

Guidelines
on the Application of the Integrity Policy for the
Local Self-Government Units

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List of Abbreviations

LSU – Local Self-Government Unit
MISA – Ministry of Information Society and Administration

PIFC – Public Internal Financial Control

SCPC – State Commission for Prevention of Corruption

Definitions

Integrity – legal, professional, independent, impartial, ethical, responsible, transparent and accountable performance of operations whereby official and elected persons protect their reputation and the reputation of the local self-government unit, eliminate risks and remove

suspensions of emergence and development of corruption, thereby ensuring citizens' trust in the performance of public functions and in the work of public institutions at the local level.

Public interest¹ - protection of the fundamental freedoms and rights of the person and civil rights recognized by the international law and laid down in the Constitution of the Republic of Macedonia, prevention of risks to the health, defence and security, protection of the environment and nature, protection of property and of the freedom of the market and entrepreneurship, rule of law and prevention of crime and corruption.

Corruption² - abuse of office, public function, official duty or position for the purpose of gaining benefit, directly or through an intermediary, for oneself or another.

Benefit³ - any material or non-material benefit, gift or hospitality gained for oneself or for another.

Corruption risk⁴ - any internal or external weakness or procedure 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 interest, incompatibility of functions, receiving gifts and other illicit payments, lobbying, absence of a whistleblower protection system, fraud, misuse of powers and discretionary authority, unlawful financing of political parties and campaigns, trading with or unauthorized use of information, transparency of procedures and documents, and other integrity-related issues.

Conflict of interest⁵ - a situation when an official has a private interest that affects or may affect the impartial performance of his/her public functions or official duties.

An official⁶ - any elected or appointed person and public sector employee.

Irregularity⁷ - non-compliance with or wrong application of laws and other regulations and international agreements resulting from the work or omissions of public funds users, which might have a detrimental effect on the Budget of the Republic of Macedonia, EU funds and funds from other domestic and foreign sources, be it revenues/inflow, expenditures/outflow, refunds, inheritances or liabilities.

1. Introduction

¹ Law on Prevention of Corruption and Conflict of Interests, Official Gazette of RM no. 12/2019. Article 8 paragraph 10

² Ibid. Article 2 paragraph 1

³ Ibid. Article 8 paragraph 5

⁴ Ibid. Article 8 paragraph 6

⁵ Ibid. Article 2 paragraph 3

⁶ Ibid. Article 8 paragraph 2

⁷ Decree on the procedure for prevention of irregularities, the method of mutual cooperation, the form, the content, the deadlines and the method of reporting irregularities, adopted by the Government of Republic of Macedonia, Official Gazette of the Republic of Macedonia no. 63/2011.

Integrity in the public sector is not a goal in itself, but a means for creating and implementing better public policies and greater trust of citizens in the public sector. Through the process of decentralization, the local self-government units (LSUs) received a wide range of competences in areas that directly affect the citizens living in the given municipality. At the same time, the local self-government is characterized by its tight proximity to the “users of services”, i.e. the citizens and the business community, which in turn generates a risk of different influences in its work.

This document provides guidelines for the application of the Integrity Policy for the Local Self-Government Units, including a set of instructions and recommendations for consistent implementation of the legal obligations and for strengthening the ethical and professional conduct in the municipalities and the municipal administration bodies.

The first step towards establishing a sustainable integrity system is the clear commitment at the highest political and management level to zero tolerance for corruption, including any other inappropriate, unethical, or immoral behaviour. This message should be clearly communicated to all employees, political parties and the citizens. Signing an Integrity Policy Declaration is one of the steps in that direction.

The integrity policy is based on the existing legal regulations and by-laws in North Macedonia that regulate each of the above areas. In order to make it easier for the users of these guidelines to find their way through the multitude of legal acts, an Annex listing all acts by area are provided at the end of the document. These guidelines also go one step further, i.e., they provide additional practical suggestions for improving the situation, based on the recommendations of the relevant international organizations, comparative experiences and recommendations of civil society organizations.

2. Components of the Integrity Policy

The Integrity Policy of the Local Self-Government Units (LSUs) is comprised of the following components:

- Public interest and prevention of corruption and conflict of interest;
- Professionalism and work ethics;
- Protected reporting;
- Human resource management;
- Efficient, economical and effective operation;
- Transparency, accountability and participation;
- Quality management;
- Equal opportunities for women and men.

2.1. Public Interest and Prevention of Corruption and Conflict of Interest

In the exercise of their powers and duties, the Mayor, members of the Council and all

employees in the municipal administration respect the **principles of legality, equality and publicity, ethical norms and professional standards, without discrimination or favoring anyone and with full respect for the public interest.**

In doing so, **they take care not to put themselves in a situation of conflict of interest, and in the exercise of their public functions and duties they must not be guided by personal, family, religious, party and ethnic interests, nor by pressures and promises from their superior or any other person.**

Any **actual, potential or perceived conflict of interest** must be reported to the integrity officer, in accordance with the guidelines for prevention of conflict of interest.

Officials must not receive gifts, privileges or hospitality. Exceptions to this prohibition are established by law. Gifts, whether received or refused, which could not be returned, and regardless of their value, must be recorded, and a copy of the records of received gifts shall be submitted to the State Commission for Prevention of Corruption, in accordance with the law.

Although a conflict of interest may occur at any level, the local self-government is particularly exposed to the risk thereof because of its tight proximity to the citizens and local businesses. Moreover, LSUs are responsible for a wide range of areas such as urban planning, issuing permits, licenses and other documents, provision of services, etc., which in themselves carry a higher risk of corruption. Areas such as public procurement, employment, etc., are particularly risky.

The term *conflict of interest* refers to “a situation in which an official has a private interest that affects or may affect the impartial exercise of his public functions or official duties.”⁸ The term *benefit*, on the other hand, denotes “obtaining a material or non-material benefit, gift or hospitality for oneself or for another.”⁹

The conflict of interest may be actual, potential or perceived.

Type of conflict of interest	What does it mean?	Example
Actual conflict of interest	A direct conflict between the official’s private interest and his/her official duties.	Member of the Municipal Council and director of a private trading company (accumulation of functions).
Potential conflict of interest	When an official has a private interest that may be conflicting with	An employee in the municipal administration is a member of a citizens’

⁸ Law on Prevention of Corruption and Conflict of Interests, Official Gazette or RM no. 12/2019. Article 2, paragraph 3

⁹ Law on Prevention of Corruption and Conflict of Interests, Official Gazette or RM no. 12/2019. Article 8 paragraph 5

	his/her official duties in the future.	association that may apply for financial support from the municipality in the future.
Perceived	A situation in which well-informed persons would believe that there is a conflict of interest that might influence the performance of the official's duties.	The school attended by the daughter of the Secretary of the Municipality is awarded a grant by the Municipality.

Table 1: Types of conflicts of interest

Officials should also beware of the *perceived conflict of interest*. In other words, although a certain situation does not represent a conflict of interests in formal and legal terms, it might be perceived as such. Although the perceived conflict of interest does not entail legal sanctions, such situations may undermine the trust in the institution, as well as the reputation on personal and institutional integrity.

Officials have a legal obligation to beware of perceived conflicts of interest, to take measures to avoid them, and to report a situation of conflict of interest. In such a case, they have an obligation to exempt the person from performance of a certain activity. Exemption from decision-making is not enough. The person should not be allowed to take part in the discussion, and it is desirable that they leave the meeting until a decision is reached on a certain issue.

For example, if a member of the Council has a conflict of interest on a certain issue that is discussed in the Council, it is not enough that they be exempted from voting. International standards and best practices from developed countries require that members of the Council leave the room before the beginning of the discussion, and even distance themselves enough to ensure that no information reaches them until a decision is made.

Different job positions in LSUs face different degrees of conflict of interest risk. The conflict of interest risk is higher if the official has discretion to decide what to do in a specific situation that affects third persons (for example, to issue or not issue a permit), as well as limited mechanisms for control of the official's actions. Listed below are some of the riskier areas where a conflict of interest may arise:¹⁰

- collection, distribution, use and storage of confidential information;
- individual work with clients;
- updating and changing personal information;
- making discretionary decisions;
- giving professional advice;
- licensing, and other types of assessment and regulation activities;
- certification;
- testing;

¹⁰https://www.integrity.qld.gov.au/assets/document/catalogue/icac_info_sheets/Managing_conflicts_of_interest_in_the_public_sector_-_toolkit.pdf

- allocation of public resources or provision of access to equipment and other goods belonging to LSUs.

Despite the attempts to accurately define what constitutes a conflict of interest, it is quite normal that there be uncertainty or hesitation regarding a specific situation in which officials or members of the Council may find themselves. For example, LSUs have a large amount of data and information, and access to them can provide some benefit or hospitality to employees, as well as to outsiders. Misuse of confidential official information or property, acting on behalf of third parties and accepting gifts and invitations also constitutes a conflict of interest.

Conflict of interest is an area where a great need for organizing trainings, workshops and seminars is identified in order to raise the awareness among the officials and members of the Council of these issues. Lack of knowledge and training on conflict of interest is one of the main reasons why officials are not prepared to anticipate potential conflicts of interest. The SCPC is a source of expertise on conflict of interest.

The SCPC has often reviewed cases on prevention of corruption and conflict of interest at the local level. Moreover, the SCPC often receives and requests opinions on whether specific local situations constitute a conflict of interest. Requesting an opinion is a good practice and stakeholders should continue to be encouraged to first understand the different interests and then the situations where those may come into conflict. The examples from the work of the SCPC should be used to detect the areas that have so far proved to be quite vulnerable, but also as realistic illustrations of practical situations in which employees and members of the Council may find themselves and which they should be able to recognize. All opinions of the SCPC and public warnings are published on its website.

