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REGIONAL ANTI-CORRUPTION INITIATIVE

REGIONAL ACTIVITY: DEVELOPMENT OF NATIONAL METHODOLOGIES ON CORRUPTION RISK ASSESSMENT

**Practical suggestions and reflections on the
Methodology for developing Integrity Plan**

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The views expressed in this document are solely those of the author and do not necessarily reflect the views of the Regional Anti-Corruption Initiative (RAI) or its member States, or of the Austrian Development Cooperation.

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I. Context and objectives of the report

This report is produced as response to the request of the Agency for Prevention of Corruption and Coordination in Fighting Corruption for assessment of the Methodology on developing Integrity plan as the risk management plan.” It follows up on the discussions held within the framework of the workshop, organised by RAI on the 26th of September in Sarajevo. The workshop was attended by representatives from the Ministry of Justice of BiH, Ministry of Security of BiH, Agency for the Prevention of Corruption and Coordination of the Fight Against Corruption (APIK), Anti-Corruption Team of Government, Federation of BiH, Council of Ministers of BiH, Legislative Office, Police of Brcko District, Transparency International BiH, Centre for Investigative Journalism, Center for Security Studies, Public Interest and Advocacy Center, Regional Cooperation Council, UNODC - Field Office in BiH, UN Women BiH. The main conclusions discussed during the workshop as regards to corruption risk assessment were as follows:

- Bosnia and Herzegovina is still in the initial phase of establishing mechanism for the corruption risk assessment, and particularly the anti-corruption assessment of laws (corruption proofing);
- Strategy for Fight against Corruption in Bosnia and Herzegovina (2015-2019) envisages strategic goals and specific measures related to corruption proofing and corruption risk assessment;
- Representatives of institutions as well as representatives of CSOs expressed need for further systematic approach in strengthening preventive capacities for implementation of corruption risk assessment and corruption proofing of legislation;

Based on the request sent to RAI by the Agency for Prevention of Corruption and Coordination in Fighting Corruption, this report deliberates on the corruption risk assessment methodology developed in the BiH as the Methodology on developing Integrity Plan and the Guidelines for drawing up integrity plans.

The remaining of this report is divided in three sections. The first one briefly describes the main features of the existing CRA methodology. The second section provides general comments as to the coherence of the Methodology and the Guidelines, while the third section presents some specific recommendations to be considered if the Guidelines are to be revised.

II. Corruption risk assessment methodology and guidelines

2.1. Basic characteristics

The existing *Methodology* for Developing Integrity Plan offers a detailed description of the risk management cycle. It outlines the factors that are critical for the success of every corruption risk assessment, along with the different steps in conducting CRA. The methodology adopts institutional self-assessment approach and prescribes that the risk assessment should be carried out by experts, working in the organisation under review. Strong communication interactions, allowing for the employees of the organisation not only to be informed on the forthcoming CRA but also to comment on the CRA action plan are envisioned. The methodology is supplemented by Guidelines for elaboration of integrity plans, which contain a detailed description of the steps to be undertaken by the public institutions when conducting CRA. The CRA process itself is geared around four main stages:

Stage 1: Preparatory phase, during which the WG team members, team leader and supervisor are appointed by the head of the respective institution. The WG team leader together with his/her supervisor are responsible for the preparation of the CRA working plan, collection of the needed documents and response to all other queries that may occur;

Stage 2: Identification of the vulnerable activities focusing on the activities that are most exposed to improper influence and possible corrupt behaviour;

Stage 3: Assessment of existing resistance mechanisms;

Stage 4: Assessment of corruption exposure and provision of recommendations.

The entire CRA process is finalised by the elaboration and adoption of institutional integrity plan.

