

TRAINER 'S GUIDE

INTEGRITY SYSTEM TRAINING

Concept, elements and implementation

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1 SESSION 1

1.1 INTEGRITY AND CORRUPTION CONCEPTS

The purpose of this session is to provide participants with basic knowledge of:

- what constitutes corruption and its consequences for society;
- what is integrity and its relation to corruption and relevant legislation;
- international and domestic legal framework for fighting corruption and responsibilities for implementing the integrity concept with an emphasis on the rule of law;
- the role of the State Commission for Prevention of Corruption (SCPC) in the establishment and implementation of the integrity system.

Learning outcomes:

The participants will understand the importance of the integrity concept and of the fight against corruption. They will be made familiar with different forms, types and varieties of corruption. The participants will be informed about the international and domestic legal framework for fighting corruption and will develop awareness of the responsibility that institutions and officials have.

Session schedule:

15 min: Welcome and introduction of the participants, trainers, the purpose of the training and the role of the SCPC. The introduction should be interactive and the participants should name one person they feel has integrity and explain why. The objectives of this session are described in section **EXERCISE, Exercise 1.**

15 min: Corruption, forms, types, criminality, legal framework;

15 min: Exercise on corruption with emphasis on liability and message sent.

45 MINUTES

1.2 CORRUPTION

In order to implement the integrity system, all emerging forms of corruption and corrupt behaviour must first be recognized. Corrupt activities and behaviour appear in all layers and areas of society. Corruption is a prohibited behaviour. It is a deviant phenomenon that undermines and precludes the rule of law and is contrary to democratic values and principles. Corruption negatively affects the work and capacities of democratically elected institutions in the country; hence it has a devastating effect on the legitimacy of the entire system. This means that instead of the rule of law and its norms, the state is ruled by individuals who are guided by personal self-serving goals.

But above all, first we should have knowledge of what corruption is and how it is sanctioned.

The word "corruption" originates from the Latin word corruption, which depending on the specific situation can mean a rotten, deviant person, somebody prone to bribery, etc.

1.3 CONSEQUENCES OF CORRUPTION

Poverty, injustice, general decline of the economy, reduction of foreign and domestic investments, social discontent, reduction of the effectiveness of the functioning of state government institutions, political instability and reduction of citizens' trust in the rule of law, as well as in state and public institutions, bodies and services are all consequence of corruption. Corruption threatens market freedom and entrepreneurship, the principle of legality, free, democratic and fair elections, the independence of the judiciary, the exercise of public functions in the state interest, etc.

Corruption negatively affects the implementation and respect of human rights – civil, political, economic, social and cultural rights. Corruption affects the ability of the state to protect human rights and to fulfil its obligations, in particular, to provide functional judiciary and police, health, education and social services.

All elements within the integrity system, set out in the Integrity Policy, contribute to the prevention of emerging forms of corruption. The introduction of the integrity system and its elements, prevents corruption within the institutions of the system, it defines the risks of corruption and thus actually manages one of the main mechanisms for combating all occurrences, forms, shapes and types of corruption.

1.4 AN OFFICIAL PERSON

According to the Law on Prevention of Corruption and Conflict of Interest, the term "official person" shall mean all elected or appointed persons and employees in the public sector.

1.5 FORMS AND TYPES OF CORRUPTION

A) Corruption can occur in different forms:

- Passive corruption
- Active corruption

Passive corruption - intentional action of a public official who directly or through an intermediary of a public official who, directly or through an intermediary, requests or receives advantages of any kind, for himself or for a third party, or accepts a promise of such an advantage, to act or to refrain from acting in accordance with his/her duty or to exercise his/her duties in a way that is in contrary to his/her official duties.

Passive corruption is carried out only by an official person.

Active corruption - intentional action of a person who directly or through an intermediary, promises or gives an advantage of any kind to a public official for himself or for a third party for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in a way which damages or to exercise his/her duties in a way that is in contrary to his/her official duties.

Active corruption may be performed by any person.

Active corruption is carried out by promise or by giving.

B) There are several types of corruption depending on the position of the perpetrators of corrupt activities in the hierarchical setup of the state and public administration, as well as depending on the magnitude of the damage and social danger that may be caused:

- Grand corruption
- Mid-level corruption
- Petty corruption

Grand corruption has the most destructive effect, because due to the reputation and the power of the official, it sets an example that becomes an additional reason for corruption of the lower layers of government and of all other spheres of public life. It enables and encourages corruption in all societal structures.

Mid-level corruption is located in the middle (second, third and fourth) layer in the state hierarchy, depending on the form of the organizational and functional setup of the political and administrative organization.

Petty corruption takes place between the lowest layers of the administration, for example – public servants, police officers, health, educational, judicial, customs, municipal, cultural, counter workers, etc.

EXERCISE 2 described in EXERCISES

1.6 RULE OF LAW

The rule of law is a key prerequisite in the work of officials and of institutions for which they are responsible or in which they work. That is why this fundamental value of the constitutional order in our country comes first when it comes to integrity and is the basic responsibility of officials. No society operates without laws. A number of international, European and domestic laws govern the operation of state institutions. The laws provide for both positive and negative obligations. They should be interpreted as not only mechanisms of restraint, but as a framework that prescribes what should be done and how it can be done. Laws, in addition to prohibiting certain actions, impose others, such as data protection, non-discrimination, freedom of expression, etc.

The rule of law implies:

- Personal responsibility and obligation of the official to comply with the laws, to exercise his/her public powers and duties in accordance with the Constitution, the laws, other regulations adopted on the basis of the laws and international agreements ratified in accordance with the Constitution of the Republic of North Macedonia.
- Personal responsibility and obligation to provide a working environment in which the laws will be observed by all employees of the institution and in which under no circumstance will employees be required or put in a situation to act contrary to the law, nor will such action be tolerated.