Concealment of the existence of a private interest by an official constitutes a breach of duty and grounds for initiating a procedure for determining liability and imposing measures in accordance with the Law on Prevention of Corruption and Conflict of Interest. If the SCPC finds a conflict of interest, the Law stipulates the following steps:

First, it will notify the official and request that they remove the conflict of interest within 15 days. If the official fails to do so, the SCPC notifies the competent authority:

- with a request for initiation of a disciplinary procedure, if the official is not an elected or appointed person, or
- with an initiative for dismissal /termination of performance of official functions or duties, if the official is an appointed or elected person, or
- with a decision on issuing a public warning measure in accordance with Article 79 of the Law on Prevention of Corruption and Conflict of Interest, if the official is a person elected in direct elections.

Prohibition on Receiving Gifts, Privileges and Hospitality

Corruption can also start with **receiving gifts, privileges and hospitality**. In the performance of his/her public functions and duties, an official may not receive gifts, with exceptions as

defined in the law. LSUs must keep records of all gifts received as an exception and could not be returned. LSUs are required to submit the records of received gifts no later than 31 March of the current year for the previous year.

The table below is a form of a checklist that employees may use if they are offered a gift.

Checklist -Receiving Gifts	
Authenticity	Is this a gift “from the heart” i.e., a recognition for something I have done as an official, and has not been requested or encouraged by me?
Independence	If I accept this gift, could an average reasonable person become suspicious of my ability to be independent in doing my job in the future, especially if any of my future decisions concerns the person giving me the gift?
Freedom	If I accept this gift, will I be released from any obligation to do something in return for the person giving me the gift, his/her family, friends, associates, etc.?
Transparency	Am I prepared to be transparent and report this gift and the person who gave it to me to my organization, colleagues, media and the public?

Table 1: Checklist- Receiving Gifts¹¹

2.2. Professionalism and Work Ethics

*Everyone is obligated to act **conscientiously, professionally, responsibly, honestly, efficiently and impartially** in the performance of his/her public function and official duty.*

*Employees in the municipal administration must adhere to the **Code for Administrative Servants**.*

*The Mayor and the members of the Council must adhere to the highest ethical standards, in accordance with the law and the **Code of Ethics for Local Government Officials** in order to protect the public interest, honor and reputation of the public function.*

*Ethical standards are **applied** in the relations with colleagues, superiors and clients, in the workplace, but also in private life and public relations.*

Professionalism and work ethics are the basis of the integrity system. The Organization for Economic Cooperation and Development (OECD) defines integrity as “consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritizing the public interest over private interests.”¹² These values, principles and norms

¹¹ <https://www.oecd.org/gov/ethics/49107986.pdf>

¹² OECD: Recommendation of the Council for Integrity in the Public Sector, Paris, 2017. Available at:

actually establish the integrity standards. These standards are further translated into codes of ethics and codes of conduct, thus forming part of the legal system and organizational policies. The establishment and adherence to high standards is in support of the administration as a service to citizens. These standards constitute the basic principles and values that citizens expect from the municipal administration.

Professionalism and Work Ethics of the Municipal Administration

The basic principles for the employees in the municipal administration are contained in the Law on Administrative Servants and Law on the Public Sector Employees. Therefore, employees are obligated to respect the principles of legality, equal conditions, equal access to the workplace, adequate and fair representation, expertise and competence, employee performance management, service orientation, professional ethics, impartiality and objectivity, transparency and confidentiality, responsibility, prevention of conflict of interest and economical use of funds.

LSUs are obligated to adhere to the Code of Ethics for Administrative Servants.¹³ This document prescribes the ethical standards and rules of conduct for administrative servants in order to encourage good conduct of administrative servants and strengthen citizens' trust in the work of public sector institutions.

The Code of Ethics for Administrative Servants contains the following elements:

- Professionalism;
- Impartiality;
- Democratic values and social rights;
- Non-discrimination;
- Political neutrality;
- Personal integrity;
- Representation of the public interest;
- Abuse of the status of administrative servant;
- Handling information;
- Behavior in the workplace, in private life and in public;
- Dealing with clients, colleagues and superiors;
- Appropriate dress code;
- Use of resources.

Every LSU employee should be well acquainted with this Code, and be given access to counseling and guidance on its application. All new employees should receive a copy of the Code, and it should be visibly displayed in the LSU premises and on its website. Employees should also be informed about the consequences of violations of these standards, given that non-compliance with the Code entails disciplinary liability.

<https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0435>

¹³ Code for Administrative Servants, Official Gazette or RM, no. 183/2014

The LSU, i.e., the municipal administration can develop its own Code of Ethics, developed through a participative process of the employees and adapted to the specifics of the local self-government. Such codes of ethics should address issues of public services and political activities, clearly state the obligations regarding financial and non-financial conflict of interest, contain clear and precise provisions for accepting and refusing gifts and other privileges, additional work, use of resources, as well as restrictions that apply after termination of office/employment. The Code can also be considered during promotions in the service, and it is important that it entails disciplinary liability when necessary.

Managerial employees have the responsibility to be an example of adherence to the ethical standards. People learn best from each other, by observing, copying and relying on examples,¹⁴ and unethical conduct of managers is the biggest contributing factor to unethical conduct of others.

Communication about the importance of professionalism and work ethics should be directed both “inwards”, i.e., towards the employees, and “outwards”, i.e., towards the public. In the institution itself, managers should highlight examples of professionalism and work ethics through praise, recognition, etc. In that way, these standards will become a part of the organizational culture.

Ethical Standards for the Municipal Council

The Code of Ethics for Local Government Officials applies to the members of the Council.¹⁵ This document is intended for all elected and appointed persons in the municipality or the City of Skopje, as well as in public enterprises, institutions and other organizations founded by them. The Code includes principles such as compliance with laws, public interest, protection of the reputation and property of the local self-government, fulfilment of pre-election promises, as well as the obligations of local government officials, including provisions on anti-corruption behaviour and prevention of conflict of interest. Another important segment are public relations, relations with the employees in the local self-government and with the media. This document should be further updated in line with the international standards. Each new member of the Council should receive a copy of this Code at the beginning of his/her mandate, together with a presentation/training on the content of the provisions, the importance and the consequences of its violation. The Code of Ethics for the Local Government Officials should also be published on the website of the LSU. Thus, the LSU will familiarize the public with the fundamental standards that citizens should expect from the employees in the LSU and the members of the Council.

It is important to underline that this Code of Ethics only establishes minimum standards, and members of the Council should strive to be exemplary citizens in their local community whose behaviour exceeds these basic norms.

¹⁴ OECD Public Integrity Handbook, Organization for Economic Cooperation and Development (OECD), May 2020. Available at:

https://www.oecd-ilibrary.org/governance/oecd-public-integrity-handbook_ac8ed8e8-en

¹⁵ The Association of Local Self-Government Units and UNDP: Code of Ethics for Local Government Officials, 2008. Available at:

http://www.zels.org.mk/Upload/Content/Documents/Izdanija/Publikacii/MK/20Eticki_Code_MKD.pdf

Trainings on Ethical Standards

The trainings should include components on both the rules and values that are reflected in the Codes. Senior management structures must attend the trainings in order to be properly trained on how to apply the Code, to set an example for other employees and to be able to provide guidance in their organizational unit on daily basis.

The MISA prepares and implements an annual training program for administrative management, primarily aimed at managerial administrative officers. According to the program for 2021¹⁶, the training is comprised of four modules, one of which is the Code of Ethics for Administrative Servants. The other three modules are: general administration regulations, public finance management and project management.

2.3. Protected Reporting

*Whistleblowers are exemplary **colleagues and citizens** who play an extremely important role in the protection of public interest, integrity and reputation of LSUs.*

*The local self-government unit **provides conditions** for protected internal reporting of reasonable suspicions and knowledge that criminal or other illegal or impermissible act that violates or threatens the public interest has been, is being or is likely to be committed.*

*The local self-government unit encourages all employees, job candidates, volunteers, engaged persons, **persons who have or have had business relationship with the institution**, as well as persons who use or have used services in the institution, to report their knowledge or suspicions of criminal, unethical or other illegal or impermissible action in the local self-government unit to the authorized person for receiving reports from whistleblowers.*

*The local self-government unit handles the reports in accordance with the **Rulebook on Protected Internal Reporting in the Public Sector Institutions** (reference to be made to the rulebook/procedure of the local self-government unit if adopted). In doing so, the municipal administration is obligated to inform potential whistleblowers about the procedure for protected reporting, the legal provisions for protection of whistleblowers and the possibility of protected reporting to the State Commission for Prevention of Corruption, the Ministry of Interior, the competent Public Prosecutor's Office or the Ombudsman.*

The Mayor and management structures take measures to guarantee the confidentiality and protection of whistleblowers.

Whistleblowing is an important part of detecting abuses in LSUs. Whistleblowing means disclosing internal information about the activity of individuals or entire structures. Protected reporting communicates a reasonable suspicion that a criminal or other illegal or

¹⁶ Available at: https://www.mioa.gov.mk/sites/default/files/pbl_files/documents/training/gpau2021.pdf

impermissible act that violates or threatens the public interest has been, is being or is likely to be committed. Not only committed acts, but also acts that are likely to be committed can be reported, which means that there is a preventive aspect to reporting.

Whistleblowers are protected under the Law on Whistleblower Protection. This Law regulates protected reporting, the rights of whistleblowers, and the action and obligations of institutions, including the LSUs.

Whistleblowers are not always employed in the institution itself. It is a little known fact that whistleblowers can also be external persons who have had a business or other legal relationship with the LSU, such as job candidates, volunteers, engaged persons or persons who have used services in the institution.

The practice so far has shown that this mechanism is scarcely used in institutions, both at the central and local level. Whistleblowers are often perceived as disloyal to their colleagues and their employer, instead of being seen as “exemplary citizens”. When a person reports certain corrupt or unethical behaviour, there is a risk that all attention is focused on the person who made the report instead of on the factual situation. Therefore, LSUs should work on promoting the possibility of protected reporting in order to develop positive attitudes among the public and professionals. Such messages should come from the Mayor and top management structures during work meetings, giving interviews and statements to the media. Information and messages encouraging protected reporting should be easily accessible and visible on the LSU website.

