Public audit report

# HOW DO PUBLIC BODIES CARRY OUT CORRUPTION PREVENTION?

22 October 2013, No. VA-P-40-8-13

Full audit report in Lithuanian is available on the website
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## EXECUTIVE SUMMARY

Corruption is one of the major obstacles to economic development and attraction of foreign investment as well as a factor undermining public confidence in the public sector. For many years the fight against corruption in the public sector has been identified as a priority task of the Government of the Republic of Lithuania. Corruption prevention aims at the least possible hindrance by corruption to the development of economy, democracy and social welfare, enhancement of national security, and improvement of the quality of public services. The state policy in the area of prevention of corruption is implemented by all public and municipal bodies[1] within their competence. Anticorruption programmes have been developed and implemented for more than a decade already. The National Anticorruption Programme has been implemented since 2002. Most state and municipal institutions have developed and have been implementing institutional anticorruption programmes which cover a number of preventive measures. Ministries alone implement more than 300 such measures every year. However, despite the abundance of measures, the level of corruption, in public opinion, has not been going down in Lithuania. According to the Global Corruption Barometer[2] data for 2013, more than half of the respondents (64 per cent) think that the level of corruption in the country has increased over the past two years.

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[1] Law of the Republic of Lithuania on Prevention of Corruption, Art. 16, paragraph 2.
[2] Internet access: http://transparency.lt/media/filer_public/2013/07/09/ti_pasaulinis_korupcijos_barometras_2013.pdf

The audit aimed to assess whether the corruption prevention carried out by public bodies ensures management of corruption risks:

- whether public bodies properly identify and evaluate their activity areas particularly prone to corruption;
- whether public bodies take necessary measures to manage or eliminate the identified corruption risk factors and to reduce the likelihood of corruption.

Since public bodies have to provide information on the corruption risk factors identified at the bodies and on measures proposed to eliminate the risks to the ministries they are subordinate to, the entities audited were ministries. Audits were conducted in the Ministry of Health, Ministry of Justice, Ministry of the Interior, and Ministry of Agriculture. Information was collected from institutions subordinate to the said ministries and from other ministries. The audited period was 2009-2012. The assessment of the implementation of ministerial programmes also used data for 2013.

The public audit conclusions and recommendations provided below were drawn upon the assessment of the audit findings.

## AUDIT CONCLUSIONS

1. Public bodies do not properly determine the likelihood of the occurrence of corruption, thus failing to reveal all causes and conditions of corruption:

1.1. The Ministry of Education and Science, Ministry of Culture, Ministry of Energy, and Ministry of Foreign Affairs failed to ensure compliance with the requirements of the Law on Prevention of Corruption to identify areas of activity which are particularly prone to corruption on an annual basis; as a result, risks of corruption in the areas of activity of these ministries have not been assessed for a number of years and, consequently, no risk management measures have been provided for;

1.2. The annual assessments carried out by the Ministry of Agriculture, Ministry of Justice, Ministry of Internal Affairs, Ministry of Health, and the majority of the institutions subordinate thereto did not cover the compliance of all areas of their activity to the criteria laid down in the Law on Prevention of Corruption, so areas particularly prone to corruption were not identified. Identification of areas of activity which are particularly prone to corruption is complicated by the fact that the term “area of activity” is not defined in the legislation;

1.3. The Ministry of Justice, Ministry of the Interior, and the majority of the institutions subordinate thereto have not established corruption risk factors in all identified areas of their activity which are particularly prone to corruption, i.e. have not identified conditions and circumstances which can create preconditions for corruption, so it is not clear what specific preventive measures have to be taken.

2. Ministries have been providing information to the Special Investigation Service about the likelihood of the occurrence of corruption in governance areas assigned to the ministers without complying with the procedure established by the Government, because the identification of the likelihood of corruption is organised and carried out in an inappropriate manner:

2.1. Reasoned conclusions of the Ministry of Justice, Ministry of the Interior, Ministry of Agriculture lack information which is supposed to be provided observing the requirements approved by the Director of the Special Investigation Service;

2.2. Reasoned conclusions of ministries have to be drawn up upon assessment of information received from subordinate institutions, which is often provided close to the expiry of the established deadline, or even later, so the ministries do not have enough time to draw up a reasoned conclusion regarding the likelihood of corruption and to present it to the Special Investigation Service within the time set by the Government. Due to this reason, all ministries which presented their conclusions to this Service, except for the Ministry of Defence, did this with delay.

3. Public bodies do not take adequate measures to manage or eliminate the identified corruption risk factors and to minimise the likelihood of the occurrence of corruption. Anticorruption programmes are not always properly developed and implemented:

3.1. The Ministry of Justice, Ministry of the Interior, and Ministry of Agriculture, despite of the information at hand on all identified activities areas particularly prone to corruption and on risk factors, failed to ensure provision of corruption prevention measures for the management of all identified corruption risk factors;

3.2. Most of the measures (about 75 per cent) provided for in the programmes of the Ministry of Health, Ministry of Justice, Ministry of the Interior, and Ministry of Agriculture, are general measures (activities delegated to the ministries by legislation) which should be carried out regardless of whether they are specified or not in the anticorruption programme. Specific measures designed for the elimination or reduction of the identified corruption risk factors account for only about 25 per cent of all measures and half of these measures have not been implemented on time. Delaying the implementation of the measures results in failure to manage risks of corruption;

3.3. The programmes of the Ministry of Health, Ministry of Justice, Ministry of the Interior, and Ministry of Agriculture did not include more than half (64 per cent) of the measures provided for in the National Anticorruption Programme the implementation of which has been assigned to the said ministries under this Programme;

3.4. The criteria for assessing the implementation of measures provided for in the programmes of the Ministry of Justice and the Ministry of Agriculture are not sufficiently clear and cannot be objectively measured, hence they cannot be used to assess the effectiveness of the measures.

4. The Ministry of Health, Ministry of Justice, Ministry of the Interior, and the Ministry of Agriculture do not assess the effectiveness of measures of the implemented programmes thus failing to determine whether the implemented measures managed to eliminate the identified causes and conditions of corruption and to reduce the likelihood of corruption in the activity areas of the institution. Consequently, it is not known whether risks are managed and whether supplementary measured are needed.

## AUDIT RECOMMENDATIONS

**To the Government of the Republic of Lithuania:**

With a view to ensuring the implementation of corruption prevention measures in ministries and institutions subordinate thereto, to provide for measures to ensure that:

1. the likelihood of the occurrence of corruption is determined by all ministries and their subordinate institutions;

2. the measures of the National Anticorruption Programme are included in the programmes of public bodies.

**To the Government of the Republic of Lithuania together with the Special Investigation Service of the Republic of Lithuania**

With a view to ensuring detailed disclosure of causes and conditions of corruption and providing comprehensive information to the Special Investigation Service:

1. to clarify the procedure for determining the likelihood of corruption in the Law on Prevention of Corruption defining the term “area of activity” and specifying the procedure and deadlines for the provision of reasoned conclusions to the Special Investigation Service in order to avoid overlapping of the activities of the ministry and institutions subordinate thereto;

2. To take decisions on the adjustment of the frequency of the assessment of activity areas particularly prone to corruption and determination of risk factors.

**To the Special Investigation Service of the Republic of Lithuania:**

With a view to improving corruption prevention activities carried out by public bodies, to develop a methodology for the preparation of anticorruption programmes in public bodies providing for that the programme shall:

1. contain measures for managing all identified corruption risk factors;

2. set clear, objective and measurable assessment criteria;

3. lay down a procedure for the assessment of the effectiveness of the programme.