follow policy/guideline for accepting, processing, investigating and following up on the complaint reports			
13.	Personnel managing internal reporting system exercise sufficient level of independence and authority, and do not experience inappropriate interference			
14.	Confidentiality is strictly observed by the personnel managing internal reporting system			
15.	Proper record are kept of disclosures and actions taken			
16.	The agency conducts investigations of reported corruption and tracks complaints/cases until final action is taken			
17.	The agency protects employees who report corrupt behavior			
18.	The agency rewards employees who report corrupt behavior			
19.	The agency informs all personnel about sanctions taken against officials committed corruption offences and abuse of			

	power			
20.	The agency imposes appropriate sanctions to reported erring employees and officials			
21.	Results of the review are used to strengthen corruption risk management and enhance the internal reporting and investigation process			
C. Human/Behavioral				
22.	Personnel managing internal reporting system receive appropriate training and annual re-training			
23.	Personnel managing internal reporting system demonstrate knowledge of policies and procedures and the capability for processing complaints			
24.	All personnel receive sufficient instructions/information about policies and procedures of the internal reporting system annually			
25.	All personnel are fully aware about policies and procedures of the internal reporting system including lodging complaints, confidentiality, responsibility, etc.			
26.	All personnel are confident that their complaints will be reviewed fairly and they won't be victimized for filing complaints.			
<div>TOTAL SCORE</div> <div> <div> Total possible highest score (multiply number of indicators used by 4 to get the highest possible score) </div> <div>% achieved</div> </div>				

Summary of findings:

Recommendations:

Possible sources for validation:

- Agency policies and or guidelines on internal reporting
- Number of reports vs. investigations made by the agency

- Number of cases sanctioned and nature of sanctions given
- Agency guidelines for monitoring/follow-up or follow-through mechanisms particularly if actions are delegated to field units
- Agency Manual of Operations
- Agency Administrative Reports
- Policy on Protected Disclosure



7. Complaint Management

A complaint handling system is an appropriate mechanism for recording and responding to complaints. It is an effective way to aim at customer satisfaction and at the same time to provide instances where unethical behaviors on the part of employees can be disclosed. An effective complaints handling system is an essential part of providing quality service. It provides positive feedback about aspects of the service that work well, and is a useful source of information for improvement.

(NOTE: If there is any legislation or regulation regarding complaint management, it will need to be reflected in the table below.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
1.	The agency has a complaints handling policy and procedures in place, which is consistent with relevant guidelines and addresses how complaints may be lodged (provide reference if such legislation exists)			
2.	The handling procedures assigns roles and responsibilities for taking, recording and analyzing complaints, publicizing the system and providing feedback to complainers			
3.	The agency allocated sufficient resources for implementing complaint management systems			
B. Operational				
4.	The agency keeps centralized records of complaints, even though complaints might be handled in the local workplace (which may be geographically separate from the central office)			
5.	The complaints handling system has been reviewed regularly (in the last 12 months) and necessary changes introduced			
6.	The use of complaint forms is made it easy for customers to lodge complaints and receive feedback			
7.	Stakeholders/customers fully utilize the complaints process			
8.	The complaints handling procedure is promoted to customers, contractors and others the agency deals with			
9.	Information provided by complaints is fully utilized to inform and enhance agency polices and operations and anticorruption measures			

10.	Information from complaints is collected and recorded in a way that allows for comprehensive analysis of the level of effectiveness of the system and the identification of emerging complaint patterns.			
11.	The organization established performance standards to measure the efficiency and effectiveness of the complaint handling system, one measurement being: <i>Time taken to resolve problems</i>			
12.	Substantiated complains against agency's personnel results in sanctions and measures for improve personnel performance.			

13.	Complaints pertaining corruption and abuse of power are forwarded to the authorized agencies in accordance to the established procedures for formal investigation			
C. Human/Behavior				
14.	All complaints handling officers demonstrate knowledge of policies and procedures and the capability for processing complaints			
15.	All complaints handling officers receive appropriate training and have regular annual re-training			
16.	All personnel have received information on the complaints handling policy and procedure in the past 12 months			
<div style="text-align: right;">TOTAL SCORE</div> <div style="text-align: center;"> <u>Total possible highest score (multiply number of indicators used by 4 to get the highest possible score)</u> % achieved </div>				

Summary of findings:

Recommendations:

Possible sources for validation:

- Agency policies and or guidelines on complaint reporting
- Number of reports vs. investigations made by the agency
- Number of cases sanctioned and nature of sanctions given
- Agency guidelines for monitoring/follow-up or follow-through mechanisms particularly if actions are delegated to field units
- Agency Manual of Operations
- Agency Administrative Reports
- Policy on Protected Disclosure



8. Management and Internal Control

A well-structured management and internal control system in a public sector organization helps to detect and prevent public sector corruption and unethical behavior. This includes establishing standardized procedures for the essential operations for staff compliance, segregation of duties and functions to allow for proper checks and balances particularly for positions which are susceptible to abuse or corruption, effective supervisory control, and information security among other measures. Management and internal control should also have effective enforcement policies and procedures to make punishment for corruption and wrongdoings predictable and unavoidable.

There are some international standards and best practices in the internal control area. This includes the Integrated Framework for internal control by the COSO (Committee of Sponsoring Organizations of the Treadway Commission)⁴ and International Organization of Supreme Audit Institutions (INTOSAI)

(NOTE: If there are any legislation or standards for internal control systems, it needs to be described and the statements in the table below reviewed accordingly.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
1.	Responsibilities of staff at all levels, including their role, duty, authority and chain of command are clearly defined			
2.	Responsibilities for authorizations and approvals are clearly stated			
3.	Duties and functions are segregated to allow for proper checks and balances (particularly for positions which are susceptible to abuse or corruption)			
4.	The procedures for the essential operations (e.g. procurement, recruiting, financial management, etc.) for staff compliance are laid down			
5.	Internal control policy is clearly laid down in the agency policy			
6.	Internal control policy is regularly reviewed in the light of changes and new trends			
7.	Channels for complaints by staff, customers and service providers are established and publicized			
B. Operational				
8.	Personnel tasks are carried out in accordance with rules and procedure			
9.	Internal control policy is regularly communicated to all employees through briefing and training (annually)			

10.	The agency uses an agency-wide comprehensive electronic document management system allowing to effective and timely internal control			
11.	Supervisory control is exercised at different levels of operations to deter and detect any undue irregularities			
12.	Supervisors conduct routine control that includes authorizations and approvals, verifications, physical controls, and reconciliations.			
13.	Supervisors conduct surprise checks to ensure compliance with all laid down rules and procedures			
14.	Sensitive and confidential information is properly classified; and measures to prevent access to sensitive and confidential information are adopted and observed			
15.	Staff is rotated on a defined time period			
16.	Early warning systems are established that allow management to identify and correct violations of policies and procedures			
17.	Accountability is established so that personnel can be held accountable for their actions or when they violate policies and procedures			
18.	IT policy is established stipulating all policies governing IT security norms, the use of information, IT equipment, exchange of information and connectivity issues			
19.	Management information reports is produced on a regular basis to report on any irregularities and disciplinary action taken			
20.	Disciplinary actions taken against personnel that violated rule are make public within the agency			
C. Human/Behavioral				
21.	All personnel receive sufficient instructions/information about internal control system annually			
22.	All personnel is fully aware of policies and procedures of internal controls			
23.	All personnel fully observe norms and standards required from them by the agency			
TOTAL SCORE Total possible highest score (multiply number of indicators used by 4 to get the highest possible score)				

⁴ <https://www.coso.org/Pages/default.aspx>

Summary of findings:

Recommendations:

Possible sources for validation:

- Agency policies, manuals, and operating procedures
- Internal audit reports



9. Internal Audit

Internal audits provide for systematic scrutiny of an organization's operations, systems and performance. As such, the internal audit function is an essential corruption prevention strategy. Many public bodies have internal audit units as a way of monitoring compliance with internal control procedures. Such units evaluate the organization, its procedures and general discipline with the aim of finding weak points and making recommendations on how to eliminate them.

Internal auditing needs to be independent, and internal auditors should be able to conduct their work objectively. Internal auditors should be operationally independent, independent from management, independent in reporting and independent as individuals. Management should follow up on the audit recommendations.

