CleanGovBiz
Integrity in practice

Public sector integrity: Providing services efficiently

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The CleanGovBiz Initiative supports governments, business and civil society in their efforts to build integrity and fight corruption. The initiative draws together existing instruments, reinforces their implementation, improves co-ordination among relevant players and monitors progress towards integrity.

The CleanGovBiz toolkit provides guidance on how corruption can best be tackled in different policy areas and offers access to relevant standards and instruments.

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Public sector integrity: providing services efficiently

The global crisis and its aftermath have seriously challenged the relationship between citizens and government. Efforts to strengthen public institutions need to be comprehensive and multi-faceted. In this context fostering transparency and integrity in the public sector and in its interactions with other stakeholders is essential to re-establish public trust in government and lay the foundations for long-term sustainable growth.

Promoting a culture of integrity requires coherent efforts to define expected standards of conduct, provide guidance and incentives, as well as monitor them in daily practice to ensure compliance. It also calls for pro-active efforts of governments to anticipate risks to integrity, identify sources of corruption and apply tailored countermeasures. Last but not least transparency is increasingly used as an instrument to foster accountability and control in relation to government functioning and processes to reinforce public trust.

Drawing on good practice from OECD and G20 economies, the OECD has developed OECD Recommendations to help governments ensure that openness and integrity translate into concrete improvements in key government activities. Key instruments include in particular:

- The Principles for Improving Ethical Conduct in the Public Service

- The Guidelines for Managing Conflict of Interest in the Public Service and the Post-Public Employment Principles

- The Guiding Principles for Open and Inclusive Policy Making

These instruments provide guidance for countries to implement international standards against corruption within the public sector in line with international good practice. They also support governments in the implementation of commitments in the framework of the Open Government Partnership in relation to corruption prevention. OECD instruments on public sector integrity are complementary to the work of the OECD on the "supply side" of bribery that is

carried under the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

To be effective efforts to promote transparency and integrity in the public sector need to be embedded in stable regulations that promote a level playing field for all stakeholders. OECD has a number of instruments to guide governments in these areas, such as the 2012 Principles for Regulatory Quality and Performance as well as the 2010 Principles for Transparency and Integrity in Lobbying, which can be found in the respective chapters of the Toolkit.

Also public sector integrity efforts will only be effective if they are supported by sound public governance conditions, such as transparent financial management, sound public procurement and merit-based human resource management. OECD has also developed instruments in these areas, in particular the Principles for Integrity in Public Procurement as well as the Best Practices for Budget Transparency which are presented in other pillars of the Toolkit.

Priority checklist

1. Enabling environment - Do political leaders demonstrate high standards of propriety in the discharge of their official duties?

2. Integrity standards - Do public officials know the fundamental values of the public service and standards of conduct to apply in their daily work?

3. Risk mapping - Have risks to integrity been identified in key government activities and were countermeasures developed to manage these risks?

4. Controls - Are effective internal control mechanisms in place and are they closely coordinated with external controls to avoid loopholes?

5. Openness – Are mechanisms in place to enable civil society organisations, media and the wider public to scrutinise government actions?

