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Promoting Transparency and Accountability  
in Public Administration in North Macedonia



# GUIDELINES FOR INSTITUTIONAL CORRUPTION RISK ASSESSMENT NORTH MACEDONIA



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## **PRELIMINARY REMARKS**

The present Guidelines and forms for the implementation of institutional Corruption risk Assessment (hereinafter: CRA) have been produced in the framework of the EU funded Project “Promoting Transparency and Accountability in Public Administration in North Macedonia” . They build on the deliverables of an earlier technical assistance project and namely the Handbook on Corruption Risk Management (produced in 2016 under a Twinning Project) which was formally adopted as an Annex to the Risk Management Guidelines of the Ministry of Finance. The aim is to overcome the lack of understanding of how precisely the self-assessment in institutions should be done and what criteria and indicators should be used to identify the corruption risks in public institutions in North Macedonia.

The methodology proposed herein should serve the staff of SCPC and other public institutions in North Macedonia and facilitate the self-assessment of corruption risks in their institutions. It is also meant to help the SCPC to understand and implement further recommendations and guidelines for all public sector institutions and their employees and to assist them in identifying and managing the risks of corruption and other unethical behaviours.

Institutional CRA or Corruption Risk Management (CRM) is nothing else than the already applied process of Risk Management in North Macedonia where - amongst all other (financial) risks - an institution, based on self-assessment, tries to also identify corruption risks, i.e. factors which can contribute to corruption.

Goals of institutional CRA are the same as those of the Risk Management, and namely:

1. To develop a risk register which will identify and rank all significant corruption risks facing the institution;
2. To rank all risks in terms of likelihood of occurrence and expected impact;
3. To allocate clear roles and responsibilities for risk management; and
4. To raise awareness of the principles and benefits involved in the risk management process and to increase staff commitment to the principles of risk control.

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## CONTENT

|   |    |
|---|----|
| 1. INTRODUCTION .....   | 2  |
| 1.1 Current models of Risk Management in North Macedonia .....  | 2  |
| 1.2 Legal Aspects.....  | 2  |
| 1.2.1 Law on the prevention of corruption and conflict of interest .....                                | 2  |
| 1.2.2 Law on Public Internal Financial Control.....   | 3  |
| 1.2.3 Risk management Guidelines (addendum to LPIFC).....   | 3  |
| 2. GUIDELINES FOR EFFICIENT PROCESS OF INSTITUTIONAL CRA .....  | 4  |
| 2.1. Preparatory phase of institutional CRA .....   | 4  |
| 2.2. Identification of Corruption Risks .....   | 6  |
| 2.2.1 Gathering and analysis of information relevant to the institution .....                           | 6  |
| 2.3. Analyse, Evaluate Risks and identify current Control measures.....                                 | 24 |
| 2.3.1 Form for evaluating and analysing risks.....  | 24 |
| 2.3.2 Risk heat map.....  | 25 |
| 2.4. Identification and planning of solutions / measures / recommendations .....                        | 27 |
| 2.5. Identification of the responsible person and prioritizing risks (Action plan – risk register)..... | 28 |
| 2.5.1 Identification of the responsible person for implementation of control / prevention measures..... | 28 |
| 2.5.2 Prioritization of risks .....   | 28 |
| 2.5.3 Preparation of a Risk register.....   | 28 |
| 2.6. Implementation and Monitoring/review of CRA .....  | 29 |
| 3. CONCLUSION.....  | 31 |

## 1. INTRODUCTION

### 1.1 Current models of Risk Management in North Macedonia

In the North Macedonia, two Corruption Risk Assessment models have been employed:

- **the *institutional CRA based on self-assessment***, existing since 2009 under the Law on public internal financial control and managed by the Ministry of Finance. Methodology was designed with international support as an Addendum to the Ministry of Finance's Guidelines on Risk Management in 2018.
- **the *sectorial CRA based on external assessment*** – several sectorial assessments were carried out in 2019 with the support of an international donor, aimed to assist in the strategic planning effort. In line with the competences of the State Commission for the Prevention of Corruption (hereinafter SCPC) and in particular art. 17 p.17 of the Law on the prevention of corruption and conflict of interest, SCPC prepares analyses of the risks of corruption in different sectors. A new sectorial CRA is being developed based of the Integrity Concept.

### 1.2 Legal Aspects

There are two legal acts which regulate management of (corruption) risks in public sector: Law on the Prevention of Corruption and Conflict of Interest (hereinafter: LPCCI) and Law on Public Internal Financial Control (hereinafter: LPIFC)

#### 1.2.1 Law on the prevention of corruption and conflict of interest

LPCCI defines (Article 8, para. 5) term "corruption risk" as any kind of internal or external weakness or a process that may constitute an opportunity for occurrence of corruption within state bodies, public enterprises and other public sector institutions, which includes issues of conflict of interests, incompatibility of functions, receipt of gifts and other illicit payments, lobbying, lack of whistle-blower protection system, fraud, inappropriate use of powers, discretionary authorizations, financing of political parties and campaigns against the law, trading and unauthorized use of information, transparency of procedures and documents and other issues relevant for the integrity.

The term "integrity" means (Article 8, para 6) legal, independent, impartial, ethical, responsible and transparent performing of activities with which official persons protect their reputation and the reputation of the institution they are responsible for, i.e. are employed in, remove risks and remove the suspicions for possibilities of occurring and development of corruption and thus they provide confidence of the citizens in the performing of the public functions and in the work of the public institutions.

The role of the SCPC with regard to risks of corruption is:

- a) to prepare analyses of the risks of corruption in different sectors (Article 17, para 17),
- b) to prepare the national strategy on the basis of a previously conducted analysis of risk of corruption (Article 18, para 2),
- c) to adopt an annual plan for the control of political party financing and monitoring of property condition and conflicts of interest, applying an approach based on the assessment of the risk of corruption, thus having an obligation to take into account data on identified risks of corruption and

data for the risk of certain categories of entities, individual entities and other available data for the entities (Article 19, Para 1).

### **1.2.2 Law on Public Internal Financial Control**

LPIFC has more concrete and precise definitions of different elements of CRA as follows:

- Risk is the probability of occurrence of event with a negative impact on the achievement of the objectives of the entity (Article 24, para 24);
- Risk management is a process of ascertaining and assessing the internal and external risks which may negatively affect the fulfilment of the objectives of the entity and the implementation of the necessary controls in order to keep the exposure of the risks to an acceptable level or to decrease the consequences of possible risk to an acceptable level (Article 24, para 25);
- The risk management includes:
  - o identification,
  - o assessment, and
  - o control over potential events or situations that might have an adverse effect on the achievement of the entity objectives for the purpose of ensuring reasonable assurance that the objectives will be attained.

### **1.2.3 Risk management Guidelines (addendum to LPIFC)**

According to the Guidelines and LPIFC each institution in the public sector has the following responsible persons who are involved in the process of risk management:

- **Head of the institution:**
  - o adopts a Risk Management Strategy, which must be updated every three years; the controls aimed at minimising the risk should be analysed and updated at least once a year,
  - o prevents the risk of irregularities and frauds and undertakes activities against irregularities and frauds,
  - o appoints a person reporting on irregularities and suspicions of frauds or corruption
- **Head of Internal Audit Unit,**
  - o advises all managing officials in the public sector entity about the risk management,
- **Risk manager** who is appointed in each department in the institution:
  - o verifies the level and type of risks identified by the operating staff or management,
  - o collects the risk assessment forms and ensure that they are completed correctly,
  - o supervises the risk level and risk justifications of the assessment forms (formal approval),
  - o forwards the risk assessment form to the Risk Management Co-ordinator,
  - o follows the action plans coming from different departments of the institution,
- **Risk Management Coordinator** is responsible for the risk assessment of the operating structure in the institution, since he/she:
  - o collects and compiles risk assessment forms from all Risk Managers,
  - o collects the risk assessment forms received from various Risk Managers,
  - o ensures evidencing the details from the risk assessment forms in the Risk Register (risk mapping) and consolidated action plan,
  - o reviews the risk assessment forms and collection of further information if needed,
  - o monitors the progress of risk mitigation,
  - o elaborates of the mapped risks and its half-year updating,
  - o consolidates action plans for the whole institution and following their implementation,

- **Each and every employee,**
  - o informs the head of the public sector entity or the person in charge of irregularities or suspicions of frauds or corruption,

## 2. GUIDELINES FOR EFFICIENT PROCESS OF INSTITUTIONAL CRA

Having in mind the current system of CRM set up in North Macedonia, the adopted Risk Management Guidelines and the Handbook on Corruption Risk management: Addendum to the Risk Management Guidelines from 2018 the following six steps can be identified in the whole process of CRA:

|                |  |
|----------------|--|
| <b>1. Step</b> | <b>Preparatory phase</b>   |
| <b>2. Step</b> | <b>Identification of Corruption Risks</b>                                    |
| <b>3. Step</b> | <b>Analyse and Evaluate Risks and current Control measures</b>               |
| <b>4. Step</b> | <b>Identification and planning of solutions / measures / recommendations</b> |
| <b>5. Step</b> | <b>Preparation of Risk Register</b>  |
| <b>6. Step</b> | <b>Implementation and Monitoring/review of CRA</b>                           |

These six steps are explained in detail in the chapters section that follows below.

### 2.1. Preparatory phase of institutional CRA

Preparatory phase is an important step in particular in those countries and their institutions where the CRA is not obligatory under the law. In such a case, institutions should take into account the following factors:

- a) Decision and commitment by the top management of the institution to identify corruption risks,
- b) Formal and written decision and appointment of Risk Managers and Risk Management Coordinators with the defined obligation to include the identification and management corruption-related risks into their responsibilities;
- c) Defining the tasks and planning the work of responsible persons,
- d) Informing all employees inside the institution about CRM.