Laws are enforced and applied equally by all. The principle of equality before the law applies to all citizens in our country. According to this principle, all persons, including the representatives of the government, are to be treated equally, i.e. by equal measure, without discriminating or favouring. This means that officials must not put themselves above the law.

1.7 INTERNATIONAL ANTI-CORRUPTION LEGAL FRAMEWORK

- United Nations Convention against Corruption,
- Council of Europe Criminal Law Convention of Corruption,
- Council of Europe Civil law Convention of Corruption.

1.8 NATIONAL ANTI-CORRUPTION LEGAL FRAMEWORK

- Law on Prevention of Corruption and Conflict of Interest
- Criminal Code – Corruption related crimes
- Law on Protection of Whistle-blowers
- Law on Lobbying
- Public Procurement Law
- Electoral Code
- Law on the Financing of Political Parties
- Law on Public Internal Financial Control

EXERCISES on the concept of integrity

EXERCISE 0

Introduction of the participants.

Please introduce yourself with your name and surname, which institution you represent and what is your position. Tell us what are your expectations from today's training?

EXERCISE 1

The goal is to break the ice and promote interaction.

Question:

How do you understand the term integrity?

- Give an example of a person who you think has integrity (from your personal or professional life; a person that you know now or you have known in the past; from your country or a foreigner)

Possible additional questions:

- What did this person do?
- Which personal and/or moral features did he/she have?
- What can we learn from their example and why are such persons important?

The examples given, besides ensuring interactivity will enable better understanding of the definition of integrity which will be presented later on, as well as of the relation between morality, responsibility, law and corruption. It will enable differentiating between the integrity of a society, institution, person, professional integrity and the links between them.

EXERCISE 2

"It is agreed to give a bribe to an employee of an institution, who is a chairman of the public procurement commission and decides who will receive the contract. He/she determined the terms of the tender, but in a way so that the contract is awarded to a particular contractor. To conceal the bribe, the contractor makes the payment through a subcontractor, who in turn appoints another natural person (the subcontractor's agent) to give the bribe, not to the chairman of the commission but to his chauffeur."

- What form of corruption is this? (passive or active)
- What type of corruption is prevalent? (grand, mid-level or petty)
- Emphasis should be placed on responsibility:
 - He/she did not know that the activity constituted a crime.
 - He/she did not make or did not want to have any personal benefit from the activity.
 - He/she did not give or receive the bribe personally, but the bribe was paid or received through or by another person, such as an agent, subsidiary, joint venture partner, friend, spouse or other third party.
 - He/she did not personally commit fraud, but the fraud was committed by or through another person.
 - He/she followed the instructions of a superior officer in the organization.
 - He/she believed that the actions are in the interest of his/her employer.
 - He/she received threats in order to force him/her to commit the offense/corrupt behaviour.
 - Bribery or fraudulent activity does not involve money, but involves the provision of a cashless advantage/benefit, for example: Contract for services, paid vacation, jewellery, or other type of gift.

- The person to whom the bribe was offered or who received the bribe did not act in the manner intended when the bribe was arranged.
 - A bribe was offered, but was never actually paid.
 - It is believed that the corrupt behaviour as in this case was necessary for a party to remain competitive.
- What message does this behaviour send?

2 SESSION 2

2.1 INTEGRITY SYSTEM AND ITS IMPLEMENTATION

The aim of Session 2 is to provide participants with basic knowledge of the concept of integrity and the basic terms, the scope of the integrity system, the integrity policy and its elements, the role of the integrity officer and his/her responsibilities, and the way in which the implementation of the integrity system is monitored.

Learning outcomes:

The learners will know why integrity is important at the societal level, at the institutional and at individual level and will know the importance of the integrity concept in fighting corruption. They will be able to recognize what constitutes integrity concept, integrity system, and integrity policy and will be able to recognize the roles and responsibilities that are important for the implementation of the integrity system by the integrity officer, managers, employees and external institutions that follow the integrity system. The emphasis will be on the role of the SCPC.

Session schedule:

- 15 min: Integrity - society, OECD pillars, Integrity Concept
- 15 min: SCPC and its competences;
- 10 min: Integrity system and its elements
- 10 min: Integrity officer
- 10 min: Integrity system monitoring

RECOMMENDED TIME FOR THE ENTIRE SESSION: 1 HOUR

There are no exercises for this session. Questions and discussion are expected.

2.2 STRENGTHENING INTEGRITY STRENGTHENS THE TRUST AND THE SOCIETY

The integrity of official persons implies consistent adherence to shared ethical values, principles and norms with the priority aim of protecting the public interest by behaviour as well as conscientious,

professional, responsible, honest, efficient and impartial conduct in the exercise of public authority or official duty.

At the organisational level, integrity means “resilience to corruption”. Integrity in the public sector is not an objective in itself, but is a means for creating and implementing better public policies and increasing trust of citizens in the public sector. Strengthening the integrity of operations contributes to the overall integrity in the country and guarantees the sustainability of efforts to fight corruption. In other words, integrity means **good governance**.

On a personal level, integrity means possessing knowledge and skills, but also personal ethical capacity, determination and professionalism to comply with established rules and practices and always work for the benefit of the public interest, avoid possible conflicts of interest and not contributing to the creation of negative and harmful conditions and circumstances in the operation. Ethical capacity means high awareness of the responsibility that the holder of executive functions has in the operation and performance of their functions and duties.

Example: “I do the right thing, even when no one is looking. I put the public interest before my own interest. I can justify my decisions and actions to the public IMMEDIATELY after they are made public and the public will agree that I did the right thing.”