Conditions for Protected Reporting

LSUs should ensure all necessary conditions for protection of confidentiality, as well as protection from any consequences to the whistleblower. The Ministry of Justice has published a Rulebook on Protected Reporting in the Public Sector Institutions.¹⁷ Under this Rulebook, the head of the LSU should appoint a responsible person for receiving reports submitted for the purpose of internal reporting (authorized person). It is very important that the authorized person have the necessary working conditions, which will in turn ensure his/her independent and uninterrupted performance of duties. This includes:

- suitable work premises for receiving clients;
- a separate computer with a unique username and password created by the authorized person and known only to him/her, with internet connection and a separate mailbox with a unique username and password created by the authorized person and known only to him/her;
- a separate receipt stamp;
- a separate ledger;
- a separate mailbox;
- a separate telephone line;
- a document cabinet for secure storage of all materials related to reports;

¹⁷ Rulebook on Protected Internal Reporting in the Public Sector Institutions, Official Gazette or RM no. 46/2016

- other equipment for the application of technical and organizational measures for protection of personal and other data.

Moreover, the LSUs have the obligation to prescribe a procedure for receiving reports from whistleblowers, breakdown and processing of data, protection of personal and other data. Ensuring confidentiality is key to protecting the person making the report.

Protected Reporting to Other External Channels

Despite efforts to take all measures for consistent implementation of legal obligations, the LSUs are still characterized by closer acquaintances and contacts between people. This can deter potential whistleblowers, especially if they want to report someone higher up in the management structures. Therefore, LSUs should also promote the possibility of protected external reporting to the State Commission for Prevention of Corruption, the Ministry of Interior, the competent Public Prosecutor's Office or the Ombudsman. The Council of Europe recommends that no hierarchy should be established in reporting, as a different channel may be more appropriate for each individual case.

Informing the Public

When it comes to the communication and promotion of these opportunities, LSUs should publish accurate and up-to-date information on the authorized person, as well as on the procedure for receiving reports, on their websites.

At the moment, some LSUs have templates for reporting corruption published on their websites. In most cases, it is a general form with one field where the person making the report is required to describe the case and to click the "submit" button. This can be confusing for citizens, especially if there is no additional information and supporting materials about what will happen with their report. If LSUs decide to keep the possibility of electronic reporting, they should provide additional information on:

- Examples of corruptive behaviour that can be reported;
- Possibility to attach additional materials (documents, photographs, recordings);
- Information on protection of data of the person making the report;
- What will happen with the report, i.e., the specific steps that the LSU will take within prescribed deadlines;
- Method of informing the person making the report about the outcome of the procedure and providing feedback.

The LSUs should be encouraged to establish cooperation with the civil sector, which can play an important role in raising awareness of the importance of whistleblowers and the existing mechanisms for protected reporting, as well as in encouraging potential whistleblowers to report when they have knowledge and suspicion. For example, the citizens association Transparency International Macedonia provides support to whistleblowers and has launched an online platform for protection of whistleblowers www.ukazuvac.mk, where citizens can submit an online report on a corruption act.

2.4. Human Resource Management

Integrity is promoted as part of human resource management in the local self-government unit. Positive examples of personal and professional integrity are constantly promoted and rewarded.

*Managers apply **ethical leadership** and identifying and addressing risks is part of their work tasks. The local self-government unit promotes an open organizational culture where problems, ethical dilemmas, shortcomings are freely discussed, and advice and guidance are provided for their resolution.*

Human resource management is one of the key elements in terms of organizational culture in support of integrity. If the municipal administration has quality staff, it will be able to properly implement its competences, improve the quality of services, achieve the set goals and increase public trust. The Mayor together with the human resources management team should take care of attracting and retaining a quality team that will constantly improve.

The LSU should provide a fair and transparent system for employment, selection and promotion, based on objective criteria and formal procedures, as well as an effective system of appeals. It is very important to support professionalism, and to prevent favouritism and nepotism, as well as political influence. Integrity can also be included in job postings, assuming that candidates are applying for jobs in organizations that share their values.

In order to improve the work of LSUs and increase the motivation and productivity of employees, it is recommended that LSUs conduct regular anonymous employee satisfaction surveys, as well as enable them to propose measures to improve operations.

Employment in LSUs can be considered in the context of two aspects related to the integrity system. First, recruitment can be a process prone to corruption. At the same time, recruitment of new personnel is a process that should result in hiring of persons who have a high degree of integrity and who will be resistant to corruption.

In terms of employment as a corruption risk, the greatest cause for concern is the political influence, and one of the most visible "symptoms" is the fluctuation of employees after local elections, through the mechanism of temporary employment that bypasses the Law on Administrative Servants.

Employment and Promotion as Corruption Risks

The LSUs should ensure consistent application of the legal provisions of the Law on Administrative Servants regarding the status, classification, employment, promotion, professional development and training, performance measurement and other issues related to the employment. Candidates for employment should be employed in institutions and organizations whose mission and vision they identify with, as well as in positions that correspond to their qualifications, values and moral principles. The LSU should be promoted as an attractive employer for quality candidates with a high degree of personal and professional integrity.

The LSUs should identify the positions that are vulnerable to corruption. For those, special procedures for selection and training should be introduced, as well as a requirement for a multi-layered system of review and approval in order to avoid a situation when one person bears sole responsibility for making decisions, as well as to ensure protection from outside influence in decision-making. In fact, these standards are consistent with the standards of the Public Internal Financial Control Department. The Ministry of Finance has developed Guidelines for determining critical, i.e., sensitive positions. This also means that the LSUs should make a list of employees who fill those positions, the time for which the employee is assigned to that position, as well as a plan for rotation of employees in (highly) sensitive positions, so that one employee cannot hold that position for more than five years.

Examples of possible criteria for determining critical positions (positions with high inherent (gross) risk).¹⁸

- Participation in making important decisions (systemic and financial) that have a decisive impact on the achievement of the key goals of the entity/budget user.
- Participation in the management (budgeting, execution, payment) of significant financial resources, the improper use of which can cause significant damage to the budget user, the Government of the Republic of Macedonia, the European Commission, other budget users, etc.
- Violation/non-compliance with laws and regulations, which could seriously affect the institution's reputation.
- Participation in decision-making that may cause significant financial loss in enterprises and institutions founded by the state or in which the state is a shareholder.
- Participating in issuing an order for payment or provision of a service (permit, consent, license, concession, scholarship, subsidy, etc.) which, if not issued, delayed or issued contrary to the regulations, can create conditions for a bribe of any kind (gift, service, or any other advantage).
- Participation in decision-making that may jeopardize the safety of the institution's employees.
- Possible conflict of interest when participating in decision-making for awarding public procurement contracts.
- Possible abuse of confidential information contrary to the institution's policy, etc.

Training and Professional Development

An important part of human resource management is related to training and the opportunity for professional development. LSUs should familiarize the employees with the goals and tasks for the following year, i.e., each employee should understand how his/her work contributes to the goals of the local self-government and the service to the citizens. The employees in the municipal administration should also receive staff training, and this

¹⁸ See Guidelines for Risk Management of Fraud and Corruption of the Public Internal Financial Control Department.

especially applies to those who are in direct contact with the citizens and whose behaviour can significantly affect the citizens' perceptions of the work of the municipal administration.

Employees in the municipal administration also need constant training on the various aspects of the integrity system. Administrative servants should receive training on issues related to professional ethics and awareness of the corruption risks, not only upon employment but also as part of a continuous training program. These trainings should include discussions of real-life situations with appropriate tools. Possibilities for encouraging employees to get involved in proposing preventive measures should be considered. At the same time, an appropriate model of continuous training should be considered and established.

The LSUs should prepare employee training plans related to the performance of their work, as well as keep a record/register of conducted trainings individually for each employee. It is important to monitor the degree of conducted trainings in relation to the planned ones, because the practice so far shows that this percentage is low. At the same time, it is necessary that the employee training plans correspond with the assigned tasks. It is a good practice to assign tasks/activities individually to each employee in the annual work plans of the organizational units. The rules should be integrated into the standard operating procedures of the institutions and become part of the daily operation.

MISA prepares an annual program for generic training for administrative servants, which it adopts no later than July 1 of the current year for the following year. The catalogue for generic trainings of administrative servants for 2021¹⁹ includes topics that are quite useful for municipal administration employees, such as: problem solving, communication skills, customer orientation, equality and non-discrimination, evaluation of programs and policies, etc.

Ethical Dilemmas

Employees who face a large number of decisions in their work on daily basis can often find themselves in a situation of an ethical dilemma. LSUs should foster an open organizational environment where employees feel comfortable discussing potential ethical dilemmas.

An example of an ethical dilemma:

I am employed in the municipal administration and the Mayor wants me to submit a report within an hour on an issue that I have been working on for two weeks and that should have been completed by now. This report is needed to make an important decision in the municipality. But I don't have all the relevant information because I'm still waiting on some of the information to be confirmed by another department. The colleague from the other department has not confirmed the information and says that he needs a few more days to figure it out. My colleague has been extremely professional so

¹⁹ The Catalogue is available at:
https://www.mioa.gov.mk/sites/default/files/pbl_files/documents/training/gpgo2021.pdf

far and we usually have a very good cooperation, and we often hang out after work. I know that lately he has been slightly distracted due to personal problems and that is probably why he was not able to complete the task. The manager comes to my office and asks me to send the report urgently. What should I do?

LSUs should provide training for employees to better understand ethical dilemmas, guidelines for resolving ethical dilemmas, as well as the opportunity for confidential counselling with the integrity officer. At the same time, the integrity officer should be well trained to handle such situations. Dilemma resolution is an approach that combines rules and values and involves situations where there is no obvious choice among available alternatives. The goal is to send the message that such situations are unavoidable in the workplace and to encourage employees to talk and ask for support if they are faced with such a situation. At the same time, such trainings encourage awareness of ethical and moral behaviour.

Below is an example of guidelines for resolving an ethical dilemma.