In North Macedonia, the CRA is obligatory under the law, **however**, since corruption represents a major problem and is perceived to be spread across all levels and areas of the country (corruption is ranked as the fifth top problem in the country)<sup>1</sup>; its institutions needs to take all the above steps to prepare all employees for **corruption risks assessment.**

#### **Concrete steps which need to be taken within an institution:**

1. Head of the institution issues (or up-dates, if it already exists) a formal decision / memorandum / note that the institution will undertake a CRA. The document should include:

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<sup>1</sup> GRECO, Fifth evaluation round. Preventing corruption and promoting integrity in central governments and law enforcement agencies. Evaluation report of North Macedonia. Available at: <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/168095378c>

- a. Short explanation of the law-based obligation that all institutions need to have proper Risk management process, which includes also CRA, and why this is needed,
- b. Information on who is responsible for Risk management and CRA (functions and full names - head, risk managers, risk manager coordinator) with explanation of their tasks,
- c. Present Guidelines for CRA as attachment.

**Example of a note to employees<sup>2</sup>**

According to the Law on Public Internal Financial Control (hereinafter: LPIFC) [name of the institution] needs to have proper and efficient Risk Management, which includes:

- identification,
- assessment and
- control over potential events or situations that might have an adverse effect on the achievement of the [institutions'] objectives (hereinafter: risks).

One of the risks are also corruption risks which represents: any kind of internal or external weakness or a process that may constitute an opportunity for occurrence of corruption within state bodies, public enterprises and other public sector institutions, which includes issues of conflict of interests, incompatibility of functions, receipt of gifts and other illicit payments, lobbying, lack of whistle-blower protection system, fraud, inappropriate use of powers, discretionary authorizations, financing of political parties and campaigns against the law, trading and unauthorized use of information, transparency of procedures and documents and other issues relevant for the integrity.

Corruption Risk Management is in this manner nothing else than one amongst steps in Risk Management Process where [name of the institution] needs to identify such risks and to find solutions to minimise them.

The responsible persons for Risk Management process in [name of the institution] are:

- **[Full name and function of the Head of the Institution],**
  - o prevents the risk of irregularities and frauds and to undertakes activities against irregularities and frauds.
  - o appoints a person reporting on irregularities and suspicions for frauds or corruption
- XY, Head of Internal Audit Unit,
  - o advices all managing officials in the public sector entity about the risk management.
- Risk managers within departments of [name of the institution] :
  - o XY, Risk manager of Department for anti-corruption review of legislation,
  - o XY, Risk manager of Department for Prevention of Corruption,
  - o XY, Risk manager of Department for monitoring the financing of political parties, election campaigns and corruption in public procurement,
  - o XY, Risk manager of Department for Prevention of Conflict of Interest and Lobbying,
  - o XY, Risk manager of Department for monitoring property and interests,
  - o XY, Risk manager of Department for IT Support and General Affairs,
  - o XY, Risk manager of Department of financial affairs and
  - o XY, Risk manager of Human resources management department,
    - Their tasks are to:
      - verify the level and type of identified risks by the operating staff or management,
      - collect the risk assessment forms and ensure that they are completed correctly,
      - supervise the risk level and risk justifications of the assessment forms (formal approval),
      - forward the risk assessment form to the Risk Manager Co-ordinator,
      - follow the action plans coming from the different departments of the institution,

<sup>2</sup> Prepared on the example of internal structure of SCPC and needs to be adjusted accordingly

- ensure that there is a culture of risk awareness in the institution,
- **XY, Risk Management Coordinator** who is responsible for the risk assessment of the operating structure in the institution since he/she collect and compile risk assessment forms from all Risk Managers. He / she:
  - collects the risk assessment forms received from the various Risk Managers,
  - evidence of the details from the risk assessment forms in the Risk Register (risk mapping) and consolidated action plan,
  - reviews the risk assessment forms and collection of further information if needed,
  - monitors the progress of risk mitigation,
  - elaborates of the mapped risks and its half-year updating,
  - consolidates action plans for the whole institution and following their implementation,
- **Each and every employee,**
  - informs the head of the [name of the institution] or the person in charge of irregularities or suspicions of frauds or corruption.

All your contributions in the process of the Risk management are very essential for the implementation of our mission and goals. I remind and encourage you to report all possible risks, rooms for improvements and possible irregularities to the above responsible persons with the aim to improve our work and work processes towards integrity. Reports are not considered as whistleblowing but only as a means of identification of possible internal or external weakness or a process that may constitute opportunities with a negative impact on the achievement of the objectives of the [name of the institution].

Attachment: Guidelines for institutional CRA

**Signed: [Full name and function of the Head of the Institution],**

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Such a note will not only represent obligations, but also serve as a reminder of what is expected from whom and information for all to whom they can report or talk or ask regarding Risks management / CRA.

It is recommended that this note is sent to employees y e-mail and is also available on bulletin board or in place where employees can easily find all necessary information regarding their work, obligations ad rights (example: shared computer network drive that all employees have access to).

## **2.2. Identification of Corruption Risks**

The process of identification of corruption risks should be, according to the LPIFC, composed of the following steps:

- a) Gathering and analysis of information relevant to the institution (external and internal view),
- b) Identifying areas, processes / functions and indicators for identification of all relevant risks,
- c) Identification of indicators, corruption risks and vulnerabilities for the corruption to occur.

### **2.2.1 Gathering and analysis of information relevant to the institution**

The institution running a self-assessment gathers all relevant documents which can be used as a source of information when analysing institution in order to identify risks of corruption. It is recommended to gather, at least:

- legal acts which are relevant for the institution
  - laws: LPCCI, Law on Lobbying,
  - internal acts (Rules of procedure of the institution, Rulebooks, Internal acts),
- other documents:



- internal documents:
  - internal and audit reports, disciplinary measures, etc.
  - organizational chart of the institution with all processes of work,
  - annual interviews with the institution' employees,
- external documents:
  - audit and inspection reports, media reports on SCPC, citizens' complaints regard the institution's work, public opinion, criminal charges, etc.

The prime function of gathering such information is to:

- a) analyse legal documents with the aim to identify possible irregularities, loopholes, overlaps, etc., which could also mean or represent corruption risks**

This is the anti-corruption analysis of the legislation relating to the institution. The aim is to analyse and assess the content of the regulations (laws, bylaws and other general acts) in terms of their practical implementation, compliance and their improvement in order to **detect, prevent and minimize** the risks related to the possibility of corruption and conflicts of interest that may occur during the enforcement of the laws.

However, in most cases, the employees who work with and implement the 'institutional' legislation on daily basis are already familiar with the possible problems, loopholes, overlaps, etc., and that is why this the full analysis may not be necessary. The remaining challenge is only to gather information about possible problems, loopholes, overlaps, etc. from them (employees) and assess such information for risks of corruption. Whatever the finally decided scope of the analysis, the institution can use the checklist below as reference.

**Example of Corruption Risk Assessment of Legal Acts Checklist<sup>1</sup>**

| <b>LEGAL ACTS:</b> (name of the act)   | <b>YES</b> | <b>NO</b> |
|--|------------|-----------|
| <b>Ambiguity</b>   |            |           |
| <i>Language</i>  |            |           |
| <i>1.1.1 Does the act use the accurate and correct formulations in all cases?</i>  |            |           |
| <i>1.1.2 Are the sentences and words related in a way that does not allow for ambiguity and vagueness?</i>   |            |           |
| <b>Legal compliance</b>  |            |           |
| <i>1.2.1 Are there provisions in other laws that may conflict with the analysed act? (conflicting provisions)</i>  |            |           |
| <i>1.2.2. Does the act give a different meaning to a term or meaning which is contrary to another law? (inconsistent terminology)</i>  |            |           |
| <i>1.2.3. Is the reference to another law or the example in the regulation itself unclear to the reader? (unclear references)</i>  |            |           |
| <i>1.2.4. Does act cover all the necessary aspects that need to be regulated? (regulatory gaps)</i>  |            |           |
| <b>Prevent gaps</b>  |            |           |
| <b>Competence</b>  |            |           |
| <i>2.1.1 Is there a competent body defined in act for all described/listed competencies and tasks? (unidentified competencies)</i>   |            |           |
| <i>2.1.2. Is it "forgotten" to give the competent agency/ body the competencies necessary to perform the tasks? (unidentified item)</i>  |            |           |
| <i>2.1.3. Does the act provide for competencies of a state body, which are already implemented by another body? (overlapping or conflict of competencies)</i>                              |            |           |
| <i>2.1.4. Does the act provide for the act to be implemented by several bodies; do they list all the competencies that each of the bodies should perform? (allocation of competencies)</i> |            |           |
| <i>2.1.5. Does the act contain provisions for conflict of interest?</i>  |            |           |