There are international standards that an agency may require or select to meet, such as guidelines by the International Organization of Supreme Audit Institutions (INTOSAI)⁶ or the International Professional Practices Framework (IPPF) by the Global Institute of Internal Auditors.⁷

(NOTE: If there is any legislation or standards for the internal audit, it needs to be described and the indicators in the table below reviewed accordingly.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
I.	The agency has internal audit polices that are aligned with the [specify legislation regarding internal audit or applicable international standard]			

2.	The agency has an internal audit plan that identifies key vulnerabilities relevant to the work of the agency including corruption			
3.	The agency has a strategy for regularly reviewing the internal audit plan and implementing the outcomes of the reviews			
4.	Internal auditors are provided sufficient level of independence to carry out audit and report on finding			
B. Operational				
5.	Internal audits are conducted regularly according to the plan and established policies			
6.	Internal auditing is independent, and internal auditors conduct audit objectively			
7.	The internal audit function is directly responsible to senior management			
8.	Responsibility for directing the implementation of internal audit findings and recommendations has been allocated to a senior manager			
9.	The internal audit process includes random sample auditing of the agency's key corruption risk areas as a regular function of the auditing process			
10.	Internal audit has full access to information for conducting audit			
11.	Remedial outcomes of the internal audit have been implemented			
12.	An audit committee oversees the internal audit function			
13.	An audit committee pre-approves all auditing services			
14.	An audit committee resolves any disagreement between management and the auditor regarding audits			
C. Human/Behavioral				
15.	Internal auditors' skills are maintained and enhanced effectively through regular training			
16.	Internal auditors are qualified according to industry standards			
TOTAL SCORE				
Total possible highest score (multiply number of indicators used by 4 to get the highest possible score)				

⁶ <http://www.intosai.org/issai-executive-summaries/4-auditing-guidelines/general-auditing-guidelines.html>

⁷ <https://global.theiia.org/standards-guidance/Pages/Standards-and-Guidance-IPPF.aspx>

Summary of findings:

Recommendations:

Possible sources for validation:

- Agency policies, manuals, and operating procedures
- Internal audit reports



10. Transparency and Access to Information

Operating transparently and disclosing key information to public governmental institutions enhance public scrutiny of an agency and disincentivizes officials from getting engaged in corruption. A Freedom of Information Act (FOIA) or open data policies grant citizens the right to receive public information from any public agency regarding its core functions, nature of its activities and operations, and the information it possesses. FOIA typically requires public agencies to provide citizens with information in user-friendly format and on a timely basis using a variety of channels. FOIA also specifies the types of information that are not subject to public disclosure. Each agency is required to have an authorized person/s to implement FOIA.

(NOTE: If there is any legislation regarding transparency, open data, and access to information, it will need to be added to the table below.)

#	Indicators	Score	Sources	Evidence
A. Institutional				
1.	The agency has a policy for making public information regarding core functions, nature of its activities and operations, and the information it possesses.			
2.	The agency established procedures for making and responding to requests for information that are in compliance with open data policies			
3.	The agency reviews open data policy and procedures regularly for further improvement.			
4.	The agency has clear and user-friendly forms for requesting public information			
5.	The agency has a designated person/s responsible for implementing open data			
6.	The agency has clear policy about costs associated with providing with information (photocopying, transcribing, scanning or other forms of reproduction)			
7.	The agency allocated sufficient resources for implementing open data policies			
B. Operational				

8.	The agency publishes information on a timely basis and maintains published information (concerning legislation; policies, procedures and rules; budgets; financial accounts; contracts; org. chart including lines of reporting; complaint procedures; other information that enables the public to deal with the authority and/or monitor its performance)			
9.	The information required for automatic publication is easily available on and downloadable from the agency's website			
10.	The agency has information billboards, desks and public computers with information that is required to be automatically available for public			
11.	Access to the agency public information is widely accessible and user-friendly format including hard and soft copies			
12.	The agency enables citizens to request information in writing, by electronic mail, or orally in person, or by any alternative means (please describe) and use the same channels for responding to requests			
13.	The agency does not require citizens to provide reason for requesting any public information			
14.	The agency responds to every request for information within thirty (30) calendar days; provided that this period shall be extended once upon showing of a reasonable cause			
15.	The agency makes public information about costs associated with providing with information (photocopying, transcribing, scanning or other forms of reproduction)			
16.	The agency automatically transfers the request to the public authority or private entity known or believed to hold the requested information 15 days after receipt of the request and with prompt notice served the requester (if the first transfer was done to a wrong entity, the agency transfer the request to another entity within 10 working days).			
17.	The agency has a list of the data and information exempted from disclosure to the public. The list in full compliance with national policies.			
18.	The agency sanctions those who violated FOIA according to established internal policies			
19.	The agency does not have complaints from the public regarding the implementation of the FOIA			