A plan for resolving an ethical dilemma

1. What problem am I facing and why is it difficult to solve?
2. Who is affected by my decision?
3. Do I need more information?
4. Are there any provisions in legislation and internal procedures that apply to my issue?
5. What are the arguments for and against: which of these arguments is a value, which is a consequence, and which is an excuse?
6. What is my conclusion?
 - What are the negative consequences of my decision?
 - How can I minimize these consequences?
7. Am I happy with my decision? (control question)

Ethical Leadership

Finally, ethical leadership should be promoted as an integral part of the human resource management system. Ethical leadership primarily refers to management structures at the administrative level. Integrity should be an integral part of the profile of managers at all levels of LSUs, as well as a criterion for recruitment, appointment and promotion to management positions. The institutional structure should support the managers in this mission, through appropriate organizational support (internal control, legal advice, human resource management instruments).

Four aspects of an ethical leader ²⁰	
Examples of integrity through visible action	Ethical leaders should be aware of how their decisions and behaviour are interpreted by others, avoid behaviour that may be considered inconsistent with the organization's rules and values, and be prepared to explain the reasons for their decisions and behaviour, if necessary.
Use of rewards and sanctions	Formal rewards and punishments are necessary tools for enforcing ethical standards. This applies not only to those directly affected, but also to the organization as a whole. However, care should be taken to strike the right balance between handling breaches of integrity appropriately and preserving respect and avoiding resentment. It has been proven that sanctions can affect the moral compass of individuals. That is, one can get the impression that rules dictate behaviour, e.g. If it's not explicitly against the rules, it should be fine. In this sense, informal rewards (acknowledgment, trust) and sanctions (disapproval by colleagues) are equally useful tools.
Communication about values and rules	This aspect includes open discussions about making decisions on workplace integrity, clarifying norms and expectations, and providing guidance to those facing ethical dilemmas. This includes the need for an open organizational culture where employees feel supported to come forward with ethical dilemmas and seek guidance through appropriate channels.
Encouraging and empowering employees	This aspect suggests that ethical leaders provide opportunities for employees to participate in decision-making processes and encourage employees to share their perspectives and concerns. Empowerment also includes helping set realistic and motivating goals and providing employees with individual attention, training and growth opportunities.

2.5. Efficient, Economical and Effective Operation

*The local self-government unit strives for **rational use** of local resources, care for property and resources, and protection and improvement of the environment. The budget of the local self-government unit is adopted and implemented through **a transparent and participatory process in all phases of the budget cycle**, applying priority-based and gender-responsive budgeting.*

*The local self-government unit implements **a public procurement system that increases the quality and volume of services** it delivers to citizens, as well as the trust of the business community in the local self-government unit and its administration, in accordance with positive legal regulations.*

²⁰ https://www.oecd-ilibrary.org/sites/ac8ed8e8-en/1/3/6/index.html?itemId=/content/publication/ac8ed8e8-en&_csp_=676f6ac88ad48a9ffd47b74141d0fc42&itemIGO=oecd&itemContentType=book#section-d1e8708

The budgets of the municipalities are the most important instrument through which they can carry out their functions, i.e., meet the needs of the citizens. The basis for budget preparation are the strategic priorities of the Government of the Republic of North Macedonia, the fiscal strategy, the proposal of the strategic plans of the budget users and the budget policy, as well as the priorities of the municipalities. The Mayor is responsible for preparing the budget of the municipality and for submitting it to the Municipal Council. The Law on Budgets regulates the procedure for the preparation, adoption and execution of municipal budgets, while the Law on Financing of Local Self-Government Units and other laws that regulate the area of public duties (taxes, fees) regulate their financing.

Budget Participation

The budget preparation phase is a phase that should enable participation and creation of a budget that will truly meet the needs of the municipality. It is at this stage that the LSU should use various tools to listen to the opinion of the citizens, citizens associations and other stakeholders. LSUs can use electronic tools via their websites and profiles on social networks (surveys, voting, forums, possibility to submit proposals), as well as panels, forums, etc.

Budget Transparency

Another important aspect is budget transparency. One of the main tools is the publishing of Citizen's Budget - a simplified form of the budget in order to bring it closer to the citizens. In simple terms, every citizen should be able to understand how the budget is planned, how the funds are collected and how the allocated funds will be spent. Other documents to be published are the final account, the public procurement plan, an implementation report on public procurement, quarterly and annual financial reports, as well as financial performance indicators.

The platform "Open Finance" (www.open.finance.gov.mk), launched in 2019 by the Ministry of Finance, was upgraded and since June 2020 enables monitoring of all payments to local self-government units and their budgetary institutions. Here you can find data on the budget user that made the payment, the type of expense according to the economic classification, information on the recipient of the funds, the date on which the payment was made, data on expenditure specifications, etc. The data is updated twice a month, and users can download it in an open format for analysis. LSUs should provide links to this platform on their websites as part of their commitment to budget transparency.

Public Procurement

The public procurement process is important in the context of the integrity system because it directly affects the volume and quality of services delivered by the LSU, determines how public money is spent and can encourage trust or distrust of the business community in the municipality and its administration.

The area of public procurement is recognized as particularly risky in the National Strategy for Prevention of Corruption and Conflict of Interest²¹, where the insufficient control over the behaviour of contracting authorities in public procurement procedures and the insufficient transparency and a low degree of integrity of the persons and institutions involved are identified as priority problems.

The public procurement procedure is strictly prescribed under the Law on Public Procurement. LSUs should pay greater attention to realistic planning of public procurement, which will result in a higher degree of realization of plans, as well as a lower degree of cancellation of tenders.

Public procurement is a popular topic of interest among civil society organizations, precisely because of the risk of corruption. LSUs are encouraged to use the findings of these analyses and surveys, among other things, to learn about the perception of public procurement among citizens and the business community. If companies have low trust in the public procurement system and a high perception of corruption, some of them will not even try to compete, which results in reduced offer and less opportunities for obtaining better quality goods and services.

The Centre for Civil Communications is a civil society organization that regularly monitors public procurement. Based on the monitoring at the local level, the following recommendations are given for improving the public procurement system in LSUs:²²

- Use the opportunities offered by the Law on Public Procurement and apply other criteria for choosing the most favourable offer, besides the lowest price, in order to get the best value for the money spent, that is, to buy what is most profitable.
- Use the electronic auction only in cases where it is a matter of purchasing products of a standard, known or well-established quality and where the price plays a decisive role in choosing the best offer.
- Always elaborate in detail the need for the purchase by explaining why that item, in those quantities or volume and of that quality needs to be purchased, in order to justify the expediency of the purchase.
- Although its publication is not mandatory, the estimated value must be determined very accurately and precisely with an accurate analysis of needs, monitoring of market conditions and movements, as well as monitoring of purchases by other institutions.
- Analyse annulled procedures and unsuccessful tenders and use them to improve procurement.
- Divide procurement into lots whenever possible, logical and when it is estimated that it will allow for participation of a greater number and smaller-size companies in order to increase competition, reduce prices and improve the quality of purchased products.

²¹ State Commission for Prevention of Corruption: National Strategy for Prevention of Corruption and Conflict of Interests of the Republic of North Macedonia (2020-2024)

²² Report from the monitoring of public procurement: Report no. 33: (July-December 2019). - Skopje: Center for Civil Communications, 2020. Available at: <http://ccc.org.mk/images/stories/33mk.pdf>

- Justify the decision not to divide procurement into lots and provide the analysis and logic behind such a decision.

2.6. Transparency, Accountability and Participation

*The local self-government unit stands for transparent operation and **regularly and timely informs the public** about its work through its website, the municipal newspaper, press conferences, announcements and other tools.*

*The local self-government unit provides **quick and easy access to public information**. Available **information is proactively published on its website and regularly updated**, in accordance with the provisions of the Law on Free Access to Public Information.*

*Decisions are made through **open and inclusive stakeholder consultation processes** and are subject to oversight and control mechanisms.*

*In promoting the culture of integrity, the local self-government unit **cooperates with civil society organizations, the business community and other stakeholders**.*

The transparency of LSUs is not only an integral part of democratic standards, but also a preventive tool for preventing corruption and increasing citizens' trust in institutions. The main tool for communication with the public is the LSU website, which should be user-friendly for citizens.

According to the Law on Free Access to Public Information, municipal authorities, the City of Skopje and the municipalities in the City of Skopje are "holders of information" that should ensure free access to information for all legal and natural persons. At the same time, "public information" is considered information in any given form created and owned by the holder of information according to their jurisdictions, while a "document" is the record of the information and may come in different forms and characteristics. This means that documents can be a written or printed text, but also maps, diagrams, photographs, pictures, drawings, sketches, working materials, recordings and other materials in digital form.

Transparency can be:

A) Reactive – when the LSU receives a request for public information from a natural or legal person, according to a legally established procedure.

B) Proactive – when LSUs independently publish information and data, without it being formally requested.

Proactive Transparency

The minimum standards for proactive transparency are contained in Article 10 of the Law on Free Access to Public Information. This means that LSUs should publish links to all their documents on their websites, or rather on the home pages, in a separate LIST OF INFORMATION banner. Thus, citizens and civil society organizations will be able to access

the requested/necessary document published/prepared by the LSU quickly and easily, with just a couple of mouse clicks. This will help LSUs improve their transparency, and on the other hand, will result in a reduced number of requests under the Law on Free Access to Public Information.

The LSU List of Information needs to be continuously updated, as it is a living matter that requires constant replenishment in order for citizens to be continuously informed about any changes related to the work of local self-governments.

To find out what documents the List of Information should contain, the LSUs can always refer to the current website of the Agency for Protection of the Right to Free Access to Public Information and consult their List of Information, while good examples of transparent local governments can be found in the research of the Centre for Civic Communications "Active Transparency Index 2020" in which the following municipalities have been highlighted as actively transparent: Bitola, Valandovo, Veles, Ohrid, Kriva Palanka, Gostivar and Karpos. LSUs will improve their active transparency if they fully respect the obligations from Article 10 of the Law on Free Access to Public Information.