|  |  |  |
|--|--|--|
| <i>Competence and resources: The public authorities are to provide all the competencies and resources necessary to perform the tasks</i>   |  |  |
| <b>Procedures</b>  |  |  |
| <i>2.3.1. Are all stages in the procedure identified? (unidentified stages, steps in the procedure)</i>  |  |  |
| <i>2.3.2. Are the deadlines in the procedure clearly defined, for example when individuals or legal entities can request to exercise a certain right and what is the deadline for deciding upon the request)? (unidentified deadlines)</i> |  |  |
| <i>2.3.3. Are the fees identified in the procedure? (unidentified fees)</i>  |  |  |
| <i>2.3.4. Are the criteria contained in the procedures clear, objective and transparent? (non-objective and non-transparent procedure)</i>   |  |  |
| <i>2.3.5. Are there clear criteria for fulfilling a certain right or imposing a certain obligation? (unfair and non-transparent procedure)</i>   |  |  |
| <i>2.3.6. Are there clear criteria for the allocation of limited state resources (tasks, subsidies) established and are these procedures transparent?</i>  |  |  |
| <i>2.3.7. Is there a legal remedy for challenging each of the decisions listed in the regulations (objection, appeal or lawsuit for initiating court proceedings)? (legal protection provided)</i>   |  |  |
| <b>Decisions</b>   |  |  |
| <i>2.4.1. Does the act contain certain discretionary rights that go beyond the expediency for which they were granted? (excessive discretion)</i>  |  |  |
| <i>2.4.2. Are all decisions intended to contain explanations?</i>  |  |  |
| <i>2.4.3. Is there a legal remedy for challenging a decision and which is the competent body that shall decide on the legal remedy (complaint, appeal or lawsuit)?</i>   |  |  |
| <i>2.4.4. Are there provisions that leave room for discretionary decision and are they expedient and legally based?</i>  |  |  |
| <b>Control</b>   |  |  |
| <i>2.5.1. Are there prescribed procedures and results that can ensure transparency and enable civil or media control? (control of the transparency by the civil society)</i>   |  |  |
| <i>2.5.2. Is the excessive concentration of competencies in one government body, one sector or unit or in a single official avoided? (separation of tasks)</i>   |  |  |
| <i>2.5.3. Is there a rotation of officials in high risk areas (for example, public procurement)? (rotation)</i>  |  |  |
| <i>2.5.4. Are there control mechanisms provided?</i>   |  |  |
| <b>Sanctions</b>   |  |  |
| <i>2.6.1. Are there appropriate, proportionate and appropriate sanctions?</i>  |  |  |
| <b>Legal protection</b>  |  |  |
| <i>2.7.1. Is there a regular legal remedy (complaint / objection) and a clear two-stage procedure overlooked?</i>  |  |  |
| <i>2.7.2. Is the right to judicial protection provided?</i>  |  |  |

**b) analyse other sources of information to check for possible elements of corruption**

This is done when assessing the institution **for the first time**. The aim of such analysis is to gather all relevant information about identified wrongdoings within the institution. All such risks shall be then assessed whether they can also represent a risk for corruption.

Examples of other relevant information sources:

- Convictions on corruption cases offences and misdemeanors which occurred in institution;
- Inspection reports by the Audit Institution on the public institution;
- Public and previous internal reports by whistleblowers on corruption-related irregularities in public institution;
- Public acknowledgments (i.e. Interviews, public statements, open letters etc.) about corrupt practices in the public institution;
- Public reports by national and international organizations reflecting the corruption situation of the public institution.

**Important to note:** this should not represent a time-consuming process since institutions already know / are familiar with previously found / identified irregularities, and such task will not present additional burden.

### **2.2.2 Corruption risks and identification of indicators (sub-risks) for corruption risks**

As already mentioned, **according to the LPCCI corruption risks are:** *any kind of internal or external weakness or a process which may present opportunity for corruption to occur within public sector institution and includes following issues: conflict of interests, incompatibility of functions, receipt of gifts and other illicit payments, lobbying, lack of whistle-blower protection system, fraud, inappropriate use of powers, discretionary authorizations, financing of political parties and campaigns against the law, trading and unauthorized use of information, transparency of procedures and documents, not disclosing assets declarations and other issues relevant for the integrity.*

#### **As such, corruption risks are:**

- conflict of interest,
- gifts and sponsorships,
- incompatibility of functions,
- lack of whistleblowers, collaborators of justice, witness and persons working on prevention of corruption protection,
- restrictions for doing business during the function,
- prohibition of misuse of official data, trading and unauthorized use of information,
- lobbying,
- merit-based employment / selection, appointment, and dismissal of managerial positions
- unlawful requests,
- not disclosing assets declarations,
- public procurement procedure and finances and other illicit payments,
- discretion powers (improper use of authority).

In practice for all those identified corruption risks, the institution should identify indicators or, in other words, sub-risks. These Guidelines already identifies sub-risks, which will make process more simplified. In this manner, the forms with indicators (sub-risks) presented below will help institutions to do a self-assessment as regards the identification of corruption risks.

There are two possible ways:

- a) institution set up group of persons (one person from each department<sup>3</sup> and Risk management coordinator) which will do the analysis (answering the questionnaires) with usage of below presented forms or
- b) sends below prepared forms – questionnaires to all employees and collects the answers and analyse them

However, it should be noted that not every employee knows all about institution and its processes and substances. That is why, to receive more objective and realistic replies, column with “I do not know” is added into the form / questionnaire. Additionally, for specific risks (public procurement, employment, assets

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<sup>3</sup> For example, within SCPC this will be the representatives from: Department for anti-corruption review of legislation, Department for Prevention of Corruption, Department for monitoring the financing of political parties, election campaigns and corruption in public procurement, Department for Prevention of Conflict of Interest and Lobbying, Department for monitoring property and interests, Department for IT Support and General Affairs, Department of financial affairs and Human resources management department,

declarations) questionnaire should be distributed only to department which are responsible for this area and to Internal control Department.

Questionnaires / gathering information should be done in anonymous way.

**Result of the usage of forms:**

All indicators / sub-risks (their questions) where replied with YES (sometimes also when replied with “I do not know”<sup>4</sup>, are identified risks within our institution. Now, one needs to assess and evaluate them through current control measures.

**2.2.3.1 Assessment of risks for conflict of interest**

*Several types of conflicts of interest can arise for public employees during the course of their official duties. Knowing how to identify and manage conflicts of interest is an effective way to prevent corruption and misconduct in the public sector. In situations where the private interest actually motivates or influences the exercise of public duty, the conflict of interest can become corruption.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.   | Agree | Not agree | Do not know |
|--|---|-------|-----------|-------------|
| Regulation on avoiding conflict of interest does not exists in institution.  | - Do we have regulations to be obeyed regarding conflict of interests?  |       |           |             |
| Regulation exists but it is not being used in the institution.   | - Did we have any cases on conflict of interest in our institution?<br>- Did we have any cases when employees informed superior about possible situations of conflict of interest?  |       |           |             |
| Regulation exists, though it is not understandable.  | - Do we have many questions about (understanding of) conflict of interest?<br>- Has institution organized any trainings for employees?<br>- Do I understand regulations on conflict of interest?  |       |           |             |
| Regulation exists, yet it is out of date.  | - Do we have up-to-date regulation on conflict of interest?   |       |           |             |
| Employees are not acquainted with the regulation on conflict of interest.  | - Were we informed about obligations with regard to conflict of interest (are they acquainted with appropriate actions on how to deal with conflict of interest)?<br>- Do we have questions about conflict of interest?<br>- Do we have any information available to employees for conflict of interest?<br>- Do we have any occasional notifications for employees about obligations regarding conflict of interest? |       |           |             |
| Lack of instructions / criteria when to report about conflict of interest or when to exclude from procedure due to existence of circumstances of conflict of interest. | - Are there any instructions or criteria to help us to identify conflict of interest or to identify need to report / exclude?   |       |           |             |

<sup>4</sup> For example: if indicator is »We do not have regulation on conflict of interest«, reply »I do not know« is also a risk.

|  |   |  |  |  |
|--|---|--|--|--|
| Employees do not report the existence of the private interest during performance of their functions and do not exempt themselves from the procedure.   | <ul style="list-style-type: none"> <li>- Did we have any such reports and exclusions?</li> <li>- Did we have any violations – that employees did not make report and exempts?</li> <li>- Did employees cease with their work / function until superior decided regarding conflict of interest?</li> </ul>                         |  |  |  |
| Employee who participates or decides in the election, appointment or employment procedure or is involved as a member of the body carrying out that procedure did not inform the head of the institution where he/she exercises public authorisations about all actions that may cause a conflict of interests. | <ul style="list-style-type: none"> <li>- Do we have such reports / complaints / suspicions?</li> <li>- Did we have any cases of violation of such obligation?</li> </ul>  |  |  |  |
| Head of the institution does not act although he was informed about actions that may cause a conflict of interests.  | <ul style="list-style-type: none"> <li>- Did we have cases when employee informed superior about actions that may cause a conflict of interests, but nothing happened?</li> <li>- Did the head of institution make any actions / replies / decisions / opinions?</li> </ul>   |  |  |  |
| Head of the institution does not comply with the provisions on the prevention of conflicts,  | <ul style="list-style-type: none"> <li>- Did we have any cases on conflict of interest where superior / head of the institution was in conflict of interest?</li> <li>- Did the head of institution make any actions / replies when he / she was informed about possible conflict of interest from his / her employee?</li> </ul> |  |  |  |
| No supervision of conflict of interest by management.  | <ul style="list-style-type: none"> <li>- Do we have any preventive mechanisms regarding conflict of interest?</li> <li>- Are there any controls / sanctions for not obeying regulations on conflict of interest?</li> </ul>   |  |  |  |
| Employees do not fill interests in Assets declarations?  | <ul style="list-style-type: none"> <li>- Do we fill all our interests in assets declarations form?</li> </ul>   |  |  |  |

### 2.2.3.2 Assessment of risks for illegal receiving gifts

*With precise and comprehensive regulation of the acceptance of gifts, there is less opportunity for groundless allegations and doubts in the honesty of officials as they perform their public function. On the other hand, a public official may refer to the provisions of the law to avoid possible embarrassment and misunderstanding regarding the acceptance of gifts as part of ceremonial, diplomatic or other custom when the public official or their function are honoured and celebrated by means of occasional or other gifts.*