Implementation guidance

This guidance helps governments in addressing vulnerabilities to corruption as well as to assessing the implementation deficit of integrity measures in individual public organisations.
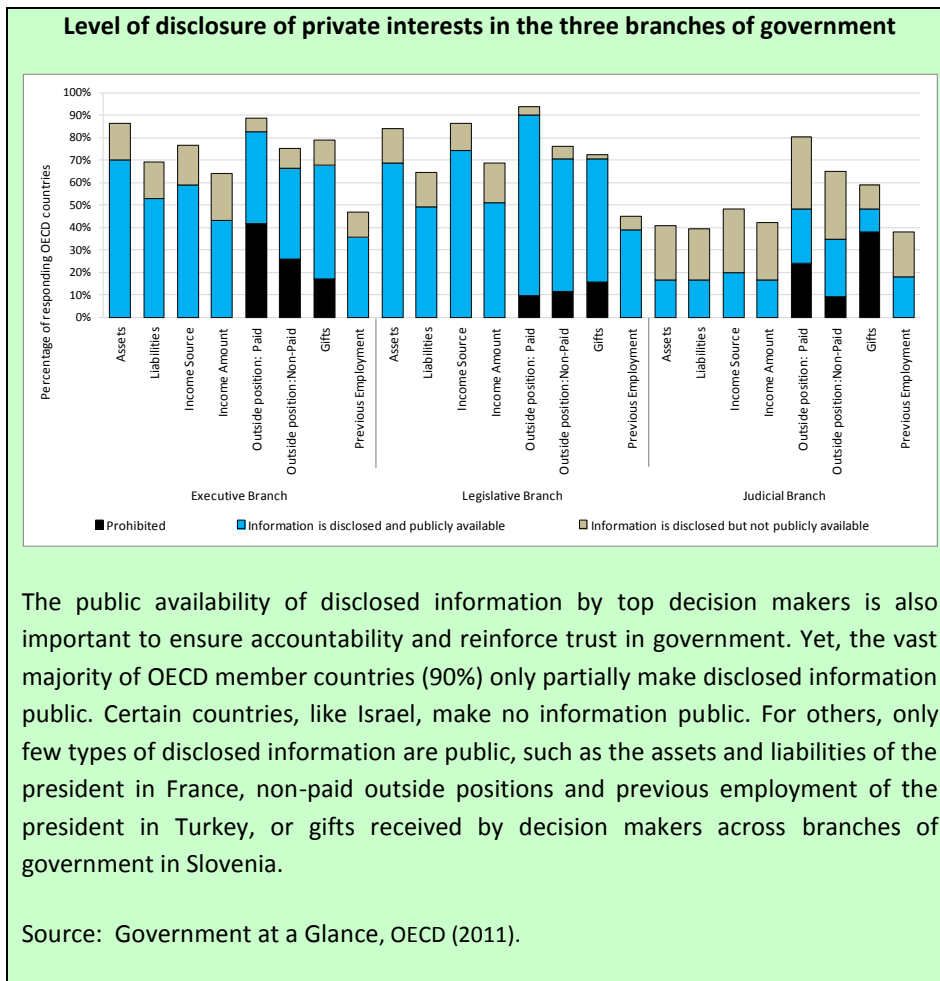
1. Enabling environment- Do political leaders demonstrate high standards of propriety in the discharge of their official duties?

Political leaders are responsible for maintaining a high standard of propriety in the discharge of their official duties. In particular they need to lead by example in the management of their private interests to prevent conflict of interest and demonstrate to the public that they are impartial stewards of the public interest. For example the public disclosure of private interests by political leaders contributes to fostering openness and maintaining public trust. Both political leaders and managers in individual public organisations play an important role model for other public officials by demonstrating what the expected standard is in their daily professional conduct.

Moreover, politicians should demonstrate their commitment not only by their personal example but also by taking action, for instance by creating legislative and institutional arrangements that promote a culture of integrity in government and create sanctions against wrongdoing. For example, to promote transparency in political financing many OECD countries regulate private funding to safeguard the independence of political parties. Also, political leaders need to 'walk the talk' by providing adequate support and budget for anti-corruption activities.

**Disclosure of private interests by top
decision makers in government**

In OECD member countries, the disclosure of private interests by top decision makers is a common practice. The level of disclosure in the executive and legislative branches is comparably high relative to disclosure requirements in the judiciary. For example, top decision makers within the executive and legislature are required to disclose private assets in 81% and 87% of OECD countries, respectively. For officials working in the judiciary, however, only 42% of countries require the same. In some countries such as Hungary and Korea certain family members of top decision makers are also required to file separate disclosure statements. Paid outside positions are the most regulated private interests across the three branches of government.

Level of disclosure of private interests in the three branches of government

The public availability of disclosed information by top decision makers is also important to ensure accountability and reinforce trust in government. Yet, the vast majority of OECD member countries (90%) only partially make disclosed information public. Certain countries, like Israel, make no information public. For others, only few types of disclosed information are public, such as the assets and liabilities of the president in France, non-paid outside positions and previous employment of the president in Turkey, or gifts received by decision makers across branches of government in Slovenia.

Source: Government at a Glance, OECD (2011).

2. Integrity standards – Do public officials know the fundamental values of the public service and standards of conduct to apply in their daily work?

Public officials need to know the fundamental values of the public service and the standards of conduct they are expected to apply to their work, including where the boundaries for acceptable behavior lie.

In particular a concise statement of standards of conduct expected of public officials, for example in the form of a code of conduct, helps create a common understanding within the government and the wider public. Also an increasing number of countries have developed specific conflict-of-interest standards, in line with the approach of the OECD *Guidelines for Managing Conflict of Interest in the*

Public Service. Experience of OECD countries shows the importance of the process of developing the code to ensure the implementation of standards of conduct.

Also, these standards of conduct should be embedded in laws to provide a comprehensive framework for corruption prevention, whistle blowing, investigation, and enforcement (e.g. for disciplinary action).