If transparency is to be not only declarative, but fully complied with, the main role should be played by the responsible persons, i.e. the Mayors and the municipal councils, who will publish their decisions in full on the websites under the List of Information banner.

Also, the LSUs will set a good example of transparent operation by publishing the submitted requests and answers in line with the Law on Free Access to Public Information. Thus, the number of requests will be reduced, as citizens will have an insight into already submitted requests and answers provided.

2.7. Quality Management

Improving the services offered to citizens is a top priority. The local self-government unit establishes a system of operations through which operations and processes are constantly improved, risks and costs are reduced, employee motivation is improved, and the overall results of operations are monitored.

*Delivery is promoted and quality of local services is improved through responsible planning, management and implementation of processes and promotion of a **culture of excellence** in public administration, in accordance with the international standard **ISO 9001, the Common Assessment Framework - CAF** and other quality standards in the public sector.*

The local self-government units were established with the main purpose of delivering local services to citizens. The process of decentralization and the transfer of a larger scope of competences from the central to the local level were aimed at bringing the government closer to the citizens, more adequate detection of the priorities of local services according to the specifics of the local self-government units and more rational utilization of local resources. Promoting delivery and improving the quality of local services should be the focus of local authorities' operations.

The 2013 Law on the Introduction of a Quality Management System and Common Assessment Framework for the Performance and Service Provision in Public Service (entered into force in 2014) ²³, introduced an obligation for all institutions, including LSUs, to implement the following two quality standards: ISO 9001 and the Common Assessment Framework – CAF.

ISO 9001 Quality Standard

ISO 9001 was created by the International Organization for Standardization (ISO) and its purpose is to provide quality management systems that will help organizations to work efficiently and introduce best practice methodology. ISO 9001 specifies the basic requirements for a quality management system that an organization must meet to demonstrate its ability to consistently provide products (which include services) that increase customer satisfaction and meet the applicable legal and regulatory requirements. The model shows five principles, where each principle determines a set of requirements, procedures and processes that should be considered for the implementation of the system:

- 1) General requirements for the quality management system and documentation,
- 2) Responsibility, focus, policy, planning and management goals,
- 3) Resource management and allocation,
- 4) Product/service realization and process management, and
- 5) Measurement, monitoring, analysis and continuous improvement.

The latest version of this standard is ISO 9001:2015 and LSUs that still have the older version ISO 9001:2008 will need to upgrade.

The Common Assessment Framework CAF

The Common Assessment Framework CAF²⁴ is the first European quality management instrument specifically tailored and developed for the public sector. CAF is a tool that enables improvement of the quality of services offered by the LSUs, records the progress in all areas of operations and can improve employee satisfaction and motivation.

The purpose of the common assessment framework is to be a catalyst/tool for a complete improvement process within the organization and aims to:

- Familiarize the public administration with the culture of excellence and the principles of total quality management,
- Lead the institutions step-by-step according to completely harmonized Deming's cycle "plan-implement-check-act",
- Facilitate the self-assessment of the public organization in order to get a good idea of the level of achievements and propose measures to improve the performance; to act as a bridge between the different models used in quality management, both in the public and private sector; and

²³ Law on the Introduction of a Quality Management System and Common Assessment Framework for the Performance and Service Provision in Public Service, Official Gazette of RM no. 69/2013

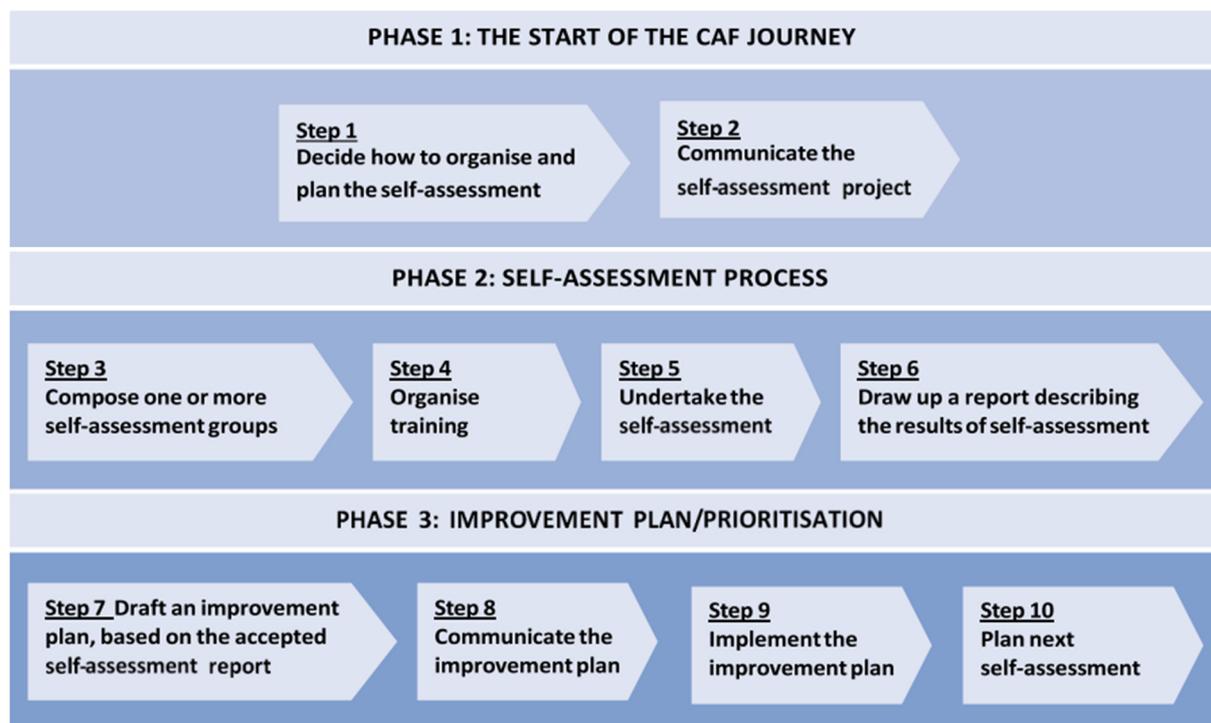
²⁴ In English Common Assessment Framework - CAF

- Facilitate learning between public sector organisations.²⁵

According to the law, LSUs should establish a work position that coordinates the process of implementation of quality management standards and instruments. The Ministry of Information Society and Administration (MISA) is the national correspondent, i.e. resource centre for CAF and LSUs that have not yet implemented CAF should contact MISA to receive support in the process. LSUs should ensure that employees will participate in the CAF model implementation trainings organized by MISA. MISA has prepared guidelines and a manual for the introduction of the CAF model, and they are available on the MISA website.

Below are the ten steps for improving organizations through CAF – from making a decision and planning a self-assessment, to developing and planning an improvement plan.

TEN STEPS TO IMPROVE ORGANIZATIONS THROUGH THE CAF MODEL



LSUs can also implement other public sector quality standards. If LSUs need to introduce more ISO or Macedonian standards, then an integrated management system is established comprising of several standards where the basis is ISO 9001.

2.8. Equal Opportunities for Women and Men

*The local self-government unit strives to **promote gender equality in the Council and in the municipal administration** and recognizes the importance of consistent implementation of the obligations and responsibilities of the Law on Equal Opportunities*

²⁵ More information of the CAF model can be found in: “Improving the Public Sector Quality through the Common Assessment Framework”, OSCE, 2017. Available at: <https://www.osce.org/files/f/documents/0/7/373762.pdf>

for Women and Men.

*The policies implemented by the local self-government unit are **gender sensitive** and strive to ensure equal visibility, emancipation, responsibility and participation of both women and men in all spheres of social life. The local self-government unit **does not tolerate any direct or indirect discrimination** based on gender, nor any form of verbal, non-verbal or physical sexual or any other type of harassment.*

In line with the Law on Equal Opportunities for Women and Men, the institutional structure for gender equality in the LSUs consists of appointed coordinators, their deputies, as well as members of the commissions for equal opportunities.

Below is an overview of their competences, and the LSU should clearly define in its Statute the relations of cooperation between the coordinators and the commissions for equal opportunities.

Overview of competences of the institutional structure for gender equality	
Commission for Equal Opportunities for Women and Men	Coordinator and deputy coordinator for equal opportunities for women and men
Permanent body by decision of the LSU Council. The composition, competences, tasks and obligations are laid down in the Statute of the LSU.	Elected from among civil servants in LSUs.
Gives an opinion regarding the materials and proposals for the sessions of the LSU Council;	Promotion of equal opportunities and non-discrimination within the competences of LSUs.
Participates in the creation and adoption of strategic documents, especially in the creation and adoption of the development strategy of a local self-government unit, the adoption of the LSU budget, the Statute, the work program of the LSU Council, etc.	Provides proposals and opinions related to equal opportunities to the LSU Council and to institutions and organizations at the local level; prepares reports on the situation with equal opportunities and non-discrimination within the LSU;
Identifies and makes proposals for ways of incorporating and formalizing the principle of equal opportunities and non-discrimination in the work of LSU bodies and the municipal administration;	Cooperates with the Commission for Equal Opportunities for Women and Men within the LSU Council and launches joint initiatives with the aim promotion of equal opportunities and non-discrimination;
Takes care of the consistent implementation of the provisions of this Law and other laws in the field of equal opportunities and non-discrimination, proposing to the LSU Council measures and activities aimed at promoting equal	Cooperates with non-governmental organizations and other institutions at the local level on the issue of equal opportunities and non-discrimination, monitors the situation with equal opportunities at the local level and

opportunities and non-discrimination based on an analysis of the established situation in the areas under the competence of the LSU;

proposes initiatives for taking measures to improve the situation with equal opportunities and non-discrimination, and coordinates and cooperates with the ministry in its operations.

The bodies of the local self-government units (the Mayor and the Council), are obligated to review and take into account the measures and activities proposed by the Commission for Equal Opportunities for Women and Men and the Coordinator for Equal Opportunities for Women and Men when adopting development plans and other acts and decisions.