2.3 Definition of Integrity

According to the Law on Prevention of Corruption and Conflict of Interest, the term "Integrity" means legal, independent, impartial, ethical, responsible and transparent performing of activities with which official persons protect their reputation and the reputation of the institution they are responsible for, i.e. are employed in, remove risks and remove the suspicions for possibilities of occurring and development of corruption and thus they provide confidence of the citizens in the performing of the public functions and in the work of the public institutions.

According to the OECD, integrity relies on three pillars:

- 1) System (which will reduce the possibilities for corrupt behaviour),
- 2) Culture (change of culture - corruption to become socially unacceptable) and
- 3) Accountability (officials to be accountable for their behaviour)

Strengthening these three pillars underpins the concept of integrity.

The concept of integrity encompasses all institutions at the local and central level of government, which are part of the anti-corruption system.

2.4 THE INTEGRITY CONCEPT CONSISTS OF 3 KEY ELEMENTS:

- 1) Establishment and improvement of the legal framework for the fight against corruption,

- 2) Adoption and implementation of national strategies for the prevention of corruption and conflict of interest,
- 3) Adoption of policies and guidelines for the implementation of the integrity policy elements, through the mechanisms available to all institutions in the legal system.

2.5 ROLE OF SCPC IN THE IMPLEMENTATION OF THE INTEGRITY SYSTEM

The State Commission for Prevention of Corruption (SCPC), in order to ensure respect for constitutionality, legality, professional integrity, transparency and protection of human rights and freedoms, adopted and implements the Integrity Policy. Recognizing its key role as a leader in the integrity system, SCPC, with the adoption of the Integrity Policy, gives a clear direction and impetus to other institutions for their involvement in the implementation of anti-corruption policies and is a good example of establishing a continuous and sustainable legal culture in the exercise of public powers and official duty.

The SCPC is autonomous and independent in the performance of the competences determined by the Law on Prevention of Corruption and Conflict of Interest and has the capacity of a legal entity. The SCPC comprises a president and six members. Moreover it has a Secretariat, which is an expert service that performs administrative work. Pursuant to the substantive law, the SCPC has the following competences:

- 1) Adopts a national strategy for the prevention of corruption and conflicts of interest, with an action plan for its implementation;
- 2) Conducts corruption proofing of laws, by-laws and other general acts, in accordance with the methodology it adopts;
- 3) Acts upon reports from individuals and legal entities about suspicions for corruption and conflict of interest;
- 4) Instigates initiatives before the competent authorities for procedure for determining liability of officials;
- 5) Instigates initiatives for criminal prosecution in the cases in which it acts;
- 6) Monitors the legality of the financing of the political parties;
- 7) Monitors the legality of the financing of the election campaigns;
- 8) Instigates initiatives before the competent authorities on the basis of reports from the State Audit Office;
- 9) Acts in cases of conflict of interest;
- 10) Records and monitors the assets and interests in a procedure in accordance with this Law;
- 11) Prescribes a form of declarations of assets and interests;
- 12) Checks the data from the declarations of assets and interests;
- 13) Cooperates with other state authorities in providing the necessary information;
- 14) Cooperates with national bodies of other countries, as well as with international organizations in the field of prevention of corruption;
- 15) Exchanges information with competent bodies of other states and international organisations, on the basis of obligations undertaken with international agreements ratified in accordance with the Constitution of the Republic of Macedonia;

- 16) Cooperates with associations, foundations, scientific institutions and the private sector in relation to the prevention of corruption and conflicts of interest;
- 17) Prepares analyses of the risks of corruption in different sectors;
- 18) Undertakes activities in the direction of strengthening personal and institutional integrity;
- 19) Undertakes activities in the field of education and awareness raising on corruption and conflict of interest;
- 20) Keeps a register of elected and appointed persons;
- 21) Keeps a register of authorized persons for receiving disclosures from whistle-blowers, in accordance with the Law on Protection of Whistle-Blowers;
- 22) Prepares a catalogue of gifts on the basis of data obtained in accordance with Article 58 of this Law and publishes it on its website;
- 23) Conducts public opinion surveys to assess its own performance and the situation with the corruption;
- 24) Adopts annual working program of the State Commission;
- 25) Adopts a Code of Ethics of the State Commission and the Secretariat;
- 26) Adopts Rules of Procedure of the State Commission;
- 27) Adopts acts for internal organization and systematization of the posts in the Secretariat;
- 28) Regularly informs the public about its work related to its competencies determined by this Law and in accordance with the Rules of Procedure of the State Commission and
- 29) Performs other activities determined by law.

2.6 OTHER EXTERNAL MECHANISMS AND INSTITUTIONS FOR OVERSIGHT AND MONITORING OF VARIOUS INTEGRITY ASPECTS

In addition to the SCPC as the lead institution for strategy creation and oversight and monitoring of strategy implementation, the following institutions take part in the integrity system:

- 1) State Administrative Inspectorate
- 2) Agency for Protecting the Right to Free Access to Public Information
- 3) Public Procurement Bureau
- 4) State Audit Office
- 5) Ministry of Justice
- 6) Ministry of the Interior and Public Prosecutor's Office

2.7 INTEGRITY SYSTEM

At an organizational level, integrity means "resilience to corruption," while the integrity system comprises all:

- policies,
- elements and

- procedures established in an institution that strengthen its resilience to corruption and reduce the risk of corrupt behaviour by its employees and top management.

In other words, the integrity system comprises the establishment of a functioning operations system in institutions and organizations, the identification and elimination of risks in work processes, the establishment of anti-corruption principles and procedures on a long-term sustainable basis.

The first step to establishing an integrity system in an institution is to sign an Integrity Policy.

The integrity system itself consists of the implementation of several elements of the Integrity Policy in the institution itself. Establishing the elements is not at all a simple and easy step; on the contrary, it is a process that involves all employees of the institution. The integrity system implies the establishment and continuous monitoring of the implementation and adherence to these elements.