*If someone attempts to influence a third party's decision in an improper manner by offering an undue or improper gift it is called bribery – the most common form of corruption.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.  | Agree | Not agree | Do not know |
|--|--|-------|-----------|-------------|
| Regulations on restricting and prohibiting of receiving gifts do not exist.  | - Do we have regulations to be obeyed regarding gifts?   |       |           |             |
| Regulations on restricting and prohibiting of receiving gifts exist but are not being used in the institution.                         | - Did we receive any gifts?<br>- Have we done everything what was expected from us (refuse gifts, report gifts, catalogue of gifts, etc.)?   |       |           |             |
| Regulations exist, though they are not understandable.   | - Do we have questions about (understanding of) receiving gifts?<br>- Has institution organized any trainings regarding receiving gifts?   |       |           |             |
| Regulations exist, yet they are out of date.   | - Do we have up-to-date regulations on gifts?  |       |           |             |
| Employees are not acquainted with the regulations on gifts.  | - Were we informed at the start or during the employment about obligations regarding restriction of receiving gifts (are we acquainted with appropriate actions, reporting, refusing, etc.)?<br>- Do we have many questions about value of gifts, nature of gifts, reporting the gifts, refusing the gifts?<br>- Do we have / get any information available for restrictions and prohibitions on receiving the gifts?<br>- Do we get any occasional notifications about obligations regarding receiving gifts? |       |           |             |
| Lack of attention of employee on obligations regarding restrictions and prohibitions of receiving gifts, forms and value of gifts.     | - Did we have any cases on receiving illegal gifts?<br>- Did we have any cases on not reporting received gift?<br>- Did we have any cases on not refusing offered gift?<br>- Did we receive any reports / complaints about receiving gifts internally / externally?  |       |           |             |
| Employees are not aware what kind of gift can / cannot be accepted, what is still acceptable value of gift which can be accepted, etc. | - Do we have questions about value of gifts, nature of gifts, reporting the gifts, refusing the gifts?<br>- Did we have any cases where we accept gifts, but were not appropriate?   |       |           |             |
| Employees, when in doubt regarding an offered gift, do not request for an opinion.   | - Were there any requests for an opinion in case of an offered gift?<br>- Were there any cases on receiving illegal gift?  |       |           |             |
| Employee does not report the received gift.  | - Did we have any such cases?<br>- Are there any instructions / criteria when to report / record the received gift?  |       |           |             |

|  |  |  |  |  |
|--|--|--|--|--|
| Responsible person does not record the received gift in the catalogue of gift.                           | <ul style="list-style-type: none"> <li>- Do we make reports on gifts?</li> <li>- Are there any checks / supervisions on recording the gift into catalogue?</li> </ul>  |  |  |  |
| Catalogue of gifts does not exist  | <ul style="list-style-type: none"> <li>- Do we have catalogue of gift?</li> <li>- Is it up-dated?</li> <li>- Are reports on received gifts properly recorded, scanned and saved?</li> </ul>  |  |  |  |
| There is no responsible person for management of catalogue of gifts.                                     | <ul style="list-style-type: none"> <li>- Do we have such person?</li> <li>- Do we know who the responsible person is?</li> <li>- Do we know what to inform / declare to this person?</li> </ul>  |  |  |  |
| Responsible person / head of the institution does not act although he was informed about illegal gift.   | <ul style="list-style-type: none"> <li>- Did we have cases when employee informed responsible person / the head of institution about offered illegal gift, but there was no follow up on that?</li> <li>- Did the head of institution make any actions / replies / decisions / opinions regard receiving gifts?</li> </ul> |  |  |  |
| Responsible person / head of the institution does not comply with the provisions on the receiving gifts, | <ul style="list-style-type: none"> <li>- Did we have any such cases?</li> <li>- Was there any follow up?</li> </ul>  |  |  |  |
| No supervision of receiving gifts.   | <ul style="list-style-type: none"> <li>- Do we have any preventive mechanisms regarding receiving gifts?</li> <li>- Are there any controls / sanctions for not obeying regulations on receiving gifts?</li> </ul>  |  |  |  |
| Bribing or influencing with gifts  | <ul style="list-style-type: none"> <li>- Were there any cases where person wanted to give gift or other benefit to employee to do something for this person?</li> <li>- Are we aware of obligation to report such crime (bribery) to authorities?</li> </ul>   |  |  |  |

**2.2.3.3 Assessment of risks for incompatibilities of work / positions / functions<sup>5</sup> (performing other activities, membership in management and supervisory bodies)**

*The incompatibility of office held by a public official with the pursuit of gainful activity and the prohibition of membership and activities, are both measures for the prevention of corruption and the prevention of the conflict of interest. Their purpose is to ensure the independent fulfilment of the functions set out by the law.*

| Indicators / sub-risks  | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions. | Agree | Not agree | Do not know |
|---|---|-------|-----------|-------------|
| Regulation on incompatibilities of functions does not exist in institution.           | <ul style="list-style-type: none"> <li>- Do we have regulations to be obeyed regarding incompatibilities of functions?</li> </ul>   |       |           |             |
| Regulation on incompatibilities of functions exists, yet it is out of date.           | <ul style="list-style-type: none"> <li>- Do we have up-to-date regulation on incompatibilities of functions?</li> </ul>   |       |           |             |
| Regulation on incompatibilities of functions exists, though it is not understandable. | <ul style="list-style-type: none"> <li>- Do we have questions about (understanding of) incompatibilities of functions?</li> <li>- Has institution organized any trainings regarding incompatibilities of functions?</li> </ul>          |       |           |             |

<sup>5</sup> As applicable to civil servants or elected/nominated officials.

|   |  |  |  |  |
|---|--|--|--|--|
| Employees are not acquainted / familiar with the regulation on incompatibilities of functions.    | <ul style="list-style-type: none"> <li>- Were we informed about incompatibilities of functions – meaning are we acquainted with appropriate actions, rules, prohibitions, to whom and how to address questions, etc.?</li> <li>- Do we have any information available on incompatibilities of functions?</li> <li>- Do we have any occasional notifications about incompatibilities of functions?</li> </ul> |  |  |  |
| Lack of attention of public officials on incompatibilities of functions.                          | <ul style="list-style-type: none"> <li>- Did we have any cases on incompatibilities of functions?</li> <li>- Did we receive any reports / complaints about incompatibilities of functions internally / externally?</li> </ul>  |  |  |  |
| Employees do not request for an opinion in case of a suspicion of incompatibilities of functions. | <ul style="list-style-type: none"> <li>- Were there any requests for an opinion in case of a suspicion of incompatibilities of functions?</li> <li>- Were there any cases on incompatibilities of functions?</li> </ul>  |  |  |  |
| No preventive mechanisms against incompatibilities of functions.                                  | <ul style="list-style-type: none"> <li>- Do we have any preventive mechanisms regarding incompatibilities of functions?</li> <li>- Are there any controls on incompatibilities of functions?</li> </ul>  |  |  |  |
| Public officials do not fill all functions, memberships etc. in Assets declarations.              | <ul style="list-style-type: none"> <li>- Do we fill all functions, memberships etc. in assets declarations?</li> </ul>   |  |  |  |

**2.2.3.4 Assessment of risks for lack of whistleblowers, collaborators of justice, witness and persons working on prevention of corruption protection (hereinafter: WB protection)**

*Whistle-blower is a person who exposes wrongdoing within an organization. Whistle-blower protection is crucial for the success of anti-corruption detection and enforcement and should be a key aspect of preventing corruption. Thus, not having proper WB, witness and other protection of persons working on prevention of corruption, could increase corrupt practices.*

| Indicators / sub-risks  | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.   | Agree | Not agree | Do not know |
|---|---|-------|-----------|-------------|
| Regulations on WB protection do not exist <sup>6</sup> .                                      | <ul style="list-style-type: none"> <li>- Do we have (internal) regulations on WB protection.</li> </ul>   |       |           |             |
| Regulations on WB protection exist, though it is not understandable.                          | <ul style="list-style-type: none"> <li>- Do we have questions about (understanding of) WB protection?</li> <li>- Has institution organized any trainings on WB protection?</li> </ul>   |       |           |             |
| Employees are not acquainted / familiar with the regulations on WB protection.                | <ul style="list-style-type: none"> <li>- Were we informed about WB protection – meaning are we acquainted with appropriate actions, internal / external reporting, to whom to address violations, etc.?</li> <li>- Do we have any information available on WB protection?</li> <li>- Are there any occasional notifications about WB protection?</li> </ul> |       |           |             |
| Institution does not have proper and efficient internal process for reporting irregularities. | <ul style="list-style-type: none"> <li>- Do we have proper process, including instructions, responsible person, protection, knowledge, etc. for reporting irregularities?</li> </ul>  |       |           |             |
| No person authorized by the manager within the institution for receiving reports from WB.     | <ul style="list-style-type: none"> <li>- Do we have such person authorised / appointed?</li> </ul>  |       |           |             |
| Only head of the institution is authorised person for receiving reports from WB.              | <ul style="list-style-type: none"> <li>- Are we familiar that we can report irregularity to head of institution?</li> <li>- Are reports sent only to external control institutions (police, SCPC, etc.).</li> </ul>   |       |           |             |
| Employees do not report irregularities.   | <ul style="list-style-type: none"> <li>- Were there any rumours about irregularities but not officially “proven”?</li> </ul>  |       |           |             |

<sup>6</sup> Persons should know about Law on WB protection and LPCCI and other relevant acts.