Local self-government units are obligated to incorporate the principle of equal opportunities for women and men within their strategic plans and budgets, to monitor the effects and impact of their programs on women and men and report within their annual reports and participate in the preparation of the Strategy for Gender Equality in the part that refers to local self-government units.

LSUs should implement gender-sensitive policies and strive to ensure equal visibility, emancipation, responsibility and participation of both women and men in all spheres of social life. Gender-sensitive policies take into account the different needs and opportunities of women and men which arise from different social roles. For example, if the LSU wants to encourage young people to play sports through construction of sports facilities, it should analyse the different needs of boys and girls.

One of the measures to overcome gender inequality is gender-responsive budgeting. LSUs should follow the Gender Responsive Budgeting Methodology prepared by the Ministry of Labour and Social Policy.

Work is needed on multiple levels to achieve the status of a gender-responsive municipality. The gender-responsive municipality makes efforts to implement and create policies, programs and allocate budget funds to overcome systemic barriers for women, i.e. it analyses how municipal strategies, programs and budgets affect the actual improvement of women's lives. The Gender Equality Index of the Municipalities²⁶ prepared by the Citizens Association "Reactor" is a useful tool that LSUs can use to self-assess and improve their efforts to ensure gender equality.

The Association "Reactor" has prepared the publication "Towards a Gender Responsive Municipality – A Guide for the Municipal Administration" which provides further guidelines for implementing the gender perspective at all levels of management, design and implementation of policies at the municipal level.

One of the difficulties faced by the LSUs is monitoring the effects and impact of the measures and activities, as well as establishing an appropriate reporting system. One of the first steps of that plan should be collection of gender-relevant data that will then help conduct a gender analysis during the preparation of the annual programs. For example, the

²⁶ <http://www.rodovindeks.mk/>

LSU should have data on the number of men and women living in its territory, their occupations, how many men and how many women are property owners, the number of boys and girls attending vocational school, etc.

A useful example²⁷

The Gender Equality Index of the Municipalities in the Republic of North Macedonia shows that the inequality in employment between women and men is greater in municipalities where there are no state kindergartens. On average, in the municipalities where there is no kindergarten, for every 10 employed men, there are only 4 employed women, while in the municipalities where there is a kindergarten, there are 7 employed women for every 10 employed men. These findings show that municipalities should work to increase the number of kindergartens in their community.

The LSU should establish a zero-tolerance policy for any type of direct and indirect gender-based discrimination, or any form of verbal, non-verbal or physical sexual or any other type of harassment.

Finally, it should be taken into account that corruption affects women and men differently, as a result of the different economic power, social position, access to protection mechanisms, etc. For example, poor women are most affected by corruption: both directly (if they are not able to pay "bribes" to access services, have no "connections", no information on where to report corruption and no access to such a mechanism), but also indirectly (because corruption reduces the quality and scope of social and other services provided by LSUs.). Women are more likely to be victims of a special type of corruption and abuse – sexual abuse and blackmail by superiors, or by persons who have a higher social or other type of power in relation to the victim.

Appointing women as authorized officials for protected internal reporting and as integrity officers can have a positive impact on encouraging women to both report cases of corruption and seek advice and information on the available protection mechanisms.

3. Implementation, Monitoring and Reporting

The purpose of the Integrity Policy Declaration is not just to be signed by the LSU. The integrity policy will remain only a dead letter if mechanisms for its implementation and monitoring are not introduced. Corruption risk management is one of those protective mechanisms that, when implemented correctly, provide a timely warning about system

²⁷ Towards a Gender Responsive Municipality – A Guide for the Municipal Administration. - Skopje : Reactor – Research in Action, 2019. Available at: <https://reactor.org.mk/wp-content/uploads/2020/05/Водич-за-општинската-администрација-Како-до-родово-еднаква-општина.pdf>

deficiencies that allow for violations of integrity and corrupt actions. On the other hand, all violations of integrity standards should be subject to appropriate sanctions.

3.1. Corruption Risk Management

*The local self-government unit establishes an **efficient system of internal control and audit** in accordance with the principles of the Public Internal Financial Control. Corruption Risk Management is an important part of the systemic risk management within that system.*

*The Mayor and the management structures of the local self-government unit are responsible for **assessing and eliminating risks** that contribute to the occurrence of corruption, embezzlement, fraud, conflict of interest, use of influence and connections to obtain preferential treatment or any other form of illegal or unethical behavior.*

*The head of the internal audit unit **advises** the Mayor and all managers in the local self-government unit on risk management.*

Effective internal controls and risk management reduce the LSU's vulnerability to corruption and enable optimal operation aimed at the public interest. If applied successfully, risk management will enable better decision-making, greater efficiency, better projection and optimization of available assets, increased trust in the management system and development of a positive organizational culture. The purpose of these tools is not to detect existing corruption, but to assess the risk that some form of illegal or unethical behaviour may occur during the operation.

In all budget users, including LSUs, the Public Internal Financial Control system (PIFC) is applied. PIFC includes:

- financial management and control (which includes the control environment, risk management, controls, information and communications and monitoring and evaluation),
- functionally independent internal audit, and
- central unit for harmonization at the Ministry of Finance, which is responsible for coordinating the entire process.

Risk Analysis and Management

Risk analysis comprises two parts.

- **Risk analysis**, which includes determining and defining risks and evaluating the impact and subsequent actions.
- **Risk management**, which includes activities involved in planning, monitoring and controlling activities that will identify/highlight problems and weaknesses and increase the likelihood of the organization achieving its goals.

According to the Internal Control Standards for the Public Sector, every entity from the public sector should prepare a risk analysis, i.e. "systematically, at least once a year, analyse the risks associated with the activities, develop appropriate plans to limit the possible negative consequences of these risks and nominate employees who will be responsible for the implementation of the adopted plans." At the same time, risks are understood in the broadest sense, i.e. "every activity or non-implementation of an activity represents a risk of not achieving the goals."

The Ministry of Finance has identified eight risk categories:²⁸

- **Strategic risk:** refers to the long-term strategic goals of the organization (e.g.: lack of rules on oversight (monitoring policy), unclear strategies or goals, unrealistic or overrated goals, absence of agreed and achieved goals...);
- **Operational risk:** refers to the issues that the organization faces on a daily basis in its efforts to achieve its strategic goals (e.g.: absence of a reliable IT system, complex rules, complex operation (when the operation is complicated and diverse with a large number of parties involved), lack of instructions, external information/data not received in time ...);
- **Organizational risk:** (e.g.: no determined replacement, insufficient oversight of operations/insufficient or inappropriate delegation of tasks/inappropriate separation of duties);
- **Compliance risk:** refers to issues such as: data protection, lack of effective regulation, lack of appropriate legal instruments, contradictory work procedures, complex rules that increase the risk of misinterpretation or error in their application, acceptance of unacceptable requirements due to unclear rules and regulations;
- **Efficiency risk:** (e.g.: dysfunctional oversight/monitoring system);
- **Financial risk:** refers to the effective management and control of finances in the organization such as fraud or irregularity and the effect of external factors such as the exchange rate;
- **Reputational risk:** (e.g.: negative external assessment);
- **Other risks:** Miscellaneous.

The Risk Analysis Methodology has been prepared by the Ministry of Finance. The risk assessment includes:

- identifying the risks,
- their valuation,
- ranking of risks, and
- determining risk responses, i.e., establishing control.

LSUs should follow the Guidelines for Implementing the Risk Management Process, as well as the **Guidelines for Fraud and Corruption Risk Management**.²⁹ A useful document in

²⁸ Available at:

https://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=0CAMQw7AJahcKEwjg_ZPk6sb6AhUAAAAAHQAAAAAQAg&url=https%3A%2F%2Ffinance.gov.mk%2Fwp-content%2Fuploads%2F2009%2F03%2FNasoki-za-upravuvawe-so-rizici-mart-2015-.doc&psig=AOvVaw00T1q8J4u6_8DDW-7I_nig&ust=1664981766238939

identifying corruption risks is the publication on **Corruption Risk Management**,³⁰ prepared by a foreign expert in cooperation with the SCPC, which provides guidelines for identifying the corruption risk according to the existing methodology in line with the public internal control, while using the international standards and best practices for corruption risk management.

When determining the risk acceptability limit, the LSU uses a "traffic light approach", whereby green risks do not require further action, yellow risks should be monitored and managed until they turn green, if possible, and red risks require immediate action.

Risk Matrix

Impact	<i>Serious</i>	Medium	High	High
	<i>Moderate</i>	Low	Medium	High
	<i>Small</i>	Low	Low	Medium
		<i>Low</i>	<i>Medium</i>	<i>High</i>
Probability				

In doing so, each entity should establish an efficient system of internal controls based on risk management, and the manager should create and maintain that system based on identification of significant risks, determination of an acceptable level of exposure, assessment of the probability of risk and impact occurrence, monitoring and assessment of risks, as well as checking reports on budget and program execution.

Corruption Risks in the Local Self-Government

Risk assessment policies, procedures and tools may vary, depending on the size of the LSU, number of employees, budget, etc. Each institution, as well as each local community, has its own specifics which should be taken into account in this process. Depending on the size of the LSU, it is possible that the process implementation procedure is performed by different organizational units. It is recommended that as many of the most important participants as possible take part in the assessment so that it is fairer, more accurate and can be carried out efficiently and smoothly, while the assessment team can consist of employees from different organizational units.