The Integrity System is established in a way to enable state authorities and public sector institutions to operate and exercise their competence in compliance with the laws and in accordance with the highest ethical standards.

The integrity system rests on elements that in a way represent integrity standards:

- Element 1 - PROTECTION OF THE PUBLIC INTEREST AND PREVENTION OF CONFLICTS OF INTEREST
- Element 2 - RESPECTING THE CODE OF ETHICS THAT IS RELEVANT TO THE POSITION OF THE OFFICIAL
- Element 3 - HUMAN RESOURCE MANAGEMENT BASED ON MERIT AND QUALIFICATIONS
- Element 4 - PURPOSEFUL, RATIONAL AND EFFECTIVE MANAGEMENT OF PUBLIC RESOURCES
- Element 5 - TRANSPARENCY AND ACCESS TO PUBLIC INFORMATION
- Element 6 – PROTECTED REPORTING BY WHISTLE-BLOWERS
- Element 7 - QUALITY MANAGEMENT

All of the above elements will be addressed during today's training.

2.7.1 RESPONSIBILITY FOR IMPLEMENTING THE INTEGRITY SYSTEM

The initial responsibility for establishing the integrity system in an institution is assigned to the heads of public sector institutions, who need to institute an institutional climate to enable employees to meet their integrity requirements, as well as to become a personal example of integrity themselves.

The officials, together with the integrity officer, are required to implement the elements of the Integrity Policy.

2.7.2 INTEGRITY OFFICER

The integrity officer should have appropriate professional competencies, personal skills, and moral characteristics, and shall have the following tasks:

To coordinate the implementation of the elements of the integrity system in the institution:

- To make suggestions for overcoming identified weaknesses;
- To advise officials on the application of the elements of the integrity system;
- To advise officials on how to deal with situations where they have dilemmas about potential conflicts of interest, ethical dilemmas, etc. and to give advice and recommendations to the head of the institution;
- To raise awareness and educate officials in their institution;
- To be involved in and consulted in the process of educating and building the capacity of officials for the appropriate application of the integrity system;
- To be regularly informed of the analysis conducted and data collected on violations of the codes of ethics and measures taken to overcome them;
- To gather analysis and data relevant to policies and procedures in order to provide guidance for advancing the integrity system.

To inform citizens and stakeholders about the integrity system:

- To familiarize citizens and all stakeholders with all relevant information about the integrity system enabling them to report cases of non-compliance with the integrity system elements, etc.

To cooperate with the SCPC:

- To communicate regularly with the SCPC, to report on the implementation of the integrity system and to follow the guidelines of the competent institution in order to improve the integrity system.

2.7.3 RESPONSIBILITIES OF THE INTEGRITY OFFICER IN THE IMPLEMENTATION PHASE

This phase includes the following activities:

- Adopting an Integrity Policy (Policy and Implementation Guidelines are available at the following [LINK](#));
- Designating an Integrity Officer (Integrity Officer Handbook is available at the following [LINK](#));
- Adopting an internal act for managing conflict of interest (Guidance for drafting the internal act is available at the following [LINK](#));
- Adopting an internal act to regulate the handling of gifts, benefits and hospitality, including preparing a record of gifts received (Guidance for drafting the internal act is available at the following [LINK](#));

- Adopting an internal act for the use of official vehicles and if there are no official vehicles then an internal act for the realization of business trips, (Guidance for their drafting is available at the following LINK);
- Adopting an internal act for planning, implementation and realization of public procurement (The procedure of the Bureau of Public Procurement can serve as a good basis and it is available on the following LINK);
- Adopting an internal procedure for acting and decision-making in areas where discretionary powers exist;
- Designating an officer for protected internal reporting;
- Implementing quality standards (ISO 9001 and the "Common Assessment Framework - CAF").

2.7.4 INTEGRITY SYSTEM MONITORING

The SCPC provides a two-tier system for monitoring the implementation of the integrity system, both internally by the institution itself and by the SCPC.

The purpose of monitoring the integrity system is to determine the effectiveness of the applied policies and procedures that allow consistent application of integrity standards, as well as to measure the results of the applied measures to reduce the risks of corruption. The process for monitoring and reporting on the application of the integrity system is coordinated by the integrity officer.

All state bodies and public sector institutions and local self-government units are obliged to cooperate with the SCPC enabling it to monitor the implementation of the integrity system.

The SCPC has prepared a "Methodology for Monitoring the Integrity System Implementation" and a Questionnaire. The SCPC monitors the implementation of the integrity system through a software, which provides access to integrity officers from all institutions that have signed the Integrity Policy to the questionnaire they need to answer and thus provide relevant information for assessment and analysis of the situation.

Institutions will be required to respond to the questionnaire within a specified period of time, following prior submission of information from the SCPC with an access link. Monitoring of the implementation of the integrity system is carried out once a year.

3 SESSION 3

3.1 PROTECTION OF THE PUBLIC INTEREST AND PREVENTION OF CONFLICTS OF INTEREST

The goal is to understand the concept of conflict of interest and to recognize the different types and varieties of conflicts of interest; to understand why it is important to manage conflicts of interest in institutions and to develop skills to create internal guidelines and procedures for managing conflicts of

interest in the institution. It will contribute to the creation of an organizational culture that respects and supports openness and discussions about conflicts of interest, with a particular focus on the role of the integrity officer. Participants will understand the role of mechanisms for monitoring and assessing conflicts of interest risks for the purpose of timely detection and prevention.

Learning outcomes:

The participants will understand what their legal obligations are in case of nepotism, in case of assuming obligations from other engagements, and in case of using and misusing information obtained ex officio. They will understand what should be the attitude of institutions and employees with regard to receiving gifts, benefits, and hospitality. Moreover they will be able to recognize the importance of recognizing and determining discretionary powers in substantive laws, bylaws and other general acts, and their appropriate management in order to reduce the risk of abuse of such powers. They need to build awareness of the need to develop skills to create internal guidelines and mechanisms to ensure transparency and accountability in the management of conflicts of interest as well as develop the ability to analyse and monitor the risks of conflicts of interest and apply appropriate measures to reduce and control them.