Guidance and internal consultation mechanisms help public officials apply basic standards of conduct in the workplace, for example when confronted with conflict-of-interest situations (e.g. receipt of a gift, validation before taking on additional employment). For example counseling and integrity training develop the capacity of public officials to resolve integrity dilemmas and ensure that their decisions are not biased by private interests. Also, public officials should know their rights and obligations in terms of exposing potential wrongdoing within the public service.

Codes of conduct in Austria and Canada

In Austria the 2008 Code of Conduct for the Civil Service was drawn up by a working group consisting of experts from ministries, highest offices and from regional and local authorities based on applicable law for all public sector employees (federal, local, municipal level). In order to ensure the comprehensive implementation of the Code, a special training programme based on a multi-level training approach was set up by the Federal Administrative Academy.

In Canada the Values and Ethics Code for the Public Sector sets forth the values and ethics of public service to guide and support public servants in all their professional activities. It also defines conflict of interest and post-employment measures. All federal public sector employees are required to adhere to the Code as a term and condition of employment. The code, which came into force in April 2012, applies to the entire public sector, which includes separate employers and parent Crown corporations. The Treasury Board of Canada Secretariat has also developed a separate Policy on Conflict of Interest and Post-Employment to complement the Public Sector Code.

Source: OECD Joint Learning Study: Implementing a Code of Conduct for the Public Sector in Jordan, OECD (2010).

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3. Risk mapping – Have risks to integrity been identified in key government activities and were countermeasures developed to manage these risks?

Promoting a culture of integrity requires to anticipate risks to integrity, identify sources of corruption and apply tailored countermeasures. Governments can map out risks to integrity in relation to specific government activities or positions with a view to strengthening the organisational resilience in response to integrity violations. The breaking down of barriers between public and private sectors has also created new risks to integrity, for example in the movement of personnel between the public and private sectors or in new forms of cooperation between the government and other actors such as public/private partnerships, contracting out, co-production or sponsorships.

Preventing risks to integrity is particularly important for good governance. In particular ensuring that the integrity of government decision-making is not compromised by public officials' private interests is a growing public concern. Accordingly governments have increasingly developed countermeasures to prevent conflict of interest in the public service. For example many governments have introduced a cooling-off period for public officials before taking on certain types of new employment outside the public service, which may create a conflict of interest. Also some governments have introduced specific restrictions in the form of incompatibilities (e.g. prohibition to cumulate different positions).

Mapping out vulnerability to integrity breaches in the Netherlands

The Netherlands Court of Audit in co-operation with the Ministry of the Interior and the Bureau of Integrity of the City of Amsterdam have developed the Self-Assessment Integrity (SAINT) tool. SAINT is a self-diagnosis tool to help public organisations assess their vulnerability to integrity violations and resilience in response to those violations.

SAINT also yields recommendations on how to improve integrity management. Under the expert leadership of a trained moderator, the participants formulate recommendations for their own organisation. The report explains to management where urgent measures must be taken to strengthen the organisation's resilience in response to integrity violations. Participants assess the maturity of the integrity measures that together form the organisation's integrity management system:
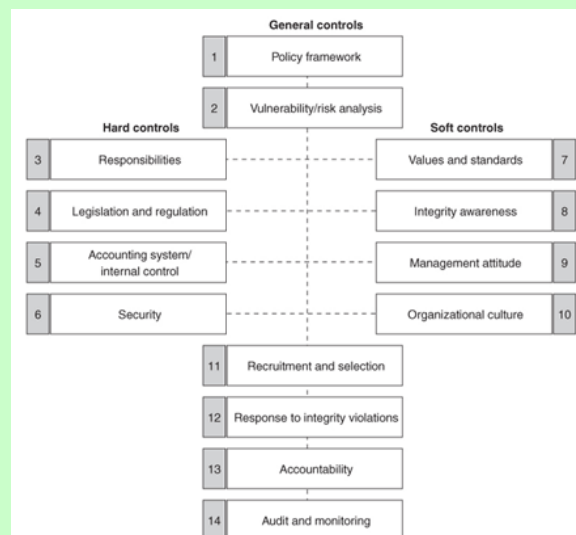
Source : Benner, H. and I. de Haan (2008), "SAINT: A Tool to Assess the Integrity of Public Sector Organisations," *International Journal of Government Auditing*, April 2008, *www.intosaijournal.org/pdf/april2008.pdf.*

4. Controls - Are effective internal control mechanisms in place and are they closely coordinated with external controls to avoid loopholes?

Internal controls provide a reasonable assurance that public organisations deliver quality services in an efficient manner, in accordance with planned outcomes, safeguard public resources against waste; maintain reliable financial and management information; and comply with applicable legislation. Internal controls can be effective to prevent corruption provided that there a number of guarantees in place to ensure the independence of internal audit, including the adequate capability of internal auditors (see box below).