|   |   |  |  |  |
|---|---|--|--|--|
| Employees do not report irregularities although they are familiar with them due to the fear of revenge.   | - Were there any rumours about such fear / irregularities?  |  |  |  |
| Responsible person for WB reports or head of the institutions does not react on WB reports.   | - Are we familiar with regulations on illegal / unlawful requests and regulations on lobbying?<br>- Do we have any information available on illegal and unlawful requests / lobbying?<br>- Are there any occasional notifications on illegal and unlawful requests / lobbying?? |  |  |  |
| Institution refers complaints / reports to other competent authorities including names of complainants / reporting persons.   | - Do we ask reporting person / complainant if we can send his / her reports / complaint to competent institution?   |  |  |  |
| Identity of WB was revealed / shown to the public / third persons.  | - Were there such cases where information on WB was revealed / shown to media / third persons?<br>- Where there any cases that data on WB was not protected properly?   |  |  |  |
| WB was victim of harmful action (intimidation, threat with retaliation or danger to life, health, liberty, physical integrity, etc.) due to reporting irregularities. | - Were there any such cases where WB was victim of harmful action (intimidation, threat with retaliation or danger to life, health, liberty, physical integrity or larger property, etc.) due to reporting irregularities.  |  |  |  |

### 2.2.3.5 Assessment of risks for restrictions for doing business during the function (hereinafter: business restrictions)

*The provisions on the restrictions on business activities protect domestic and EU public funds from use motivated by private interest. The rules or rather the system of restrictions on business activities is therefore intended to completely, or to the greatest extent possible, exclude formal and informal influence of officials in all phases of obtaining business or a different form of awarding public funds when the said officials have a (partial) private interest in obtaining the said business.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.  | Agree | Not agree | Do not know |
|--|--|-------|-----------|-------------|
| Regulation on business restrictions does not exist in institution.                       | - Do we have regulations to be obeyed regarding business restrictions?   |       |           |             |
| Regulation on business restrictions exists, yet it is out of date.                       | - Do we have up-to-date regulation on business restrictions?   |       |           |             |
| Regulation on business restrictions exists, though it is not understandable.             | - Do we have questions about (understanding of) business restrictions?<br>- Has institution organized any trainings regarding business restrictions?   |       |           |             |
| Employees are not acquainted / familiar with the regulations on business restrictions.   | - Were we informed about business restrictions – meaning are we acquainted with appropriate actions, rules, prohibitions, to whom and how to address questions, etc.?<br>- Do we have any information available on business restrictions?<br>- Are there any occasional notifications about business restrictions? |       |           |             |
| Lack of attention of public officials on business restrictions.                          | - Did we have any cases on business restrictions?<br>- Did we receive any reports / complaints about business restrictions internally / externally?  |       |           |             |
| Employees do not request for an opinion in case of a suspicion of business restrictions. | - Were there any requests for an opinion in case of a suspicion of business restrictions?<br>- Were there any cases regarding business restrictions?   |       |           |             |
| A legal entity established or owned by an  | - Did we have such cases?  |       |           |             |

|  |   |  |  |  |
|--|---|--|--|--|
| elected or appointed person, or by a member of his / her family, or in which a member of his / her family is a responsible person, or legal entity in which the elected or appointed person hold shares appears is a beneficiary of a grant, loan i.e. a financial support from the state or as a beneficiary of loans in which the lender is the state or local self-government unit. |   |  |  |  |
| An official person during performing of its function, public authorisations or duties establishes a business relationship with a legal entity that is his/her property or property of member of his/her family, or in which he/her or member of his/her family holds stocks or shares or is founded by him/her or a member of his/her family.  | - Did we have such cases?   |  |  |  |
| No preventive mechanisms against business restrictions exist.  | - Do we have any preventive mechanisms regarding business restrictions?<br>- Are there any controls on business restrictions? |  |  |  |
| Public officials do not fill all companies etc where they have shares in Assets declarations.  | - Are we filling all companies etc. where we have shares in Assets declarations?  |  |  |  |
| Elected or appointed does not entrust the management of a trade company or institution as an oner to another person or body / does not inform SCPC about that.   | - Did we have such cases?   |  |  |  |
| Elected or appointed person, responsible person in a public enterprise, public institution or other legal entity disposing with state capital does not inform the institution i.e. the body in which he/she performs his/her function about the legal entities in his/her ownership or in which he/she holds stocks or shares or has a managing function                               | - Did we have such cases?   |  |  |  |

### 2.2.3.6 Assessment of risks for prohibition of misuse of official data, trading and unauthorized use of information

*Misuse of information or material by public officers, acquired in the course of the performance of their duties, may constitute corrupt conduct. Besides, unauthorized access and disclosure of information are key enablers of other corrupt behaviour. These corruption risks are often overlooked. Sharing information with approved third parties also presents many corruption risks. Although policies may be in place to control information access and disclosure by third parties, the proactive detection and enforcement of information misuse by agencies owning the information is difficult.*

| Indicators / sub-risks        | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions. | Agree | Not agree | Do not know |
|-------------------------------|---|-------|-----------|-------------|
| Official data are misused.    | - Did we have such cases?<br>- Do we use official data for ourselves (additional work, etc.)?   |       |           |             |
| Lack of internal regulations. | - Do we have any internal regulation (ethical codes, internal acts) on management of official data / misuse of official data?   |       |           |             |

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|---|--|--|--|--|
| Lack of control and detection of unauthorised access and disclosure   | - Do we have any system of control or detection who has / had access to official data?                             |  |  |  |
| Lack of education (and training)  | - Did we have any education / training about misuse of official data, trading and unauthorized use of information? |  |  |  |
| Leak of information / disclosure of data to public / media  | - Did we have such cases?  |  |  |  |
| Unauthorised access to official data for personal interest or curiosity to access data to view high-profile officials | - Did we have such cases?  |  |  |  |

### 2.2.3.7 Assessment of risks regarding lobbying

*Lobbying is the exercising of influence where an individual (a lobbyist) attempts to influence a decision of decision-makers (persons lobbied) who are active in the area of designing and adopting legislation and public policies, and does so in a non-public manner and in the interest of an interest group.*

*Corruption risks arise from the way in which lobbying can be conducted, the nature of the lobbying activity, and the background of the person undertaking the lobbying.*

*Lobbying and many forms of corruption share a basic goal—affecting government decisions. The line between them is minimal.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.  | Agree | Not agree | Do not know |
|--|--|-------|-----------|-------------|
| Regulation on lobbying exists, though it is not understandable.  | - Do we have questions about (understanding of) lobbying?<br>- Has institution organized any trainings regarding lobbying?   |       |           |             |
| Employees are not acquainted with the regulation on lobbying.  | - Were we informed about lobbying – meaning are we acquainted with appropriate actions, reporting, refusing, etc.?<br>- Do we have any information available on lobbying?<br>- Are there any occasional notifications about lobbying?  |       |           |             |
| Employees do not report / record lobbying  | - Were there any rumours about lobbying in our institution?  |       |           |             |
| Employees do not recognize illegal lobbying activities (activities which are not deemed as lobbying) due to the lack of knowledge  | - Were we informed about illegal lobbying – meaning are we acquainted with appropriate actions, reporting, refusing, etc.?<br>- Do we have any information available on illegal lobbying?<br>- Are there any occasional notifications about illegal lobbying?                        |       |           |             |
| Employees do not separate illicit influences from illegal lobbying.  | - Are we familiar with regulations on illegal / unlawful requests and regulations on lobbying?<br>- Do we have any information available on illegal and unlawful requests / lobbying?<br>- Are there any occasional notifications about on illegal and unlawful requests / lobbying? |       |           |             |
| Lack of transparency in the lobbying process (information on lobbying is not available to public, private meetings, etc.).   | - Do we have proper internal guidelines or all necessary awareness of making processes and documents of lobbying transparent?  |       |           |             |
| Lack of / inadequate recordkeeping (recording and properly maintenance of records and accession to records) of communications between lobbyists and lobbied officials <sup>7</sup> . | - Do we have proper internal guidelines or all necessary awareness of proper recordkeeping of communications between lobbyists and lobbied officials?  |       |           |             |

<sup>7</sup> Solution: not only one lobbied official at the meeting with lobbyist but two.

|   |   |  |  |  |
|---|---|--|--|--|
| Lobbying involves also gifts and other benefit. <sup>8</sup>                  | <ul style="list-style-type: none"> <li>- Did we have any cases where lobbyists gave gifts to lobbied persons.</li> <li>- Are we aware of regulations of receiving gifts?</li> </ul> |  |  |  |
| Lobbying by former public officials <sup>9</sup> .                            | <ul style="list-style-type: none"> <li>- Are there any cases where former public officials / our former co-worker / manager lobbied in our institution?</li> </ul>                  |  |  |  |
| Officials do not check what is the purpose of visit of person to institution. | <ul style="list-style-type: none"> <li>- Do we know what to check, what to seek, what to ask when somebody comes to the institution?</li> </ul>                                     |  |  |  |
| Lack of written contract between the lobbyists and lobbied party.             | <ul style="list-style-type: none"> <li>- Do we always prepare and make a contract between the lobbyists and lobbied party?</li> </ul>   |  |  |  |
| Officials do not check whether lobbyist is registered or not.                 | <ul style="list-style-type: none"> <li>- Are we acknowledged to check whether there is a lobbying activity and whether lobbyist is registered or not?</li> </ul>                    |  |  |  |
| Influence of unregistered lobbyist on the process of decision-making.         | <ul style="list-style-type: none"> <li>- Did we have any such cases?</li> <li>- Were there any reports / complaints / suspicions about that?</li> </ul>                             |  |  |  |
| Lack of control / preventive mechanisms for illegal lobbying.                 | <ul style="list-style-type: none"> <li>- Do we have any controls or other preventive mechanisms to detect / prevent illegal lobbying?</li> </ul>                                    |  |  |  |

### 2.2.3.8 Assessment of risks for merit-based employment / selection, appointment and dismissal of managerial positions<sup>10</sup>

*Influence is not a corrupt or illegitimate activity per se, but when opaque and disproportionate it may lead to undue influence, corruption and even state capture. Undue influence is a more subtle form of corruption as people often make use of legal mechanisms to influence the decision-making process.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.   | Agree | Not agree | Do not know |
|--|---|-------|-----------|-------------|
| The criteria for employment / promotion are not predetermined and clearly defined    | <ul style="list-style-type: none"> <li>- Did we have any such cases (proven by competent / control body)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have objective and effective control system ("four eyes", more persons who make decisions etc., not only one person responsible for all)?</li> </ul>    |       |           |             |
| The employment / promotion process is merit based                                    | <ul style="list-style-type: none"> <li>- Were there any reports / appeals / suspicions with this regard?</li> </ul>   |       |           |             |
| The employment / promotion process is not transparent.                               | <ul style="list-style-type: none"> <li>- Do we have everything written, recorded, available to public?</li> <li>- Is document management properly done and implemented?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> </ul>   |       |           |             |
| Tests in the selection of job candidates are disclosed to pre-privileged individuals | <ul style="list-style-type: none"> <li>- Did we have any such cases (proven by competent / control body)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have objective and effective control system ("four eyes", group of persons who make decisions, and not only one person responsible for all)?</li> </ul> |       |           |             |

<sup>8</sup> A clear obligation in internal act - statement prohibiting a lobbyist or a lobbyist's client from offering, promising or giving any gift or other benefit to a Government Representative, who is being lobbied by the lobbyist, has been lobbied by the lobbyist or is likely to be lobbied by the lobbyist.