Session schedule:

15 min: Becoming familiar with the terms: public interest, private interest, conflict of interest, benefit, disclosing assets and interests, definitions from the Law on Prevention of Corruption and Conflict of Interest, types of conflict of interest.

20 min: Nepotism and EXERCISE

10 min: Use and misuse of information obtained ex officio and EXERCISE

5 min: How to manage conflict of interest. What to do in case of conflict of interest? Whom to address? - the focus is on role of the SCPC

20 min: Prohibition on receiving gifts, benefits and hospitality, and recognizing and managing discretionary powers

THE SESSION IS EXPECTED TO LAST 90 MIN.

3.2 THE OFFICIAL PERSON IS A GUARDIAN OF THE PUBLIC INTEREST

According to the Law on Prevention of Corruption and Conflict of Interest, the term "public interest " means protection of fundamental freedoms and rights of people and citizens as recognized by international law and determined by the Constitution of the Republic of Macedonia; it also means prevention of risks to health, defence and security, protection of the environment and nature, protection of property and market freedom and entrepreneurship, rule of law and prevention of crime and corruption. (LPCCI, 2019)

The official is expected to be **guardian of the public interest**. The official in the performance of public authorizations and duties is obliged to respect the principle of legality, the principle of equality, the principle of publicity, ethical norms and professional standards, without discrimination or preference to anyone with full respect for the public interest.

The common good and the progress of the citizens is a priority and actions taken should always be in favour of the public interest vis-a-vis the private interest.

"Private Interest" implies a tangible or intangible interest of officials themselves that may influence their decision in the exercise of their public powers and duties. This implies an interest that generates personal benefit and harms others and society as a whole. Private interest means not only financial interest, gain or avoidance of loss, but also intangible benefits, services, advantages, rewards, privileges.

Conflict of interest is a situation in which the official has a private interest that affects or may affect the impartial exercise of his public powers or official duties.

Benefit - realization of any kind of tangible or intangible, gain, convenience or advantage for oneself or for another person.

The official in the performance of his office is obliged to be attentive to possible conflicts of interest and in the performance of public powers and duties must not be guided by personal, family, religious, party and ethnic interests, nor by pressures and promises from superiors or from other persons. Therefore, all elected and appointed persons in public sector institutions, as well as legally established categories of public sector employees are required to submit **"Disclosure of assets and interests"** through the SCPC electronic system available at the following link <https://imotnasostojba.dksk.mk/>

3.3 TYPES OF CONFLICT OF INTEREST

Actual conflict of interest. Direct conflict between the private interest of the official and his/her official duties. A company owned by a close person of the official receives a public procurement contract in a procedure in which the official was involved as a member of the public procurement committee.

Potential conflict of interest. When the official has a private interest that could conflict with his/her official duty in the future. An employee of a state institution is a member of an association of citizens, which may apply for financial support from the institution in the future.

Ostensible conflict of interest. When the official has a personal interest, which by other persons or the public could be considered to affect the performance of the official's duties. The child of an appointed official receives a state scholarship to study abroad. A process in which the official's office did not participate, but there is a perception that he could have influenced the decision.

3.4 PROHIBITION OF INFLUENCE ON EMPLOYMENT OF CLOSE RELATIVES

Prohibition of influence on employment of close relatives. An official must not influence the employment or promotion of a close person in the body in which he is elected or appointed or in another state body or public enterprise, public institution or other legal entity that has state capital, which is supervised by the body in which the official is elected or appointed. A close person shall mean a person in a marital or extramarital union with the official, blood relative in a straight line, and in a lateral line to the fourth degree, relative by marriage to the second degree, as well as any natural or legal person in which the official has financial interest. The selection should be guided by the criteria of expertise and competence and professional abilities of the candidates and of the employees of the institution in which they have been elected or appointed and care should be taken not to be related.

- At the same time, it is good for the trainer to remind everybody that at the same time, the most difficult thing to prove is precisely the influence on employment. SCPC has several similar cases and in order for the trainees to better understand the topic, in terms of prevention, they should do the following exercise.

Exercise:

A vacancy for high school informatics teacher has been published. Among the applicants there is only one candidate that meets all the criteria. The candidate applies on time with all necessary documents. The applicant is employed because he meets all the criteria and signs a work contract with the school principal. But the candidate is the principal's son. Is the prohibition on influencing the employment of close relatives violated in this case? Is there a conflict of interest and why? How to eliminate the conflict of interest?

The principal should exempt himself from the procedure and should declare the personal interest – (Article 74 and Article 75 of the LPCCI). He/she should also notify SCPC of any election, appointment or employment of a family member (Article 56 of the LPCCI).

3.5 USE AND MISUSE OF INFORMATION OBTAINED EX OFFICIO

Officials obtain access to multitude of information during the performance of their function, public authorizations or official duties and may not use it to benefit or obtain advantage for themselves or for others. In doing so, the prohibition on misuse of official data for officials shall apply both during the performance of their function, public authorizations or duties, but also within three years after their termination. Moreover, the official must not withhold data that, according to the Law on Prevention of Corruption and Conflict of Interest or other law, must be disclosed, nor must he request access to data that he knows he is not authorized to receive or behave unconscionably towards the storage of data that constitute a secret in accordance with the law.

3.6 MANAGING CONFLICT OF INTEREST

All public sector institutions should introduce mechanisms for identification of conflicts of interest in order to prevent and take future steps and procedures for managing conflicts of interest with the involvement of competent bodies.