2.2. General comments

2.2.1. The self- assessment approach

The BiH methodology is based on the notion that every public institution should assess its own corruption risks and propose measures for their mitigation (in the form of integrity plan) The main advantage of such approach is that it creates organisational ownership and raises less organisational resistance. In such configuration, the CRA project team is well acquainted with the peculiarities of the organisational operations and can produce highly relevant results. The self-assessment approach has however some major weaknesses, summarised as follows:

- The international experience has shown that in many cases, the bodies that conduct self-assessment face severe challenges in linking their work and operational procedures with corruption risks. The usual perception range varies from a complete denial to conditional acceptance. Either way, the organizational risks are either not properly identified, or not objectively assessed. Self-assessment practices are therefore successful only in highly ethical environment, where the risk assessment cycle has become part of the standard organisational operational procedures;
- Another weakness of the self-assessment approach is that the organisations that should conduct CRA rarely poses the knowledge on how to conduct such assessment and how to deal with findings that may not present their organization in the best possible light.

Given the substantial impact the above-mentioned weaknesses can cause on the final outcome of the CRA, it is worth re-evaluating if the self-assessment approach is the most suitable for the BiH realities. Consideration might be given to the possibilities for mandatory inclusion of external experts (APIK, civil society etc.). The benefits of such option relate to the fact that the combination of the insights of the internal experts with the objective evaluation of the external experts gives credibility of the CRA recommendations and minimises the weaknesses of the self-assessment approach. It also ensures the impartiality and the legitimacy of the assessment; diminishes the organisational resistance; ensures the ownership of the results and enables fast implementation of its recommendations. When considering such option, BiH authorities should acknowledge however that it may require very good planning and may be more time and resource consuming.

2.2.2 Definitions and terminology

In order to ensure efficiency and coherence in the implementation of its modalities, every CRA methodology needs clear and consistent definitions. The latter help the organizations better understand their tasks and serve as a guiding tool during the CRA process cycle. Given that, it is recommendable to supplement the existing methodology with section, explaining clearly the core risk assessment concepts (e.g. what is risk, risk factor, vulnerability etc.) These definitions than should be used consistently by the Methodology and its Guidelines).

The following definitions (suggested by RAI methodology 2015)¹ may be considered:

¹ Regional Anticorruption Initiative (2015) SEE2020 SERIES. Corruption Risk Assessment in Public Institutions in South East Europe. Comparative Research and Methodology

- Risk: “the effect of uncertainty on objectives’ (Risk Management ISO 31000:2009)²
- Risk Factor: “any attribute, characteristic or exposure of an individual, institution or process that increases the likelihood of corrupt behavior, breach of integrity, unethical behavior or other conduct that can have negative effects on objectives and goals of a public sector institution (its mandate, duties or processes)“(RAI 2015).
- Corruption risk factors can be clustered in four main types: 1) external and systemic (outside of the control of the institution); 2) internal (within the control of the organization); 3) process work related and 4) individual.
- The most common corruption risks in public organizations in 6 categories:
 - Risk of public official taking or demanding a bribe;
 - Risk of abuse of power or position for private interests;
 - Risk of abuse of public funds for private interests;
 - Risk of illegal or unethical external influence or pressure on public official;
 - Risk of illegal or unethical internal influence or pressure on public official;
 - Risk of conflict of interests.

2.2.3 The Methodology for Developing Integrity Plan and the Guidelines for elaboration of integrity plans

A careful examination of the steps included in the Methodology and the Guidelines reveals discrepancies (title and content wise) between the two documents. Such discrepancies should be removed as they may hinder the work of the institutional WGs and create implementation inconsistencies.

Methodology for Developing Integrity Plan	Guidelines for elaboration of integrity plans
Step 1: The preparation phase	Step 1: The preparatory phase
Step 2: Identification of threats and vulnerable activities.	Step 2: Identifying of vulnerable activities
Step 3: Identification of existing preventive measures and controls and evaluation of those	Step 3: Assessment of existing resistance mechanisms
Step 4: Report development and an action plan for responding to recommendations resulting from the vulnerability assessment (introduction of new measures and controls)	Step 4: The final stage

² International Organisation for standardisation (2009), ISO 31000:2009 Risk management — Principles and guidelines