<sup>9</sup> Solution: not only one lobbied official at the meeting with lobbyist but two. Having regulation that former officials shall not, for a period of XY years / months after leaving office, engage in any lobbying activity relating to any matter that they had official dealings with in their last xy years / months in office.

<sup>10</sup> This form is to be distributed to persons who work in human resources department and internal control and all others who are involved in employment procedures within institution.

|  |  |  |  |  |
|--|--|--|--|--|
| Failure to consider conflicts of interest with selection boards and the decision-maker   | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / complaints with this regard?</li> <li>- Are there any connections between public official and contractor (former employee, relative, company's share)?</li> <li>- Are public officials familiar with rules on Conflict of interest?</li> </ul>  |  |  |  |
| Influence on employment of close relatives   | <ul style="list-style-type: none"> <li>- Are we familiar with rules on Conflict of interest and prohibition of involvement of close relatives (Article 56 of LPCCI)?</li> <li>- Are the elected or appointed persons (or responsible person in a public enterprise and other legal entity disposing with state capital) familiar with the obligation to inform the SCPC for each election, appointment or employment, promotion of a member of his / her family in a state body, body of the local self-government, public enterprise or other legal entity disposing with state capital, within ten days after the election, appointment, promotion or employment.</li> </ul> |  |  |  |
| Influence / illegal impact on: <ul style="list-style-type: none"> <li>- selection, appointment and dismissal of managerial positions</li> <li>- employment process.</li> </ul> | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / complaints / suspicions with this regard?</li> <li>- Where there any visible political or other internal / external impact on the process of selection, appointment and dismissal of managerial positions / employment process.</li> <li>- Do we have objective and effective control system ("four eyes", group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>   |  |  |  |

### 2.2.3.9 Assessment of risks for unlawful requests of a supervisor

*Unlawful request to do act contrary to the Constitution, law or other regulation is like undue influence and represent more subtle form of corruption as people often make use of legal mechanisms to influence the decision-making process.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.  | Agree | Not agree | Do not know |
|--|--|-------|-----------|-------------|
| Regulations on unlawful requests do not exist.                             | <ul style="list-style-type: none"> <li>- Do we have regulations to be obeyed regarding unlawful requests?</li> </ul>   |       |           |             |
| Regulation on unlawful requests exists, though it is not understandable.   | <ul style="list-style-type: none"> <li>- Do we have questions about (understanding of) unlawful requests?</li> <li>- Has institution organized any trainings regarding unlawful requests?</li> </ul>   |       |           |             |
| Employees are not acquainted with the regulation on unlawful requests.     | <ul style="list-style-type: none"> <li>- Were we informed about unlawful requests – meaning are we acquainted with appropriate actions, reporting, refusing, etc.?</li> <li>- Do you have any information available on unlawful requests?</li> <li>- Are there any occasional notifications about on unlawful requests?</li> </ul> |       |           |             |
| Employees do not report unauthorized impacts or other unlawful requests.   | <ul style="list-style-type: none"> <li>- Were there any rumours about unlawful requests?</li> </ul>  |       |           |             |
| Employees do not recognize unlawful requests due to the lack of knowledge. | <ul style="list-style-type: none"> <li>- Were we informed about unlawful requests – meaning are we acquainted with appropriate actions, reporting, etc.?</li> <li>- Do we have any information available on unlawful requests?</li> <li>- Are there any occasional notifications about on unlawful requests?</li> </ul>            |       |           |             |

### 2.2.3.10 Assessment of risks regarding not disclosing assets declarations<sup>11</sup>

*Asset declarations of public officials are a powerful tool to prevent corruption, detect illicit enrichment and conflicts of interests. System of assets declaration promotes and strengthens the transparency in the processes and procedures of the implementation of powers, the discharge of duties of office, and the management of public affairs.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions. | Agree | Not agree | Do not know |
|--|---|-------|-----------|-------------|
| Lack of awareness who needs to disclose assets declaration.  | <ul style="list-style-type: none"> <li>- Does our institution have officials who needs to declare their assets to competent institution?</li> <li>- Do the officials know that they have to declare?</li> </ul>                         |       |           |             |
| Lack of knowledge how to disclose assets?  | <ul style="list-style-type: none"> <li>- Do we have lots of questions how to declare assets and what to declare?</li> </ul>   |       |           |             |
| Not declared assets.   | <ul style="list-style-type: none"> <li>- Did we have any such cases?</li> </ul>   |       |           |             |
| Officials not submitting declarations at all / in due time / in due form.  | <ul style="list-style-type: none"> <li>- Did we have any such cases?</li> </ul>   |       |           |             |
| Responsible persons in institution do not provide data for the persons who need to declare assets to the SCPC (about the beginning and termination of function of official). | <ul style="list-style-type: none"> <li>- Did we have any cases where irregularities were found regarding this?</li> </ul>   |       |           |             |

### 2.2.3.11 Assessment of risks regarding public procurement procedure, finances and other illicit payments<sup>12</sup>

*One of the most corruption prone government activities is public procurement. The reasons for this include "the volume of transactions and the financial interests at stake" as well as "the complexity of the process, the close interaction between public officials and businesses, and the multitude of stakeholders". Corruption in public procurement takes many forms, such as bribery, embezzlement and abuse of functions.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.   | Agree | Not agree | Do not know |
|--|---|-------|-----------|-------------|
| Inadequate planning of institution's needs                       | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have objective and effective control system ("four eyes", group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul> |       |           |             |
| Inadequate investment planning (inadequate investment documents) | <ul style="list-style-type: none"> <li>- Do we plan investment objectively and correctly?</li> <li>- Do we have any internal acts how to plan?</li> <li>- Did we make all necessary analysis and objective assessments?</li> <li>- Have we done proper research on market?</li> <li>- Do we have objective and effective control system ("four eyes",</li> </ul>        |       |           |             |

<sup>11</sup> This form is to be distributed to persons who work in the Department responsible for assets declarations and all public officials who needs to declare their assets.

<sup>12</sup> This form is to be distributed to persons who work in Department for public procurement and Internal control and all other persons who are involved in the process off public procurement.

|   |   |  |  |  |
|---|---|--|--|--|
|   | group of persons who make decisions etc., and not to have only one person responsible for all)?   |  |  |  |
| Unjustified application of exceptions in terms of deviation from the application of the rules of public procurement   | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>  |  |  |  |
| Unjustified division of public procurement into several smaller ones  | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>  |  |  |  |
| Inadequate specification - specification of the subject (technical documentation) adapted to the characteristics of one bidder                                  | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Did they look like intentional?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> <li>- Have we done proper research on market?</li> </ul>  |  |  |  |
| Inadequate calculation of the estimated value of the contract (affects the choice of the type of procedure and the assessment of the suitability of the tender) | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Did they look like intentional?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> <li>- Have we done proper research on market?</li> </ul>  |  |  |  |
| Influence of lobbyists on the formation of needs (type, scope)  | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we understand provisions of lobbying?</li> </ul>   |  |  |  |
| Unjustified use of a less competitive procurement procedure   | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> <li>- Have been contract amount just below competitive bidding limits?</li> <li>- Have been any inadequate justifications when requesting a non-competitive awards?</li> </ul> |  |  |  |
| Uncertainty of tender documentation and / or publication of public procurement  | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> </ul>   |  |  |  |

|   |   |  |  |  |
|---|---|--|--|--|
|   | <ul style="list-style-type: none"> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>   |  |  |  |
| Conditions / the selection criteria are set disproportionately  | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> <li>- Have we done proper research on market?</li> </ul> |  |  |  |
| Uncertainty of conditions for determining competence.   | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> <li>- Have we done proper research on market?</li> </ul> |  |  |  |
| Uncertainty of criteria - no weight of individual (sub)criteria   | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>  |  |  |  |
| Insufficient control of the contracting authority over the implementation of individual provisions of the contract                        | <ul style="list-style-type: none"> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>   |  |  |  |
| Unjustified conclusion of annexes for several works, unforeseen works, urgent works, additionally ordered works                           | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>  |  |  |  |
| Concluding annexes without performing the appropriate procedure   | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have any internal acts on public procurement with detailed schemes and explanation?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>  |  |  |  |
| Conflict of interest in public procurement process.<br><br>Conflict of interest in use and giving the funds entrusted to official person. | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Are there any connections between public official and contractor (former employee, relative, company’s share)?</li> <li>- Are public officials who work in PPP acknowledged with rules on Conflict of interest?</li> </ul>   |  |  |  |
| Influence on public procurement process   | <ul style="list-style-type: none"> <li>- Did we have any such cases (Inspection / audit reports, etc)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Do we have objective and effective control system (“four eyes”, group of persons who make decisions etc., and not to have only one person responsible for all)?</li> </ul>   |  |  |  |



|                |   |  |  |  |
|----------------|---|--|--|--|
| Bribery in PPP | <ul style="list-style-type: none"> <li>- Did we have any such cases (Police / prosecution / court decision)?</li> <li>- Were there any reports / appeals / suspicions with this regard?</li> <li>- Are there any cases of unexplained <b>visible</b> increase in wealth of public official (procurement official or other official involved in awarding contracts)?</li> <li>- Are there any cases where public official socializes with (current or prospective) contractor, and accepts inappropriate gifts or entertainment?</li> <li>- Are there any cases where public official discusses employment with a contractor?</li> </ul> |  |  |  |
|----------------|---|--|--|--|