Internal Act. It is recommended the institutions to adopt an internal act that will regulate the incompatibility of functions, restrictions on doing business, prohibition of doing other activities, additional activities and other similar issues and to identify rules, restrictions and obligations.

Criteria for assessing risks related to specific jobs. The internal act of state bodies and public sector institutions should identify criteria for assessing the risk of specific jobs, so-called jobs in which there is a potential risk of conflict of interest and, accordingly, the holder of that job should submit a Statement of absence of conflict of interest. (*See Annex 5 - Forms – Preventing Conflict of Interests from the Handbook for Integrity Officers)

Creating an organizational culture that does not tolerate conflicts of interest. The integrity officer has a key role in informing, advising and teaching. The integrity officer should establish transparency in the process of resolving situations in which conflicts of interest arise.

3.7 WHAT TO DO IN CASE OF CONFLICT OF INTEREST?

In case of a suspected conflict of interest, the official shall be obliged to take all necessary measures to prevent the influence of his/her private interest or the private interest of another person on the exercise of his powers and duties and to notify his/her superior thereof. In case of suspicion of conflict of interest, the official is obliged to seek an opinion from the State Commission for Prevention of Corruption.

When the official becomes aware of circumstances indicating the existence of a conflict of interest or potential conflict of interest, he/she is obliged to immediately request to be exempted and stop the activity.

The official shall be exempted from performing a certain activity by a decision of the body in which he is elected or appointed, or where he performs functions, public powers or official duties.

3.8 WHERE DO I TURN IN CASE OF CONFLICT OF INTEREST?

The source of expertise for conflict of interest is the SCPC. In accordance with the Law on Prevention of Corruption and Conflict of Interest, in case of suspicion of conflict of interest, the official is obliged to seek an opinion from the SCPC. The SCPC frequently reviews reports of conflicts of interest.

In addition, the SCPC often receives requests for an opinion on whether specific situations constitute a conflict of interest.

All opinions, decisions taken from handling cases, and public warnings are published on the SCPC website.

In case of hesitation and doubts, officials may always consult the designated integrity officer in the institutions in which they are employed.

If there is a suspicion of conflict of interest, the State Commission for Prevention of Corruption shall initiate a procedure for determining the existence of a conflict of interest. The procedure is initiated:

- ex officio;
- upon the request of an official;
- upon report of another person,
- upon request of the manager of the body, i.e. the institution where the official performs functions, public powers or official duties and
- upon anonymous report. After conducting the procedure, the SCPC makes a decision on the existence or absence of a conflict of interest.

If it decides that there is a conflict of interest, the SCPC is obliged to notify the official and request from him to eliminate the conflict of interest within 15 days of submitting the decision.

If the official does not act upon the request of the SCPC and does not notify the SCPC within the set deadline, the SCPC shall inform the competent authority thereof:

- by requesting to initiate disciplinary proceedings, if the official is not an elected or appointed official or
- by motion for dismissal/termination of the exercise of public powers or duties, if the official is appointed or
- whereby it imposes a measure of public reprimand in accordance with Article 79 of the LPCCI, if the official is a person elected at direct elections.

The misdemeanour commission in the SCPC conducts misdemeanour proceedings and imposes misdemeanour fines in case of non-compliance with the provisions of the LPCCI.

3.9 PROHIBITION ON RECEIVING GIFTS, BENEFITS AND HOSPITALITY

"Gift" means money, securities, gold and other valuable items, rights and services offered to the holder of an executive office for the performance or non-performance of his powers or duty, thus putting him in a subordinate or dependent position in relation to the provider of the values or services.

"Benefit" means preferential treatment, privileged access, services or other advantages. The benefits in principle are intangible and include personal services, job offers, invitations to sports and other entertainment events that bring a personal benefit to the individual.

“Hospitality” means offering and accepting invitations to receptions, conferences and other official events. It also includes a service, provided or promised to be provided by an individual or organization, to another organization. Examples of hospitality can include invitations to business lunches, invitations to events, business trips, or accommodation.

The official must not receive gifts or promises of gifts or request gifts, except in the cases determined by the Law on the Use and Disposal of State-owned and Municipal Property and the Law on Public Sector Employees and the regulations arising from these laws.

Elected and appointed persons may not use their office for the purpose of obtaining property, financial or other benefit for them or for another, as well as to request and receive gifts for the exercise of their function.

Elected and appointed persons may receive gifts that upon receipt become things in state ownership, except for gifts that become a personal gift, in accordance with law and bylaws. The institution in which the person who received the gift has been elected or appointed is obliged to provide their assessment after reporting the received gifts.

The assessment of the gifts received is performed by authorized appraisers in accordance with the Law on Appraisal and it is recorded as the accounting value of the item.

Pursuant to the Code of Ethical Conduct for Members of the Government and Holders of Public Offices Appointed by the Government, holders of executive functions may not accept rewards, decorations, awards or honours from foreign countries and foreign organizations during the performance of their function, i.e. in the performance of their duty, and in the case of such honours, they consult with the Ministry of Foreign Affairs regarding the receipt of honours in each individual case.

Holders of executive functions should be particularly careful and make a personal assessment of whether small-value gifts (pens, books, decorations, coffee invitations, lunch, petty favours), especially when they are frequent, will not compromise and put them in a position to feel obliged to return a service in a way that would require using their influence for someone's employment or for a tender procedure or other type of influence that is inadmissible under the principles of this Code. This may constitute a bribery scheme.