At level of the individual public organisation a clear chain of responsibility is key for defining the authority for approval, based on an appropriate segregation of duties, as well as the obligations for internal reporting. In case of delegated authority it is important to explicitly define the delegation of power of signature, the acknowledgement of responsibility and the obligation for signature. Also it is imperative to track decisions with adequate records in writing or through electronic means. Without adequate records there is no trail to audit or enable public scrutiny.

> ### Real-time transparency of budget execution in Brazil
>
> The OECD carried out a survey in 73 ministries from 12 countries in 2010, which drew lessons on how internal control and audit can effectively help prevent corruption. The following conditions were identified, notably:
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> - A clear reporting line to highest authority is a key factor in guaranteeing the independence of internal audit;
>
> - The formulation of what is meant by an "internal control framework" – e.g. avoiding the predominant focus on financial controls over other internal controls;
>
> - The role of periodic reporting to management to enhance the prevention and detection of fraud and corruption; and
>
> - Adequate professional capability of internal auditors, including raising their awareness of issues of fraud and corruption.
>
> Source: Report on Internal Control and Internal Audit: Ensuring Public Sector Integrity and Accountability, OECD (2011).

Internal controls shall be proportionate to the risks involved. For example, depending on the level of risk, a system of multiple level review for specific matters, rather than a single individual with sole authority over decision making, can help introduce a level of independent verification. Also internal and external controls should be carefully coordinated to avoid loopholes. A systematic exchange of information between internal and external controls could be encouraged to maximize the use of information produced by the various controls. For examples when developing red flag indicators in public procurement processes these should developed jointly by internal and external controllers.

5. Openness – Are mechanisms in place to enable civil society organisations, media and the wider public to scrutinise government actions?

Open policy-making increases government accountability, prevents corruption and fosters public trust. An access to information law is a fundamental condition to provide civil society organisations, media, businesses, end-users and the wider public with the information they need to oversee and evaluate government decision making and public policies.

Experience in OECD countries shows that fundamental conditions need to be in place to enable effective access to information that is clear, understandable and easy to use. These include:

- Defining the scope of legislation on free access to information, especially with regard to the range of beneficiaries and the right to know;

- Circumscribing the discretion of the administration in deciding about the exceptions to the general principle of free access;

- Promoting the regular publishing of clear, understandable and easy to use information that may be of interest to a large number of individuals without harming relevant public or private interests;

- Setting up an independent and effective system of review over decisions refusing access to information through the set of administrative bodies such as information commissioners.

Public engagement can also create a shared responsibility for service delivery and a shared role for enhancing integrity. In particular the involvement of internal and

external stakeholders in the development of anti-corruption laws, policies or initiatives contributes not only to improving public awareness about the importance of integrity standards but also facilitates their implementation.

Government are increasingly working with civil society and private sectors to deliver "targeted" transparency – i.e. increasing the availability of and access to socially useful and focused information to the public (e.g. energy, health, social care, food safety). Also information can be made available on processes that are vulnerable to corruption in order to enable public scrutiny. For example e-procurement can be used as by potential suppliers an instrument to scrutinize the contract management, especially when there are substantial amendments to the contract. Also, an increasing number of countries are putting on-line information on real time execution of the budget.

Real-time transparency of budget execution in Brazil

The OECD review of the public integrity system in Brazil in 2009 highlighted the pioneer role of the government of Brazil in promoting open policy-making. Brazil has taken innovative steps to promote transparency and citizens' engagement, including the set up of a Transparency Portal of the Federal Public Administration.

The Transparency Portal of the Federal Public Administration (www.portaldatransparencia.gov.br) was created in November 2004 to provide free real time access to information on budget execution, as a basis to support direct monitoring of federal government programmes by citizens. Access to the Transparency Portal is available without registration or password. Data are automatically extracted and published on the portal from existing information systems of the federal public administration, removing the need for any specific actions by federal public organisations to publish information. Since May 2010, revenue and expenditure data available through the Transparency Portal is updated daily. Citizens' use of the portal has grown since its launch from approximately 700 000 hits per month to approximately 2.3 million hits per month, with the number of users growing from approximately 10 000 per month to 230 000 per month. The Transparency Portal has received international recognition.

Source: OECD (2012), OECD Public Governance Review, OECD Integrity Review of Brazil: Managing Risks for a Cleaner Public Service

Integrity Reviews

For an in-depth and independent assessment countries can request public sector integrity reviews based on international good practice. Integrity reviews systematically assess the functioning of corruption prevention measures within a government. The methodology for peer reviews involves the participation of lead-practitioners from OECD countries to facilitate benchmarking against other countries and identify a range of options for policy improvements. The G20 leaders have identified OECD Integrity reviews as a key methodology to help governments mitigate risks of waste and corruption. The OECD has carried out integrity reviews in various contexts, including in OECD (e.g. Italy), G20 (e.g. Brazil) and non-member countries (e.g. Jordan). The focus of a review is determined jointly with the country and is tailored to meet its specific needs and requirements.