### 2.2.3.12 Assessment of risks regarding discretionary powers

*Discretionary decision making that is impartial, transparent, accountable and properly recorded will help protect you from perceptions and allegations of corruption.*

*Inappropriately exercising your discretion when making decisions can undermine the public's confidence in the public sector.*

*Using your discretionary decision-making powers improperly — for example, to benefit your own or a third party's interests — may lead to criminal charges and/or disciplinary action.*

| Indicators / sub-risks   | Questions which are generated only for easier understanding and finding proper opinion about indicators / sub-risks in left column. Your opinion (right column) should be made on indicators / sub-risks and not directly on questions.  | Agree | Not agree | Do not know |
|--|--|-------|-----------|-------------|
| Officials do not bring the decisions conscientiously, taking into account all the facts and circumstances of the particular case and the principle of legality and fairness. | <ul style="list-style-type: none"> <li>- Do we have many complaints / reports / challenges on / of decisions where law allows for the discretion (shall, may, could, etc.)?</li> <li>- Do we have many negative rulings on decisions where law allows for the discretion (shall, may, could, etc.)?</li> </ul>   |       |           |             |
| Lack of internal guidelines / criteria how to make proper decision in similar cases (in the processes where discretion is allowed), where are limitations, etc.              | <ul style="list-style-type: none"> <li>- Are there objective criteria and procedures to exercise discretionary rights?</li> <li>- Do we have any guidelines / criteria how to make decisions in similar cases?</li> <li>- Do we make any analysis of use of discretion in cases = to identify weaknesses / opportunities / cons and pros?</li> </ul>   |       |           |             |
| Lack of interpretation of ambiguous language, conflict of provisions, missing concepts, duplication of functions, etc.   | <ul style="list-style-type: none"> <li>- Do we issue interpretations / opinions / other kind of acts to explain / interpret weak regulation?</li> <li>- Are there complaints or requests for the interpretations for the specific provisions, procedures and procedures for decision-making?</li> </ul>  |       |           |             |
| Lack of preventive mechanisms to prevent from irregular usage of discretion powers?  | <ul style="list-style-type: none"> <li>- Is the process of the preparation of the decision, decision-making <i>per se</i> and monitoring (control) of the implementation of the decision in one person's authority?</li> <li>- Is the process and procedure for decision-making regulated to be transparent and to be auditable (documentation / records / minutes)?</li> <li>- Is public official required to provide adequate reasons for his/her decision?</li> </ul> |       |           |             |

## 2.3. Analyse, Evaluate Risks and identify current Control measures

In previous step corruption risks and vulnerabilities within the institution were identified. Now current / already existing control measures compared to identified risks need to be identified and analysed. If these internal controls and measures are appropriate and effective, then the identified risks are not highly likely to occur, to be serious or to have major consequences/effects.

This phase (evaluation / analysis of current control measures) can be done in parallel with the identification of risks. However, it is not incorrect to do it separately.

The result of this analysis is to determine whether a risk is:

- a) controlled (measures are appropriate and sufficient),
- b) partly controlled, (up-dating and supplementing the measure) or
- c) not controlled (measures do not exist or are inadequate).



**Partly controlled and not-controlled risks** should be further evaluated using two factors:

- The **likelihood** of the identified risks to occur (likelihood implies the frequency of an event’s occurrence),
- The **impact** of the risk, i.e. the effect or consequences arising from the occurrence of the risk (impact implies consequences caused by the occurrence of an event).

Again, it is a self-assessment process and there are no wrong answers. However, evaluation should be done in an objective, honest and realistic manner. It should be borne in mind that **proper identification of all risks is in the very interest of the institution** and its staff. Hiding/ignoring the risks may results in corruptions and thus adversely affect the image and reputation of the institution.

### 2.3.1 Form for evaluating and analysing risks

Form from the previous step:

| Indicators / sub-risks   | Sub questions for easier understanding and finding proper information / answer.   | Agree Yes | Not agree No |
|--|---|-----------|--------------|
| Regulation on avoiding conflict of interest does not exist in institution. | - Do we have regulations to be obeyed regarding conflict of interests?  |           | x            |
| Regulation exists but it is not being used in the institution.             | - Did we have any cases on conflict of interest?<br>- Did we have cases when employees informed superior about possible situations of conflict of interest?   |           | X            |
| Regulation exists, though it is not understandable.                        | - Do we have many questions about (understanding of) conflict of interest?<br>- Has institution organized any trainings for employees?  |           | x            |
| Regulation exists, yet it is out of date.                                  | - Do we have up-to-date regulation on conflict of interest?   |           | x            |
| Employees are not acquainted with the regulation on conflict of interest.  | - Were we informed about obligations regarding conflict of interest (are we acquainted with appropriate actions on how to deal with conflict of interest)?<br>- Do we have questions about conflict of interest?<br>- Do we have any information available for conflict of interest?<br>- Do we have any occasional notifications about obligations regarding | x         |              |

|  |  |   |  |
|--|--|---|--|
|  | conflict of interest?  |   |  |
| Lack of attention of public officials on conflict of interest. | <ul style="list-style-type: none"> <li>- Did we have any cases on conflict of interest?</li> <li>- Did we receive any reports / complaints / suspicions about conflict of interest internally / externally?</li> </ul> | x |  |

From the form above, it is clear that only two risks occurred / are present in the institution (due to the fact we answered with YES).

**Next step is to evaluate both risks from the standpoint whether is it controlled or not (are any preventive measures already in place for such risks).**

This step applies to risks which are identified. In our hypothetical example, there are two risks:

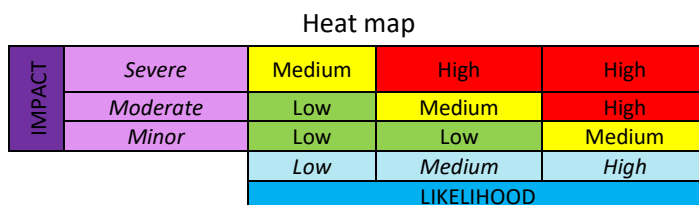
- *Employees are not acquainted with the regulation on conflict of interest; and*
- *Lack of attention of public officials on conflict of interest.*

Regarding the first risk identified - *Employees are not acquainted with the regulation on conflict of interest*: This risk means that the employees are not acquainted with the regulation on conflict of interest. The evaluators must ask themselves why this is the case: were there any trainings, practical presentations and other actions which were / are aimed to raise awareness of employees about conflict of interest. The replies and findings about that (hypothetically) were: Yes, there is a training and a seminar once a year; law is publicly available and the Management is open for explanations. However, the mentioned / identified control measures are obviously not enough or are not efficient, since some employees are still not sufficiently acquainted with the issue of conflict of interest. That means that the Risk is not entirely controlled. The final assessment is that it is Partly controlled (there are some measures, but not enough). So, the “partly controlled” box will be checked in the form below.

**Next step is to find out / to assess whether such facts already materialised (occurred) and if it is possible for them to occur again and what may be the of consequences if it occurred? The risk heat map will be used to visualise this analysis.**

### 2.3.2 Risk heat map

**A risk heat map** is a tool used to present the results of a risk assessment process visually and in a meaningful and concise way:



Source: Risk Assessment Guidelines of the Republic of Macedonia, 2015

**Definition of terms in the heat map:**

| Assessment of IMPACT  | Interpretation   | Assessment of LIKELIHOOD | Interpretation   |
|---|--|--------------------------|--|
| <b>Minor</b>  | <b>If the risk occurs, business process and planned activities are not disrupted (or are lightly impacted).</b><br><br><i>Examples: Schedule delays to minor projects/services<br/>Loss of assets (low value)<br/>Unfavourable media attention</i>                             | <b>Low</b>               | The risk occurrence is unlikely or there is some knowledge of the occurred situation.  |
| <b>Moderate</b>   | <b>If the risk occurs, the activities are significantly disrupted.</b><br><br><i>Examples: Disruption of some essential programs/services<br/>Loss of assets<br/>Some loss of public trust<br/>Negative media attention</i>  | <b>Medium</b>            | The event should occur sometimes. Previous evidence or knowledge of the occurred situation supports the likelihood of risk occurrence.                               |
| <b>Severe</b>   | <b>If the risk occurs, the activities are heavily disrupted.</b><br><br><i>Examples: Disruption of all essential programs/services<br/>Loss of major assets</i>  | <b>High</b>              | The event is expected to occur in most circumstances. Clear and frequent evidence or knowledge of the occurred situation supports the likelihood of risk occurrence. |
| <b>RESULTS OF DIFFERENT COMBINATIONS OF LEVEL OF LIKELIHOOD AND IMPACT:</b> |  |                          |  |
| <b>Low</b>  | No action needed or only pay attention to the identified risk  |                          |  |
| <b>Medium</b>   | The risk must be observed, more prevention measures identify, control of identified measures to minimise risks, superior should be informed about risks  |                          |  |
| <b>High</b>   | The risk must be observed all the time, as many prevention and control measures must be identified, strictly and very often control of the implementation of control measures, superior must be up-dated about issue weekly, involve external control mechanisms/institutions. |                          |  |

Source: Risk Management Guidelines of the Republic of Macedonia, 2015

The heat-map shows the results of the analysis: the risk has actually already materialised but in very few cases (so likelihood is **YELLOW**: risk occur sometimes and that previous evidence or knowledge of the occurred situation supports the likelihood of risk occurrence) and there were no significant negative consequences (**YELLOW** – moderate impact: If the risk occurs, the activities are significantly disrupted).