When we talk about the rules for handling gifts for elected and appointed persons, one should take into account the "Decree on gifts"¹ of 2015 and the provisions for its amendment from 2020: The gift from representatives of foreign entities (foreign state, authority, institution or international organization), as a

¹ Decree on the Criteria, the Manner of Giving and Receiving Gifts, Reporting Gifts, the Manner of Assessing Gifts, the Manner of Payment for a Personal Gift, As Well As the Use, Storage And Records of Items that have Become State Property through Gift ("Official Gazette of the Republic of Macedonia" No. 180/2015 and 313/2020)

sign of cooperation, gratitude or respect, can be kept by the recipient provided the gift does not exceed the value of 50 Euro, and if it exceeds this amount and the recipient wants to keep the gift, then the recipient should pay the difference (Article 5 of the Decree of 2020).

A gift from domestic entities, as a sign of cooperation, gratitude or respect, can be kept by the recipient provided the gift does not exceed the value of 20 Euro, and if it exceeds this amount and the recipient wants to keep the gift, then the recipient should pay the difference (Article 5 from the Decree of 2020).

As for public sector employees, they may not receive gifts related to their work with the exception of protocol and occasional gifts of lower value. Gifts of lower value are those gifts that do not exceed the value of 1,000 denars, or several gifts received from the same person whose total value does not exceed 3,000 denars in one year. Protocol gifts, on the other hand, are gifts received by officials or international organizations, given during visits, stays, or in other similar circumstances.

It is important that institutions have and consistently follow internal procedures or instructions that regulate the procedure for receiving and giving gifts and handling benefits and hospitality and take into account the "Decree on the Manner of Disposal of Gifts Received, the Manner of Managing the Records of Gifts Received and other Issues Related to the Receipt of Gifts ("Official Gazette of the Republic of Macedonia" No.153/2014).

The gifts received by the elected and appointed officials and by the public sector employees are declared and kept by the designated authorized person for receipt of declarations for gifts received.

Public sector institutions are obliged to submit to the SCPC a copy of the records of gifts received no later than 31 March of the current year for the previous year.

The SCPC recommends zero tolerance policy on gifts. This means that it is recommended that institutions, instead of providing acceptable examples, prohibit the receipt of any kind of gifts, benefits, hospitality and other forms of benefits during their term/employment in public sector institutions.

4 SESSION 4

4.1 COMPLIANCE WITH THE CODE OF ETHICS RELEVANT TO THE POSITION OF THE OFFICIAL; HUMAN RESOURCES MANAGEMENT BASED ON A SYSTEM OF MERIT AND QUALIFICATIONS; PURPOSEFUL, RATIONAL AND EFFICIENT MANAGEMENT OF PUBLIC RESOURCES; TRANSPARENCY AND ACCESS TO PUBLIC INFORMATION; PROTECTED REPORTING BY WHISTLE-BLOWERS; QUALITY MANAGEMENT

The aim of this session is for participants to understand that professional and ethical work is the basis of the integrity system and to understand what comprises the implementation of all integrity policy elements in an institution. Furthermore, they need to understand the roles of managers, integrity officers, as well as the role of human resource units in promoting morality and integrity in institutions. They need to

understand the importance of establishing a protected internal whistle-blower reporting system, understand what rational and efficient resource management means with an emphasis on official vehicles, as well as understand the quality management system as the basis for implementing and monitoring the integrity system in institutions.

Learning outcomes:

They will understand what their role is in relation to the existing codes and the moral climate and what type of actions can be taken in order to support ethical and legal behaviour in institutions. They will understand and learn to separate the roles of managers, integrity officers and the organizational human resource management unit in building and maintaining an ethical culture and integrity system. They will understand the significance and implementation of the protected whistle-blower reporting system and their role in detecting and preventing corruption and irregularities. Moreover they will recognize the connection of integrity with the concept of human resource management based on a system of merit and qualifications and understanding its importance in ensuring objective processes for rewarding and promoting employees, and why it is important. This session will improve their knowledge on rational and efficient management of public resources. Special emphasis should be placed on supporting the quality system as one of the ways to support the fight against corruption.

Schedule:

15 min: Codes of ethics,

15 min: Protected whistle-blower reporting,

15 min: Transparency and access to public information,

15 min: Human resource management based on merit and qualifications,

15 min: Purposeful, rational and effective management of public resources,

15 min: Quality management.

RECOMMENDED TIME 60 TO 90 MIN

4.2 RESPECTING THE CODE OF ETHICS THAT IS RELEVANT TO THE POSITION IF THE OFFICIAL

Professional and ethical work forms the basis of the integrity system. The Organization for Economic Co-operation and Development (OECD) defines integrity as “the consistent alignment with, and adherence to, shared ethical values, principles, and norms to support and prioritize the public interest over private interests.”

These values, principles and norms actually establish standards of integrity.

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 supports the role of the administration as a service to the citizens. These standards represent the basic principles and values that citizens expect from officials in institutions. Given the common definition of integrity as a set of attitudes that reinforce honesty, ethical behaviour, and work practices, it is more than clear how important ethical codes and their appropriate application is.

Officials are obliged to respect the code of ethics of the institution in which they work, which aims to promote professionalism, protect the public interest, and promote responsibility, impartiality, non-discrimination and political neutrality.

Institutions must consistently monitor if officials comply with the Code of Ethics, in accordance with the rules applicable to elected and appointed officials and to public sector employees.

4.3 HUMAN RESOURCE MANAGEMENT BASED ON A SYSTEM OF MERIT AND QUALIFICATIONS

Integrity should be promoted as an integral part of human resource management in public sector institutions. Employment and promotion procedures should be based on merit and qualifications and prevent party influences, nepotism and cronyism.

Institutions should have an internal organization act and a job systematization act prepared on the basis of an objective functional analysis. State institutions should promote an open organizational culture where problems, ethical dilemmas, shortcomings are freely discussed and advice and guidance are provided for their resolution. Human resource management that enables employment and promotions based on a system of merit and qualifications is a pillar of the integrity of institutions. Hence, human resource management is one of the key elements in terms of organizational culture in support of integrity.