²⁹ Available at: <https://finance.gov.mk/wp-content/uploads/2009/03/%D0%B7%D0%B0-%D1%83%D0%BF%D1%80%D0%B0%D0%B2%D1%83%D0%B2%D0%B0%D1%9A%D0%B5-%D1%81%D0%BE-%D1%80%D0%B8%D0%B7%D0%B8%D0%BA-%D0%BE%D0%B4-%D0%B8%D0%B7%D0%BC%D0%B0%D0%BC%D0%B0-%D0%B8-%D0%BA%D0%BE%D1%80%D1%83%D0%BF%D1%86%D0%B8%D1%98%D0%B009.06.2017.doc>

³⁰ Available at: <https://dksk.mk/wp-content/uploads/2020/12/%D0%A3%D0%BF%D1%80%D0%B0%D0%B2%D1%83%D0%B2%D0%B0%D1%9A%D0%B5-%D1%81%D0%BE-%D1%80%D0%B8%D0%B7%D0%B8%D0%BA-%D0%BE%D0%B4-%D0%BA%D0%BE%D1%80%D1%83%D0%BF%D1%86%D0%B8%D1%98%D0%B0.pdf>

The Guidelines for Fraud and Corruption Risk Management prepared by the Ministry of Finance recommend that "for obvious reasons, external collaborators should not be hired to do the self-assessment because this requires good knowledge of the management and control operational system and of the program users."

It is very important to pay attention to functions and areas of which the public has predominantly negative perception. Public opinion surveys can be used for this purpose, following the example of civil society organizations. Recent surveys have shown that LSUs should strive to reduce negative perceptions as well as the risk of corruption in the following areas: employment in municipalities, public enterprises and institutions, appointment of directors of public enterprises and other institutions, issuance of building permits, implementation of inspection oversight, preparation of detailed urban plans, implementation of public procurement procedures, etc.

The UNDP Guide to Corruption Free Cities identifies the following processes and areas of operation of LSUs as sensitive:

Processes and areas	Example of corruption risks
Strategic processes – strategic planning, explanation of draft regulations, budgets, service standards, urban planning, etc.	Changes to the detailed urban plan in favour of certain investors or projects.
Operational – provision of services	Officials do not provide necessary information to citizens (for example, a citizen returns several times for a specific case and gets the impression that he needs to pay a bribe to get access to the service).
Regulatory functions – issuing licenses, certificates, permits, inspections, audits, controls, sanctions, etc.	Asking for or accepting a bribe for issuing a licence even though the applicant does not meet the conditions.
Support functions – human resource management, communications, document control, public relations, organizational infrastructure, sanctions, etc.	Promotion in the service is subject to favouritism, nepotism and political influences.
Finance and financial resources management	Poor budget planning that can lead to a lack of funds for ongoing activities.
Information management	Disclosing confidential information to third parties.

Risk probability and impact are reduced by choosing an appropriate risk response. The decision depends on the importance of the risk, the tolerance for and the perception of the risk. Each activity (risk response) requires nominating a responsible party and determining deadlines for action. The final step is risk monitoring and reporting. Managers at all levels should monitor whether the risk is changing, as well as be confident that risk management is effective and identify further actions when necessary. Monitoring also includes determining whether the activities have been implemented, whether the adopted measures have given the desired results, etc.

All LSU employees are involved in risk management and should be aware of their responsibilities in identifying and managing risks. However, the ultimate responsibility for risk management rests with the Mayor and the top management structures.

The Role of Internal Audit in Risk Management

The internal audit should provide an independent and objective assessment of the adequacy and effectiveness of risk management processes and internal controls in place in response to risks.

Since the internal audit conducts an audit of the overall risk assessment, it is recommended that it does not take direct part in deciding on the risk exposure level, but rather limit its participation in the assessment procedure to the capacity of an advisor or observer.

During the audit, the internal auditors will evaluate the efficiency and effectiveness of the risk management processes, especially the efficiency of the control mechanisms. By evaluating the adequacy and effectiveness of the control mechanisms in terms of preventing and minimizing risks, the findings of the internal audit’s report should include risks, i.e., unwanted events that may be triggered as a result of inappropriate or ineffective control mechanisms. The internal audit recommendations contained in the audit reports are usually aimed at strengthening the existing control mechanisms or introducing new controls. The management structure is responsible for implementing the recommendations; their implementation gives the management structure the assurance that all the necessary actions have been taken to reduce the risks.

3.2. Implementation of the Integrity Policy

The care for the implementation of the Integrity Policy in the local self-government unit is individual and collective.

The Mayor and the management structures are responsible for **establishing and implementing** the integrity system, as well as for its promotion by personal example and

by taking measures for collective acceptance of the integrity policy and adherence to it by the members of the Council and the municipal administration.

*The Mayor, the members of the Council and all employees of the municipal administration are obligated **to report any corruption-related criminal offense** and any violation of the provisions of the Law on Prevention of Corruption and Conflict of Interest, of which they have become aware in the course of their work, as well as allegations or suspicions of illegal conduct or violations of the Code. Furthermore, they are obligated to report if asked to act contrary to the Constitution, law, code or other regulation.*

*Violations of the integrity standards are subject to **disciplinary, misdemeanour or criminal proceedings** to determine liability in accordance with the law.*

The clear commitment to zero tolerance for corruption should be demonstrated in practice. This means that adoption of all necessary by-laws (for example, regulations and procedures for protected internal reporting), provision of the necessary resources for the persons responsible for the implementation of the elements of the integrity policy, strengthening of capacities through trainings, workshops, etc. are all a prerequisite for the implementation of the integrity policy.

The concept of individual and collective care means that everyone knows their responsibilities for integrating the different aspects of integrity in their work, but the Mayor and the management structures should provide the institutional structure and organizational support, i.e., the environment in which this policy is implemented.

Any form of corrupt, inappropriate, unethical or immoral behaviour should be recognized by the top management structures and sanctioned.³¹ The strong commitment to the implementation of the management integrity policy will be operationalized only if such a policy is applied equally to everyone, regardless of their position, as well as regardless of whether the violation is "minor" or "major". These standards should be even higher when the violation comes from persons who are in higher management positions and members of the Council and who should be an example of ethical and professional behaviour resistant to corruption. Any report of unethical or corrupt behaviour should be treated with due care and the appropriate procedure should be applied in accordance with legal regulations.

Implementation should be based on an appropriate and consistent approach. Management structures should clearly define the process for monitoring and evaluation, clearly state the expected results and appoint responsible persons for the activities, but also provide the necessary resources for the implementation of the measures. All employees should be aware of the identified risks for each of the areas, the necessary actions, as well as the improvement plans, along with the deadlines.

All employees should be made aware that reporting allegations or suspicions of illegal behaviour, as well as violations of the Code, is their duty. But employees also need to know what happens with their reports, i.e., for the policy of zero tolerance for corruption to be translated into reality.

³¹ For the responsibility for implementing the integrity policy, see Part III

Disciplinary, Misdemeanour and Criminal Sanctions

Usually, violation of legal and ethical norms entails disciplinary, misdemeanour or criminal liability. In the case of a criminal act, criminal proceedings are initiated before the competent Public Prosecutor's Office. Disciplinary proceedings are initiated within the institution itself, while liability for a misdemeanour is established by the State Administrative Inspectorate, the Labour Inspectorate, the Agency for Protection of the Right to Free Access to Public Information, etc.

It is very important that these procedures be applied in accordance with the principles of fair treatment, objectivity and timeliness.

- Fair treatment is especially important in cases of corruption that have political implications and significance. Fair treatment includes access to justice, equal treatment and independence of the judiciary.
- Objectivity means that all mechanisms should be based on the law. Objectivity should be applied in all stages of the implementation of the disciplinary or other procedures for establishing liability. In disciplinary procedures, especially in first instance decision-making, decisions are made by administrative bodies, i.e. disciplinary commissions formed in the LSU itself, which by their very nature are not judicial bodies. Considering that the members of these bodies are not judges but public sector employees, it is necessary to include protective mechanisms that will guarantee that their actions are not subject to internal and external influences, as well as that there is no form of conflict of interests.
- Timeliness means that all cases of violation of integrity will be resolved within a reasonable deadline. Protracted proceedings can seriously undermine the rule of law and prevent access to justice.

3.3. Monitoring and Reporting

*The local self-government unit **regularly and promptly informs the public** about cases of violation of ethics and integrity, measures taken and results, abiding by the principles of fair and appropriate treatment and protection of the privacy and confidentiality.*

*The Mayor appoints **an integrity officer**, responsible for providing advice and guidance in the field of ethics and integrity.*

*The local self-government unit **cooperates with the State Commission for Prevention of Corruption** and other institutions involved in the prevention and the fight against corruption.*

Considering that the integrity system consists of several elements that are intertwined, but based on different laws, LSUs are faced with monitoring and reporting obligations on several grounds. These obligations should not be seen as an administrative burden, but as an opportunity for the LSU to monitor its own performance and use this data to further improve integrity.

According to international standards, one of the best practices is the introduction of a responsible person or organizational unit for ethics and integrity that will be responsible for advising on ethical issues, ethical dilemmas, guidelines, monitoring the implementation of the integrity policy, as well as other tasks aimed at improving the system. This is also consistent with the GRECO recommendation on the appointment of responsible persons for advising in the area of integrity, conflict of interests, receiving gifts, etc. at the central level, but it can also be applied when determining the model at the local level.

It is recommended that the mayor appoint an integrity officer from among the employees, who will provide confidential advice on issues related to ethics and integrity. This person will have to be trained by the SCPC. One of the tasks of this person may be to monitor the implementation of the Integrity Policy and propose improvements. Active monitoring of the implementation of the integrity policy may include:

- Collection and analysis of data on violations of the Code and determining trends through analysis of disciplinary procedures;
- Measuring the extent to which employees are familiarized and the needs for further education and support, through surveys with employees, filling in questionnaires before and after the trainings;
- Conducting a public opinion research and possibility of filling out questionnaires by users of LSU services.

Data on the implementation of the integrity policy are aimed at supporting the integrity system. The statistical data will provide insight into the key areas where the risks are highest, thus further enabling the development of specific policies, as well as strategies for integrity and corruption. Furthermore, the data are necessary for the assessment of indicators within the framework of monitoring and evaluation of activities, as well as an assessment of how the system of disciplinary procedures functions as a whole. Consolidated, available and analysed statistical data on implementation practices will enable evaluation of the effectiveness of the existing measures and operational coordination between institutions. It is important to point out that for cases of corruption and violation of ethical standards at the local level, gender-disaggregated statistics should be kept. These statistics should be further used for the development of gender-sensitive measures and activities for the promotion of integrity at the local level.