C. Human/Behavioral				
20.	Information officer/s have sufficient knowledge and competency to effectively implement FOIA requirements			
21.	Information officer/s are trained once a year to refresh their knowledge and competency			
22.	Information officer/s instruct agency personnel on annual basis about the FOIA requirements and the agency policies and procedures			
23.	Personnel exhibit understanding of the value and the requirements of the FOIA and full compliance with it.			
<div>TOTAL SCORE</div> <div> Total possible highest score (multiply number of indicators used by 4 to get the highest possible score) </div> <div>% achieved</div>				

Summary of findings:

Recommendations:

Possible sources for validation:

- Agency policies, manuals, and operating procedures
- Agency's website
- Record of the requests for information and responses
- Record of filed complaints against the agency

ANNEX 3. TEMPLATE OF THE RISK ASSESSMENT PLAN

No	Tasks	Activities	Responsible	Start Date	End Date
1					
2					
3					
4					
5					

ANNEX 4. STAKEHOLDER MAPING TEMPLATE

Stakeholders	Interest & Influence
INTERNAL	
Head of the Procurement Department	Approve procurement plan, RFPs. Sign contracts.
Procurement Managers	Develop procurement plans, develop RFP, select evaluation committee, etc.
IGs	Conduct procurement audits
.....	
EXTERNAL	
Procurement participants (businesses)	Participate in procurements
Business associations	Represent rights of procurement participants
NGOs	Monitor procurements
.....	

ANNEX 5. CONTEXT ANALYSIS TEMPLATE

Internal context – internal environment and factors that impact or define corruption practices.

Analyze:

- Objectives;
- Organizational structure;
- Composition of the management and authority/responsibility;
- Personnel – composition, number, management;
- Legal and regulatory framework;
- Decision making process.

External context – the environment and factors that can influence corruption (financial dependency, personnel appointment, policy/regulation approval, etc.). Analyze:

- Key integrity policies: Ethics, Conflict of Interest policies, Transparency & Access to Information, Accountability (external), Complaint management, Whistleblowing, etc.
- Budgeting;
- Jurisdiction and subordination;
- Appointment and dismissal of the key management;
- HR management;
- Internal control system and audit;
- Information management systems;
- External accountability.

ANNEX 6. PROCESS MODELLING

ANNEX 7. TEMPLATE OF THE CORRUPTION RISK ASSESSMENT AND RESPONSE PLAN

Process	Staff	Corruption vulnerability	Corruption threat	Corruption risk description	Existing control	Risk level		
						L	I	R
Licensing								
1. Filing license application	Clerk	1.1 Excessive list of documents required to be submitted by applicants for license application	Extortion, Bribery	1.1. Excessive list of documents mandated by the law when applying for licenses requires a lot of time and direct contacts between an applicant and public agencies. It paves the way for bribery and extortion in order to illegally expedite the process. Long list of documents also increases probability of mistakes that can lead to corruption during the document review process.	List of documents required to be submitted is strictly and clearly stipulated in the law. 10% of the application processing is the subject for verification.	4	2	8

Process	Corruption risk description	Existing control	Risk level			Goal	Risk response	Targets	Residual risks			Costs	Obstacles/ opportunities	Responsible	Time frame	Monitoring
			L	I	R				L	I	R					
Licensing																
1. Filing license application	1.1. Excessive list of documents mandated by the law when applying for licenses requires a lot of time and direct contacts between an applicant and public agencies. It paves the way for bribery and extortion in order to illegally expedite the process. Long list of documents also	List of documents required to be submitted is strictly and clearly stipulated in the law. 10% of the application	4	2	8	Reducing likelihood & impact	1. Reduce number of the required documents 2. Implement systems of obtaining documents from other public	1. Number of the documents reduced by 30% 2. In 50% of cases the documents are obtained from other	2	1	2	-	Amend Licensing Regulations	Head of the Licensing Department	Apr-17	Feb & Mar 2017

	increases probability of mistakes that can lead to corruption during the document review process.	processing is the subject for verification.					institutions directly.	public institutions directly							
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ANNEX 8. TEMPLATE OF THE NARRATIVE CORRUPTION RISK ASSESSMENT AND RESPONSE PLAN