If the institution has quality staff, it will be able to adequately implement its competencies, improve quality of service, achieve the set goals and increase public confidence. The management of the institutions together with the HR management team should take care of attracting and retaining a quality team that will constantly improve. State bodies and public sector institutions should ensure a fair and transparent system for employment, selection and promotion, based on objective criteria and formal procedures, as well as an effective complaints system.

It is very important to support professionalism, to prevent favouritism and nepotism, as well as political influence. In order to promote the work of the institutions and increase the motivation and productivity of the employees, it is advisable to conduct a regular anonymous survey of employee satisfaction, as well as to enable them to propose measures to promote the work.

4.4 PURPOSEFUL, RATIONAL AND EFFECTIVE MANAGEMENT OF PUBLIC RESOURCES

State institutions should demonstrate openness, accountability and inclusiveness in defining budget revenues and expenditures driven by the goal to meet the public interest and continuously improve services for citizens. In this regard, in addition to complying with the legislation, the institutions should undertake to bring all relevant information about the public money to the attention of the public, thus enabling supervision and control. State institutions should undertake that public procurement contracts, as well as other types of public contracts, will be concluded in compliance with the principles of economy, efficiency, competition between economic operators, transparency, equal treatment of economic operators and proportionality.

This element of the integrity policy implies, among other things, a justified spending of the resources available to the institution, including the use of official vehicles and procedures for the realization of business trips.

Within this element, the institutions are expected to adopt internal acts for planning and realization of the budget; for planning, implementation and realization of public procurement; for the use of official vehicles and for the realization of official trips.

4.5 TRANSPARENCY AND ACCESS TO PUBLIC INFORMATION

Transparency is vital to nurture citizens' trust in the institutions of the system and to effectively prevent, stop and detect corruption. Transparency allows the public to be involved in monitoring public spending, adopted policies and decisions taken.

Information is needed for citizens to be informed about their rights and obligations in society, to be able to access the services offered by public institutions, to be able to participate in the decision-making process and to be able to hold the authorities accountable. Pursuant to the Law on Free Access to Public Information, "holders of information" are state government bodies and other bodies and organizations determined by law, municipal bodies, bodies of the City of Skopje and of the municipalities in the City of Skopje, institutions and public services, public enterprises, legal and natural entities exercising public powers determined by law and implementing activities of public interest. Holders of information are also political parties, which also should provide free access to information for all legal and natural persons in relation to their revenues and expenditures.

In addition, "information of public character" is considered information in any form created or at disposal to the information holder in accordance with its competencies, while "document" is the record of such information and it may have different form and characteristics. This means that documents can comprise written or printed text, but also maps, schemes, photographs, images, drawings, sketches, work materials, recordings, and other materials in digital form.

State institutions provide true, appropriate, timely and complete information to citizens and legal entities, while respecting the right to privacy and the protection of personal data. The institutions are committed

to transparency and accountability in their operations, thus enabling citizens and all interested parties to inspect and supervise their operations.

Officials must not use information at their disposal during the performance of their function, public authorization or official duty to obtain benefit or advantage for themselves or for others.

4.6 PROTECTED WHISTLE-BLOWER REPORTING

Institutions shall provide conditions for protected internal reporting of suspicion or knowledge that a criminal, unethical or other illegal or inadmissible action that harms or endangers the public interest has been, is being, or is likely to be, taken. State institutions must appoint an authorized person for the receipt of whistle-blower reports and have a procedure for protected internal reporting familiar to all stakeholders. The institution encourages all employees, candidates for employment, volunteers, persons who have been contracted for a specific work, persons who are or have been in business or have other 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 inadmissible behaviour in the institution to the authorized person for receipt of whistle-blower reports. The institution acts upon the reports as per the Rulebook on Protected Internal Reporting in Public Sector Institutions ("Official Gazette of the Republic of Macedonia" No. 46/2016). In doing so, the institution is obliged to inform potential whistle-blowers about the procedure for protected reporting, the legal provisions for protection of whistle-blowers and the possibility of making protected external reporting to the Ministry of Interior, the competent public prosecutor's office, the State Commission for Prevention of Corruption, the Ombudsman and the Inspection Council.

Conditions for Protected Internal Reporting. The institutions should provide all necessary conditions for the protection of confidentiality, as well as for protection against any consequences to the whistle-blower, as prescribed by the Law on Protection of Whistle-blowers and the bylaws arising therefrom. According to the Law on Protection of Whistle-blowers, the heads of institutions should appoint a responsible person for the receipt of reports submitted via internal reporting (an authorized person). Namely, the whistle-blower makes the protected internal reporting orally on the record or in writing to the person authorized by the manager in the institution. In the institution where there is no authorized person for receipt of whistle-blower reports, the protected internal reporting is made to the manager of the institution.

The manager prescribes internal procedures for receipt of whistle-blower reports, separation and processing of data from the reports and takes measures to ensure the protection of personal and other data related to whistle-blowers and whistle-blower reports, while applying the regulations for personal data protection and protection of classified information.

The manager shall submit to the State Commission for Prevention of Corruption data about the authorized person, which are as follows: name and surname; position; contact telephone; postal address and e-mail address for receipt of reports. This data should also be published on the institution's website.

The authorized person prepares a semi-annual report on received whistle-blower reports that contains general statistics and data on cases opened upon reports received and submits it to the SCPC.

4.7 QUALITY MANAGEMENT

Improving the services offered to citizens is a top priority. Institutions should establish a system of operations that constantly improves operations and processes, reduces risks and costs, improves employee motivation and monitors overall performance.

Improving the delivery and quality of operations and services offered is carried out through responsible planning, management and implementation of processes and promotion of a culture of excellence of the public administration, in accordance with the international standard ISO 9001, the Common Assessment Framework – CAF and other quality standards in the public sector.