

DIFFERENT APPROACHES TO CORRUPTION RISK ASSESSMENT

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CRA – SOME GENERAL REMARKS:

- no “one size fits all” approach;
- different CRA strategies and models / approaches /tools, but the same ultimate goal >>
 - ❖ identification of concrete and factual shortcomings and vulnerabilities that mean or can cause corruption or integrity risk(s) and
 - ❖ clear and determined measures to cope, mitigate or – if possible – eliminate identified sources / risks for wrongdoings and unethical behaviour in the institution, organisation, department, agency, sector, project etc.
- Some prerequisites for successful implementation or adoption of CRA into the system:
 - ❖ basic legal framework for fighting corruption and strengthening integrity,
 - ❖ effective law enforcement and prosecution,
 - ❖ adequate government oversight institutions,
 - ❖ accountable and transparent public finance processes, and
 - ❖ active non-governmental advocacy and oversight of government operations.



- a typical “assessment journey” (as defined by OECD) includes the following phases:
 - Step 1. *Defining the purpose: Why assess?*
 - Step 2. *Selecting the subject: What to assess?*
 - Step 3. *Planning and organizing the assessment: Who will assess?*
 - Step 4. *Agreeing on methodology: How to assess? **
 - Step 5. *Ensuring impact: How to integrate assessment results into the policy cycle?*

- * How to assess?
 - first, one has to *establish the context*,
 - then *identify risks* (what can happen, when, where, how and why),
 - then *analyse those risk*,
 - *evaluate* risks and
 - finally *treat* risks in adequate way.

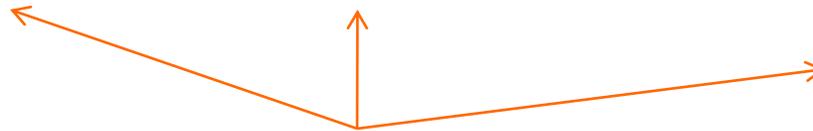


SELECTED APPROACHES TO CRA

- **integrity plan**

- **sectoral CRA**

- *ad hoc* CRA



- not substitutes one to another, but refer to the same circumstances and issues in different environment, segment or level >>
 - the basic difference between the three is in the perspective:
 - integrity plan is focused on specific processes in certain public sector institution as a whole,
 - sectoral CRA is based more on systemic characteristics and position of certain sector, and
 - *ad hoc* CRA is targeted on a particular project, department, working process, policy etc..
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- they can be combined, merged or immersed one into another.



INTEGRITY PLAN

- a tool for establishing and verifying the integrity of individual public sector institution, organisation, department, agency etc.;
 - corruption & integrity risk assessment;
 - to be long-term effective, integrity plan should be developed as strategic and developmental as well as operational **process** (holistic approach) that is devoted:
 - *to assess the level of vulnerability or exposure of separate public sector institution to corruption risks and other unlawful or unethical behaviour or practice,*
 - *to identify risk factors for corruption and other unlawful or unethical behaviour or practice in separate working fields of an institution,*
 - *to define measures for reducing, eliminating or controlling identified risks and*
 - *regularly monitor and update findings, facts, recommendations and measures in integrity plan.*
 - The final goal: **integrity plan as a live process** (and not only (one of many) paper documents).
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Some prerequisites and recommendations for effective integrity plan

- it is recommendable for integrity plan *to be introduced by the law*,
- certain *internal institutional prerequisites* are very important:
 - superior / management commitment,
 - staff commitment,
 - sufficient resources (including qualified staff and enough time).
- it is advisable to have *uniformed model of integrity plans* on the state level >> this enables the country to set up *national (or regional) integrity/corruption risk register*
- risk (including corruption risk) management is responsibility of the superior of public sector institution (i.e. principle, director, manager); however, it is recommended for every public sector institution to *appoint integrity officer / integrity plan manager*



Some Pros & Cons of integrity plan approach

○ **Pros:**

- a very suitable tool for “cleaning one’s own house,” because it is based on individual approach and tailored to specific institution;
- it will enhance awareness of due conduct of the employees, but at the same time also indicate which areas need special attention in terms of being more risky.

○ **Cons:**

- demands high level of expert knowledge and rather a lot of time for preparation and regular monitoring and updating;
- superior / management commitment to the process is essential for successful implementation of integrity plan to institution’s everyday life;
- final effect of integrity plan is very dependent on the skills and commitment of integrity plan manager / integrity officer and other staff engaged in this process.



SECTORAL CRA

- CRA, targeted at specific sector (e.g. energy, health, justice, customs, oil and gas industry, building and infrastructure etc.);
- no special law or other legal base is needed (but on the other hand it does not harm if such option is provided in the law (e.g. the one that is regulating sector under assessment));
- it is crucial to engage also experts with in-depth knowledge and familiarity with the sector under assessment;
- who “owns” such sectoral CRA depends on the circumstances of the case (it could be ministry competent for the sector under assessment, ministry for the finance and/or economic affairs or other state authority that is having interest over corruption risk management in particular sector);
- sectoral CRA directly addresses specific aspects of particular sector and can therefore offer an in-depth understanding of how and to what extent corruption could affect this sector’s operations and reputation;
- however, sectoral CRA can be quite time consuming and requires qualified staff (including experts that are familiar with peculiarities of a sector under assessment) and sufficient resources in terms of time and finance.



TARGETED (*AD HOC*) CRA

- *Ad hoc* CRA can be triggered by:
 - conducting a CRA on a project, department / institution which management shows the initiative to do it (this can be e.g. an initiative of a newly appointed, reform-minded head of a certain department),
 - implementation of a new project of any kind (e.g. governmental policy in the area of financing, licensing or similar),
 - conducting a CRA on the basis of an individual incident or scandal (e.g. media corruption scandal or an arrest of corrupt public official – such incidents should be seen as an opportunity / obligation and a challenge to answer the questions: *What went wrong? Why did it go wrong? What can we learn from it? Could it be prevented? What can we do to minimize its reoccurrence?* – targeted CRA is aimed at such analyses and can be very effective tool for response to corruption incident, and when used on time, for preventing such incidents on the level of very concrete and as a rule narrow field).
- No special law or other legal base is needed for *ad hoc* CRA. Superior or management of any public sector institution can order *CRA* of any project, department, working process etc. within their management position and in line with good governance standards.
- This type of corruption risk assessment is less time consuming than other two presented models; however it still requires qualified staff and sufficient resources.



SOME FINAL REMARKS:

- To say again: crucial steps in every corruption and/or integrity risk assessment model are:
 - 1) to analyse how corruption, unethical behaviour and similar irregularities manifest or can manifest in a particular environment (sector, institution, project etc.),
 - 2) to identify which factors drive it, and
 - 3) to assess effectiveness (or reasons for ineffectiveness) of existing laws and control mechanisms meant to reduce an institution's or sector's vulnerability to corruption and similar wrongdoings.
- Only then adequate measures and recommendations can be developed.



**THANK YOU FOR YOUR
ATTENTION!**