The final assessment is **YELLOW**, which means that this risk must be monitored, more prevention measures identified, control of the identified measures to minimize the risk, a superior should be informed about the risks.

**Example of form for analysis and evaluation the risk through present preventive / control measures**

| RISKS   | CURRENT CONTROL MEASURES   | IS RISK CONTROLLED?   | ASSESSMENT OF RISK  |
|---|--|---|---|
| Employees are not acquainted with the regulation on conflict of interest. | We have once a year training and Seminar.<br>Law is publicly available.<br>Management is open for explanation. | <input type="checkbox"/> controlled<br><input checked="" type="checkbox"/> partly controlled<br><input type="checkbox"/> not controlled | Likelihood:<br><br>Impact / consequence:<br><br>Final Assessment:<br> |
| Lack of attention of public officials on conflict of interest.            | We have once a year training and Seminar.<br>Law is publicly available.<br>Management is open for explanation. | <input type="checkbox"/> controlled<br><input checked="" type="checkbox"/> partly controlled<br><input type="checkbox"/> not controlled | Likelihood:<br><br>Impact / consequence:<br><br>Final Assessment:<br> |

## 2.4. Identification and planning of solutions / measures / recommendations

After Evaluating risks, counter-measures (control measures) can now be identified for all YELLOW and RED risks to minimise them. Graphically one can do it the following way (just to add another column “Counter / preventive measure” – in this case it is coloured in red):

**Example of form for Identification and planning of solutions / measures / recommendations**

| RISKS   | CURRENT CONTROL MEASURES   | IS RISK CONTROLLED?   | ASSESSMENT OF RISK  | COUNTER / PREVENTIVE MEASURES   |
|---|--|---|---|---|
| Employees are not acquainted with the regulation on conflict of interest. | We have once a year training and Seminar.<br>Law is publicly available.<br>Management is open for explanation. | <input type="checkbox"/> controlled<br><input checked="" type="checkbox"/> partly controlled<br><input type="checkbox"/> not controlled | Likelihood:<br><br>Impact / consequence:<br><br>Final Assessment:<br> | More trainings and seminars.<br>Practical notifications with e-mails.                       |
| Lack of attention of public officials on conflict of interest.            | We have once a year training and Seminar.<br>Law is publicly available.<br>Management is open for explanation. | <input type="checkbox"/> controlled<br><input checked="" type="checkbox"/> partly controlled<br><input type="checkbox"/> not controlled | Likelihood:<br><br>Impact / consequence:<br><br>Final Assessment:<br> | More trainings and seminars.<br>Practical notifications with e-mails.<br>Proactive control. |

Measures could be numerous and should be adapted to individual institution where the CRA is done. Not all counter-measures can be used for all institution. Unfortunately, not all additional preventive / control measures can be identified in advance, and that is why it is left up to the responsible persons / group within the institution.

## 2.5. Identification of the responsible person and prioritizing risks (Action plan – risk register)

### 2.5.1 Identification of the responsible person for implementation of control / prevention measures

When all control measures for all risks / sub-risks are identified, then institution need to appoint responsible persons who will take care for the implementation of proposed control / preventive measures. It is recommended to assign one person for each risk. *Example: X. Y. is responsible for all risks regarding conflict of interest, A. B. is responsible for all risks regarding lobbying, etc.*

### 2.5.2 Prioritization of risks and measures

When risks and their countermeasures are identified, one needs to define the deadlines for the implementation of each control / preventive measure. Deadlines should be defined by periods rather than by dates as this will better fit the logic of the risk register, where numbers 1, 2, 3, 4 are used to refer to the corresponding period, as illustrated below:

**1 – Measure to be implemented in 3 months**

**2 – Measure implemented in 6 – 9 months**

**3 – Measure implemented in 1 year**

**4 – Measure implemented in 3 years**

*Example: if the measure is to adopt a new law, then the deadline for such measure to be implemented should be set up within 1 year. And if a measure is to take additional training, then the deadline should be set up within 3 months. Again, there are no wrong decisions here, the point is to have deadlines which are realistic.*

In principle, the more serious the risk the most urgent the countermeasures (the shorter the deadline) should be. But in some cases serious risks will require legislative changes, so the deadline has to be sufficiently long, while other slightly less serious risks can be addressed by measures which are relative quick (e.g. additional training) so the deadline can be short.


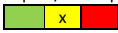
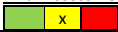
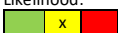
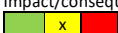

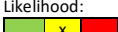


### 2.5.3 Preparation of a Risk register

All the identified risks, countermeasures, responsible persons and deadlines should now be organized in one document – **risk register**. The risk register should include details of the:

- risks and sub-risks,
- proposed actions (countermeasures),
- assessment of the risks according to heat-map,
- counter measures for risks / sub-risks,
- responsible persons for implementation of countermeasures,
- responsible persons for controlling the implementation
- timing (deadlines for implementation of all measures).

Example of a simple risk register is presented below.

**Example of a risk register**

| RISK | SUB-RISK | ASSESSMENT OF RISK   | CONTROL MEASURES | RESPONSIBLE PERSON TO IMPLEMENT MEASURE | PRIORITIES - DEADLINES  |
|------|----------|--|------------------|---|---|
|      |          | Likelihood:<br><br>Impact/consequence<br><br><b>Final Assessment:</b><br>       |                  |   | 1 – Measure to be implemented in 3 months<br>2 – Measure implemented in 6 – 9 months<br>3 – Measure implemented in 1 year<br>4 – Measure implemented in 3 years |
|      |          | Likelihood:<br><br>Impact/consequence<br><br><b>Final Assessment:</b><br>      |                  |   |   |
|      |          | Likelihood:<br><br>Impact/consequence<br><br><b>Final Assessment:</b><br> |                  |   |   |

## 2.6. Implementation and Monitoring/review of CRA

CRA and risk register has to be to be approved and signed by the head of the institution.

Implementation of CRA includes:

- regular monitoring (recommended: every 3 months but up to the head of the institution to decide) whether control measures were implemented (please see form below),
- periodical risk checks (controls) every year (to do CRA again) or if something happened (corruption case, etc.).

**Form for monitoring:**

| RESPONSIBLE PERSON FOR IMPLEMENTATION AND REPORTING OF CONTROL MEASURES: |          |                  |   |   |          |
|--|----------|------------------|---|---|----------|
| Name and surname of employee: _____ Signature of employee: _____         |          |                  |   |   |          |
| Date of assessment / check: _____  |          |                  |   |   |          |
| RISK   | SUB-RISK | CONTROL MEASURES | PRIORITIES - DEADLINES<br>1 – Measure to be implemented in 3 months<br>2 – Measure implemented in 6 – 9 months<br>3 – Measure implemented in 1 year<br>4 – Measure implemented in 3 years | STATUS OF IMPLEMENTATION  | COMMENTS |
|  |          |                  |   | <input type="checkbox"/> Not implemented<br><input type="checkbox"/> Partly implemented<br><input type="checkbox"/> Implemented |          |
|  |          |                  |   | <input type="checkbox"/> Not implemented<br><input type="checkbox"/> Partly implemented<br><input type="checkbox"/> Implemented |          |

Risk managers and risk coordinator should play the key role in this phase. Namely, they:

- are responsible for proposing solutions, setting aims and formulating recommendations to the superiors,
- monitor and evaluate the timely implementation of measures,
- prepare report on implementation,
- are responsible for up-dating CRA methodology.



### 3. CONCLUSION

The present guidelines for institutional CRA are meant to ensure and facilitate the practical application of institutional self-assessment in line with the LPIFC, the Risk Management Guidelines of the Ministry of Finance of 2018 and the Handbook on Corruption Risk management addended thereto. It needs to be stressed that the guidelines present the minimum set of steps that are necessary to ensure effective and implementable corruption risk assessment and corruption risk management at institutional level.

The present document is meant to be simple and it does not refer to the newest theoretical concepts, processes or new definitions of corruption and other phenomena. It is based on and limited to the regulatory and methodological system already existing in North Macedonia. Corruption risks are therefore limited to those defined in the LPCCI:

- conflict of interest,
- gifts and sponsorships,
- public procurement procedure and finances and other illicit payments,
- illegal influence in the process of employment, appointment, and dismissal of managerial positions,
- illegal and unlawful requests,
- lack of whistleblowers protection,
- incompatibility of functions,
- restrictions for doing business during and after the termination of the function,
- prohibition of misuse of official data, trading, and unauthorized use of information,
- lobbying,
- discretion powers (improper use of authority),
- not disclosing assets declarations.

The goal being to make this system operational, any additional elements – at this stage – would create unnecessary confusion and lead to dissatisfaction of public officials rather than creating any added value.

Having all the above in mind, the institutional corruption risk assessment does not differ from the North Macedonia's Risk Management system. It fills a small but particularly important gap in the methodological approach currently applied for risk assessment and management. The proposed f forms and questionnaires are meant to make the assessment easier, transparent and applicable in equal and unified manner across the entire public sector.