The integrity policy should also be accompanied by measures to raise awareness and build capacities; if there is no shared understanding of the concepts, risks and the intended impact of the measures, it may negatively affect the process. The integrity policy affects everyone and therefore everyone should be aware of their own competence to carry out the activities within their domain of work.

Informing the Public

The LSUs should inform the public regularly and in a timely manner about cases of violations of ethics and integrity, measures taken and results, abiding by the principles of fair and appropriate treatment and protection of the privacy and confidentiality. In cases of possible corruption, conflict of interest and unethical behaviour by higher-profile persons, LSUs

should inform the public about the activities undertaken to investigate the case and the sanctions enforced, immediately upon its resolution and through an appropriate procedure. On an annual basis, the data should allow for a clear understanding of issues such as the number of investigations, typology of violations and sanctions, length of procedures and institutions that intervened.

4. Raising Awareness about Corruption

The LSU's commitment to zero tolerance for corruption is not enough; all municipal administration employees and members of the Council should be well-familiarized with the integrity policy, the legal framework, their obligations and responsibilities, as well as the disciplinary, criminal and other proceedings that may be initiated and the possible consequences thereof. Below are the measures proposed to raise employee awareness:

- Familiarization with the policies, legal framework and procedures when signing an employment contract with new employees;
- Proactive familiarization of employees with new rules and procedures whenever there are changes in legislation or other changes in the integrity system (notifications and distribution of new materials via e-mail, organizing meetings, etc.);
- Trainings;
- Possibility of receiving advice and guidance from experts (from the integrity officers).

Moreover, in sustainable integrity systems, the motive for adhering to the rules is not based only on the fear of possible consequences, i.e., possible disciplinary or criminal proceedings. Understanding the consequences of corruption has an important preventive role. All LSU employees, as well as council members, should be able to predict the direct impact of a certain corrupt behaviour on the quality of life of all LSU citizens. Thus, tolerance of corruption and solidarity with colleagues who violated the prescribed norms will also decrease.

Understanding the consequences of corruption can be fostered through discussions, workshops and trainings. Hence, the set of trainings for encouraging integrity and preventing corruption should also contain components that will focus precisely on the direct and indirect consequences of corruption. It is recommended that these trainings be planned in the annual professional development plan. Such trainings can be provided by trainers who will have a direct contract for services with the LSU, in cooperation with other institutions (the State Commission for Prevention of Corruption SCPC, the Ministry of Information Society and Administration MISA), but they can also be provided by external actors - other international organizations and citizens associations (non-governmental organizations).

ANNEX 1 – A list of relevant legislation (by areas) and important by-laws

PREVENTION OF CORRUPTION AND CONFLICT OF INTERESTS

Law on Prevention of Corruption and Conflict of Interests, Official Gazette of RM no. 12/2019

PROTECTED REPORTING

Law on Whistleblower Protection, Official Gazette of RM no. 196/2015, 35/18

[Rulebook on Protected Reporting in the Public Sector Institutions](#)

[Rulebook on Protected External Reporting](#)

PUBLIC PROCUREMENT

Law on Public Procurement, Official Gazette of RM no. 24/2019

[Code of Conduct in Implementation of Public Procurement](#)

Other documents available at: <https://www.bjn.gov.mk/category/podzakonski-akti-zjn/>

TRANSPARENCY

Law on Free Access to Public Information, Official Gazette of RM no. 101/2019

- [Guidelines on the Manner and Procedure for Implementation of LFAPI](#)
- [Rulebook on the Form and Content of the Request Form for Access to Public Information](#)

Human Resource Management

Law on Administrative servants, Official Gazette of RM no. 27/2014, 199/2014, 48/15.

[Rulebook on supplementing the rulebook on the form and content of the internal advertisement, the method of submitting the application for promotion, the method of conducting the administrative selection and the interview, and the scoring](#)

[method and the maximum number of points from the selection procedure, depending on the category of the internally advertised position](#)

[Code of Ethics for Administrative Servants](#)

[Decree on the Implementation of the Procedure for Employment of Administrative Servants](#)

[Rulebook on the Content and Form of the Annual Report on Imposed Measures for Determining Disciplinary and Material Liability of Administrative Servants](#)

[Rulebook on the Manner of Conducting the Disciplinary Procedure for Disciplinary Violation and the Secret Voting Form](#)

[Rulebook on the Content and Form of the Annual Training Plan for Administrative Servants and the Report on Its Implementation](#)

[Rulebook on the method of conducting the mid-year interview, the form and content of the report on the mid-year interview, the narrower criteria for the method of evaluating the administrative servant, the form and content of the evaluation forms, the form and content of the report with a ranking list of annual evaluations, the content of the reports and the way of evaluating the administrative servants in other circumstances, as well as the narrower criteria for the method of evaluation, and the method of implementation of measures for excellent and poor performance of an administrative servant in institutions with less than 20 administrative servants](#)

Law on Public Sector Employees, Official Gazette of RM no. 27/2014, 199/2014, 27/2016, 35/2018, 198/2018, 143/2019, 14/2020.

[Rulebook on the Form and Content of the Register of Public Sector Employees, the Method of Its Maintenance, the Method of Access, Use, Processing of Data, and the Method of Ensuring Responsibility for the Reliability and Security of Data](#)

[Decree on the Method of Disposal of Received Gifts, the Method of Managing the Records of Received Gifts and Other Issues Related to Receiving Gifts](#)

Other documents available at:

<https://www.mioa.gov.mk/?q=mk/documents/legislation>

QUALITY MANAGEMENT

Law on the Introduction of a Quality Management System and the Common Assessment Framework for the Performance and Service Provision in Public Service, Official Gazette or RM no. 69/2013

[Guidelines for Introducing a Common Assessment Framework, Formation and Operation of an Assessment Team, Assessment of the Conditions and Preparation of Reports on the Conditions](#)

[Guidelines for Preparation and Adoption of a Plan for Improvement of the Conditions in the Procedure for the Common Assessment Framework](#)

EQUAL OPPORTUNITIES FOR WOMEN AND MEN

Law on Equal Opportunities for Women and Men, Official Gazette of RM no. 6/2012, 166/2014

[Rulebook on the Form and Content of the Report on the Work of the Coordinator for Equal Opportunities for Women and Men in the Local Self-Government Units \(Official Gazette of RN no. 46/15\)](#)

RISK MANAGEMENT

Law on the Public Internal Financial Control, Official Gazette of RM no. 90/2009, 188/2013 and 192/2015

[Standards for Internal Control in the Public Sector \(147/10\),](#)

[Financial Management and Control Manual \(February 2016\)](#)

[Guidelines on Risk Management - March 2015](#)

[Guidelines on Fraud and Corruption Risk Management](#)

[Guidelines on Determining Critical Job Positions](#)

Other documents on the public internal financial control system are available at:

<https://finance.gov.mk/%d1%86%d0%b5%d0%bd%d1%82%d1%80%d0%b0%d0%bb%d0%bd%d0%b0-%d0%b5%d0%b4%d0%b8%d0%bd%d0%b8%d1%86%d0%b0-%d0%b7%d0%b0-%d1%85%d0%b0%d1%80%d0%bc%d0%be%d0%bd%d0%b8%d0%b7%d0%b0%d1%86%d0%b8%d1%98%d0%b0-%d0%bd-3/>

[Guidelines on Assessment of the Risk of Institutional Corruption in the Republic of North Macedonia](#), developed within the project “Promoting Transparency and Accountability in the Public Administration” financed by the EU. November 2020.

ANNEX 2: Proposed Tools for Integrity Assessment

1. The Public Ethics Benchmarking Toolkit for Central Authorities and the Guidelines on Public Ethics of the Council of Europe for public institutions to strengthen their ethics and prevent corruption in public administration³²

The Centre of Expertise for Good Governance at the Council of Europe has developed the Guidelines and the Public Ethics Benchmarking Toolkit based on the best European practices.

The methodology for ethics benchmarking is based on the European score card as the foundation for designing a national score card. It is a quantified assessment of specific good European practices in one or more areas, which should be adapted to the local context. The score card covers the following six chapters:

- status of the elected local representatives;
- financing of political parties, political associations and individual candidates at the local level;
- control and audit of local institutions;
- status of local public officials;
- transparency, administrative procedures, anti-corruption campaigns and evaluation;
- relations of the local self-government with the private sector.

These assessments are analysed, compared between different municipalities, and improvement plans are developed.

2. Organization for Economic Co-operation and Development (OECD) Public Integrity Maturity Models

The OECD Recommendation on Public Integrity³³ provides guidance for creating a vision for an integrity strategy in the public sector. According to the OECD, integrity is built on three pillars: 1) System (which will reduce opportunities for corrupt behaviour), 2) Culture (changing the culture so that corruption becomes socially unacceptable) and 3) Accountability (making people accountable for their behaviour).

Public integrity maturity models³⁴ allow institutions to rate the elements of their integrity system on an incremental scale from 1 to 4: nascent, emerging, established and leading integrity system.

³² Council of Europe, Centre of Expertise for Local Self-Government Reform: „Strengthening Ethics in the Public Sector and Preventing Corruption in Public Administration - Handbook for Public Institutions”, 2017. Available at:

<https://rm.coe.int/peb-public-ethics-benchmarking/1680746d52>

³³ OECD Public Integrity Handbook, Organization for Economic Cooperation and Development, OECD, May 2020. Available at:

https://www.oecd-ilibrary.org/governance/oecd-public-integrity-handbook_ac8ed8e8-en

³⁴ Available at: <https://www.oecd.org/governance/ethics/public-integrity-maturity-models.htm>



Figure – the OECD Public integrity elements

This tool can be used in conjunction with the OECD Handbook which provides guidance on implementing the OECD Recommendation on Public Integrity for each of the elements above.