Further Resources

OECD

PRINCIPLES AND STANDARDS

OECD Principles for Managing Ethics in the Public Service (1998)

The OECD Principles for Managing Ethics in the Public Service provide guidance to policy makers to review their integrity management systems (instruments, processes and actors). The Principles are an instrument for countries to adapt to national conditions, and to find their own ways of balancing the various aspirational and compliance elements to arrive at an effective framework to suit their own circumstances.

OECD Guidelines for Managing Conflict of Interest in the Public Service (2003)

The OECD Guidelines for Managing Conflict of Interest in the Public Service aim to help policy-makers and public managers consider existing conflict-of-interest policies and practices relating to public/civil servants, government employees and holders of public office.

TOOLS, GUIDANCE, MANUALS

Compendium of the Public Internal Control Systems in the European Union Member States, OECD/SIGMA (2012)

Post-Public Employment: Good Practices for Preventing Conflict of Interest, OECD (2010)

Managing Conflict of Interest in the Public Service: A Toolkit, OECD (2005)

Guiding Principles for Open and Inclusive Policy Making, OECD (2005)

REVIEWS AND CASE STUDIES

OECD Public Governance Reviews, OECD Integrity Review of Brazil: Managing Risks for a Cleaner Public Service, OECD (2012)

The Right to Open Public Administrations in Europe: Emerging Legal Standards, OECD/SIGMA (2010)

Lobbyists, Government and Public Trust, Volume 1: Increasing Transparency through Legislation, OECD (2009)

Focus on Citizens: Public Engagement for Better Policy and Services, OECD (2009)

Internal Control and Internal Audit: Ensuring Public Sector Integrity and Accountability, OECD (2011)

Risk and Regulatory Policy: Improving the Governance or Risk, OECD (2010)

Transparency in Strategic Decision-making: Ministerial Advisors, OECD (2011)

Open Government: Fostering Dialogue with Civil Society, OECD (2004)

Managing Conflict of Interest in the Public Service: OECD Guidelines and Overview, OECD (2003)

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

EITI Principles and Criteria

The EITI supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining.

Implementing the EITI

This publication builds on the lessons learned by the countries that have led the way in implementing the EITI. The book helps those new to the initiative navigate their way through the various steps in implementing an EITI programme.

INTERNATIONAL STANDARDS OF SUPREME AUDIT INSTITUTIONS

INTOSAI GOV 9100 Guidelines for Internal Control in the Public Sector

REGIONAL ORGANISATIONS

Council of Europe Criminal Law Convention on Corruption (1999)

The Criminal Law Convention on Corruption establishes the measures to be taken by the Council of Europe's member states at the national level in order to criminalise acts of bribery, trading in influence, laundering the proceeds from corruption offences and account offences. It also provides for measures to improve the fight against corruption.

Council of Europe Civil Law Convention on Corruption (1999)

The Council of Europe Civil Law Convention on Corruption is the first attempt to define common international rules in the field of civil law and corruption.

Council of Europe Recommendation No. R (2000) 10 of the Committee of Ministers to Member states on codes of conduct for public officials

The Recommendation set out that governments of member states promote, subject to national law and the principles of public administration, the adoption of national codes of conduct for public officials based on the model code of conduct for public officials.

Inter-American Convention against Corruption (1996)

The Inter-American Convention against Corruption establishes a set of preventive measures and provides for the criminalisation of certain acts of corruption, including transnational bribery and illicit enrichment, in the Americas region. It also contains a series of provisions to strengthen the co-operation between its States Parties in areas such as mutual legal assistance, technical co-operation, extradition and asset recovery.

African Union Convention on Preventing and Combating Corruption (2003)

The African Union Convention on Preventing and Combating Corruption is intended to promote and strengthen the development in Africa by each State Party, of mechanisms required to prevent, detect and punish corruption and related offences in the public and private sectors.

TRANSPARENCY INTERNATIONAL

Transparency International National Integrity System Assessments

UNITED NATIONS

United Nations Convention against Corruption (chapter II)

Legislative Guide for the Implementation of the UNCAC

Technical Guide to the United Nations Convention against Corruption

TRACK - Tools and resources for anti-corruption knowledge (including the Legal Library)

Handbook on police accountability, oversight and integrity